



# **JAL REPORT 2023**

**JAL Group Integrated Report**

March 2023

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Safety and  
Peace of Mind

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

JAL  
Vision  
2030

Sustainability

Build a better  
future where  
everyone can feel  
fulfilled and  
hopeful

To become the world’s most preferred and valued airline group,  
by helping to create a vibrant society and a future  
where many people and goods freely move around



The JAL Group Corporate Policy:  
Pursue the material and intellectual growth of  
all our employees;  
-Deliver unparalleled service to our customers;  
-Increase corporate value and contribute to the  
betterment of society.


Editorial Policy

**Editorial Policy**  
The JAL Group has published JAL REPORT 2023 to inform stakeholders about our business activity outcomes in the previous financial year, our strategies for the future, and to provide an understanding of the Group's pursuit of social and economic values, and sustainable growth. This report has been collated from a wide range of both financial and nonfinancial information that the JAL Group has deemed to be of particular importance to Group management, all of which is made available on the JAL Website.

**Period covered by the report**  
Primarily April 2022 to March 2023 (FY2022)

**Scope of the report**  
This report covers 191 JAL Group companies, comprising Japan Airlines Co., Ltd., 137 subsidiaries and 53 affiliates.

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

Guidance for Collaborative Value Creation

**Date of publication** August 2023

**The JAL Website**  
[WEB https://www.jal.com/en/](https://www.jal.com/en/)  
Offers a comprehensive insight into JAL Group's business approach, activities in general, Investor Relations (IR) information and sustainability information.

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

**Products, Services, and Events**  
Some of the products, services, and events contained in this report have been suspended due to extenuating circumstances.  
For the latest information, please refer to sources such as the JAL Website.



## Message from JAL Group CEO

**By placing ESG strategy at the top of our strategy, we will create a society of safety and peace of mind and a sustainable future by solving social issues, and realizing long-term improvement in corporate value.**

**AKASAKA Yuji**  
Representative Director,  
President  
Japan Airlines Co., Ltd.  
JAL Group CEO

As the third year of the Medium Term Management Plan FY2021 to FY2025, JAL Group has formulated its Rolling Plan 2023, and placed their ESG strategy, one of the three pillars of the management strategy, as the top-tier strategy to realize JAL Vision 2030. How to achieve carbon neutrality and to secure human resources is a major issue for the airline industry. We will work together to realize our purpose to become the world's most preferred and valued airline group, by helping to create vibrant society and a future where people and goods can move around freely, and to improve our corporate value over a long term.





Looking Back on Three Years of the COVID-19 Pandemic

Thank you very much for your continued support to JAL Group. From May 2023, COVID-19 has been downgraded in the Infectious Diseases Control Law, bringing back the bright wonderful days. I am truly delighted to see the smiling faces of our customers and workers at the airport and on board our flights. We would like to express our deepest gratitude again for the tremendous support and cooperation we received from our stakeholders during the COVID-19 pandemic.

The outbreak of the COVID-19 pandemic in the early 2020s brought about the disappearance of demand, an unprecedented crisis that the airline industry had never experienced before. Amid the uncertainty of the future, we took a step forward towards the post-COVID period by formulating our Medium-Term Management Plan in May 2021 in order to unite all employees and move forward. With a great deal of their support, we had to feel our way through the darkness, our revenue recovered to pre-COVID levels last year. We were able to generate profits and pay dividends for the first time in three years. Although it is necessary to continue to respond to global risks, including the Ukrainian situation, the business performance of this fiscal year has been on track due to the further acceleration of the pent-up demand. We feel that our Medium Term Management Plan is close to achieving the target of 1.85 trillion yen or more in sales and 185 billion yen or more in EBIT in the final fiscal year of FY2025. The three-year battle against COVID-19 has been a series of hardships and challenges, but I also feel that the lessons learned have been tremendous.

First, I realized the importance of preparing of all risks. We were able to overcome this unprecedented crisis not only because of the strong financial base we had accumulated prior to COVID-19, but we also realized that this was not enough in terms of business continuity and employee motivation. We are accelerating our business structure reform to build a more resilient and sustainable business management system by diversifying our business beyond just aviation.

Next, we reaffirmed the underlying strength of the human resources gathered in the JAL Group. I saw that everyone in JAL Group practiced JAL Philosophy under the slogan "What we can do now" by taking up challenges to develop new businesses and services. Also 2,000 employees, who were relocated outside the company received high praise wherever they went and returned with great confidence. I can now believe that we have an unlimited potential in our staff. At the same time, I was keenly aware of my responsibility to make better use of these human resource capabilities.

The other realization was the deep relationship between social issues and our business. Encountering the COVID-19 pandemic, a human crisis, increased my awareness of global issues, including environmental problems. I also think that restricting the movement of people affected people's connections, which expanded further to various social problems. I felt responsible, as an airline operator, that we

For details, please see the following pages.  
p.9 Special Feature "Looking back on the COVID-19 pandemic"  
p.11 Materiality

were causing considerable environmental impact. As the COVID-19 pandemic brought travel to a standstill, as a social infrastructure, I decided to make it my business mission to solve these problems. [Figure 1]

ESG Strategy for JAL Vision 2030

In JAL Vision 2030, I am drawn to create a society with safety and peace of mind and a sustainable future towards 2030, in which many people and various goods can move around freely. With the aim of accelerating the JAL Group's initiatives for a sustainable growth towards this Vision, we have decided to review and reorient our Medium-Term Management Plan based on lessons learned from the COVID-19 pandemic into our Rolling Plan 2023. A particularly important revision is the repositioning of our ESG strategy to the top strategy in Medium Term Management Plan.

The Value of Air Transportation and Societal Connections

Originally, air transportation is essential for both people and goods. To date, we have developed air transportation as a means to achieve this goal into a safe and secure social infrastructure, thereby generating social value. Recently, we aim to improve sustainable value by realizing carbon neutrality even further. On the other hand, through the COVID-19 pandemic, the movement of people and goods created not only physical values, but also connections and permanent relationships between people and goods, which are connected to fundamental social values such as the environment, biodiversity, the local economy, and above all,

human well-being. In fact, some studies state that active people are happier. Going forward, we would like to provide the movement of people and goods as well as new social values by creating connections and relationships between people beyond their movement. We will develop new businesses other than in the aviation field to generate new revenue. We believe that the newly generated connections between people and goods can stimulate the air transport demand and lead to increased profits in the airline business.

We believe that this ESG strategy will realize the sustainability of air transportation and the improvement of corporate value. [Figure 2]

Redefining Business Objectives

We have defined four main business domains for the future and are diversifying our business by restructuring our business structure. We have redefined our business objectives in order to align our top ESG strategy with each business strategy to strongly promote our ESG strategy.

The FSC business domain aims to achieve both environmental measures and network expansion. We aim to create a more efficient fluid network not only for aviation but also for the entire transportation system by cooperating with other airlines such as oneworld alliance, other transportation modes such as railways and regional aviation, among others, while enhancing competitiveness by introducing fuel-efficient and state-of-the-art aircrafts.

The mission of the LCC business domain is to create new flows of people. We will offer easy-to-understand services especially for the younger generation, families with children,



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

Figure 1 :  
Revenue Performance and Plan

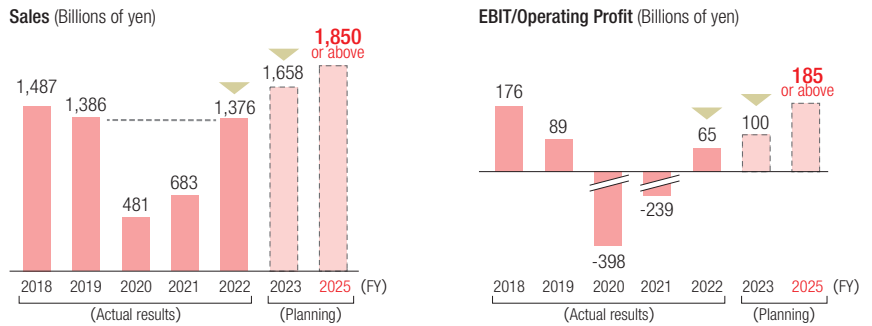
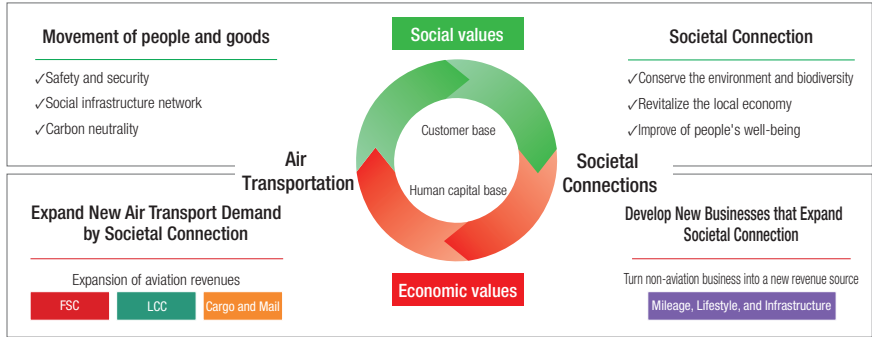


Figure 2 :  
JAL Group's Value Creation Story

For details, please see the following pages.  
p.49 ESG Strategy





and inbound passengers traveling around Japan. We also want to develop new destinations that FSC cannot cover. The Cargo and Mail business domain plays a role in connecting goods and people, and regions through high-speed transportation that leverages the strengths of aviation. In particular, we will focus on the transportation of goods that are directly connected to people's lives, such as e-commerce, medical products and pharmaceuticals, and local specialties. We will also contribute to solving logistics problems by linking with other transportation modes and using new technologies such as drones. In order to reinforce the mobility required for such meticulous cargo transportation, we will introduce new midsize cargo aircrafts. In addition to aviation, the Mileage, Lifestyle, and Infrastructure business domain will grow into a core business for creating connections between people and goods, taking advantage of the JAL Group's strengths in customer base, human resource base and brand strength. We will particularly focus on solution businesses that address serious local problems such as the declining and aging population by expanding the number of people engaged in nature, food, culture, medical care, education, and events. In the travel business, we will propose and disseminate new forms of travel, such as Adventure Tourism, that can create deeper relationships with local communities. In the Milage and Card and Retail business domains, we will offer convenient and affordable products and services other than those offered by airlines. Our 37 million JAL Mileage Bank members and four million JAL Card members can use our services in many situations other than transportation. We will also take on the challenge of stable ground handling operations at regional airports, which are important for attracting inbound demand and the regional economy, and the development of new infrastructures, such as the Drone eVTOL, which will connect daily life and is useful for disaster countermeasures. As we strive for growth in each of these four business

domains, we hope to achieve a business structure in which approximately half of our profits will be generated through LCC and Mileage, Lifestyle, and Infrastructure in FY2025. [Figure 3 and Figure 4]

For a Sustainable Air Transport

During the COVID-19 pandemic, the entire airline industry lost substantial revenue, but at the same time, the importance of air transport was acknowledged, such as being able to meet people quickly and being able to go anywhere. In order to make air transportation sustainable in the future, we currently have two major management issues. One is to realize carbon neutrality in air transportation, and the other is to secure human resources in a society with a declining population.

Toward Carbon Neutrality in the Sky

We have been working to achieve carbon neutrality in Net Zero CO<sub>2</sub> Emissions by 2050 (NZE) as one of the most important issues for the global environment. I, however, feel that the importance of this is growing day by day. In Europe, a law to replace short-haul air routes with railways came into effect, and the Japanese government's broad policy clearly states the direction of carbon neutrality in the aviation sector. One of the pillars of CO<sub>2</sub> reduction is the renewal to fuel-efficient aircrafts. In addition to the Airbus A350 and Boeing 787, which are our main fleets, we decided to introduce the Boeing 737MAX in FY2026. In all the number of aircrafts\*, the share of these advanced fuel-efficient aircrafts is expected to be more than 70 percent in FY2030, up from about 30 percent before the COVID-19 pandemic, and we will continue to steadily promote aircraft renewal. Another pillar is the use of sustainable aviation fuel or SAF. SAF is a new fuel that can reduce CO<sub>2</sub> emissions by approximately 80 percent compared to conventional aviation fuel. In FY2030, we plan to replace 10 percent of all onboard



fuel with SAF. Heretofore we have been procuring SAF from overseas as European and North American countries have been preceding Japan in the SAF production. Hereafter, we will procure domestic SAF for use in Japan. If SAF cannot be refueled at Japanese airports, overseas airlines may find it difficult to continue flights to Japan. Thus SAF in Japan is definitely essential to support our country's aviation infrastructure. At present, we are rapidly developing and manufacturing SAF in Japan in cooperation with suppliers that provide various technologies and raw materials, including the petroleum and plant industries. \*Passenger aircrafts with more than 100 seats

JAL Style Human Capital Management

The population in Japan is declining, and the time has come to reconsider how to operate conventional labor-intensive air services. In addition to strengthening our ability to secure and nurture airline personnel, we need to increase productivity and value creativity both individually and as a team. It is thus essential to reform operations to achieve the same output with fewer people by utilizing digital and new technologies and promoting automation and multi-skilling. The other important factor is diversity equity and inclusion (DEI). In our past efforts, there were many cases where creating a work environment where diverse human resources can play an active role and adding new education and experiences to the people who work there have led to the creation of novel ideas and new systems. This has led to the growth of individual employees and organizations. There are various regulations and restrictions on aviation, but if the enigmatic power of DEI can be used in workplaces such as in airports and cabins, it will lead to a significant change in aviation. I would like to add that we are on track to achieve

30 percent of female managers, one of our management targets, by FY2025. In order to further unleash the power of human resources, which is the JAL Group's greatest strength, we will actively invest in human resources such as wages, promotion, and education, while promoting human capital management by enhancing productivity and value creativity through two pillars: technology and diversity. [Figure 5]

To Conclude: Work to Further Enhance Corporate Value Based on Safety and Security

This year, exactly 120 years after the Wright brothers' first flight, we believe that the reason the aviation industry has grown through the numerous event risks is because the safety of airplanes has improved dramatically and has established as a social infrastructure. Now, as new technologies such as drones and eVTOL air mobility are being developed, and as we prepare to fly in EXPO 2025 OSAKA, KANSAI in 2025, it is of utmost importance that they will be accepted by society as safe and secure vehicles. Our mission has always been and always will be to contribute to the progress and development of society by flying safely and securely. The JAL Group will fulfill its responsibilities as a social infrastructure lifeline with a more resilient business structure. We will grow into a corporate group that further enhances the power of human resources and creates connections and relationships among people through air transportation, while thanking our customers who always warmly support us. We will work together to become "the world's most preferred and valued airline group" for all stakeholders. We look forward to your continued support.

Figure 3 : Business Objectives Redefined to Promote ESG Strategy (by Domain)

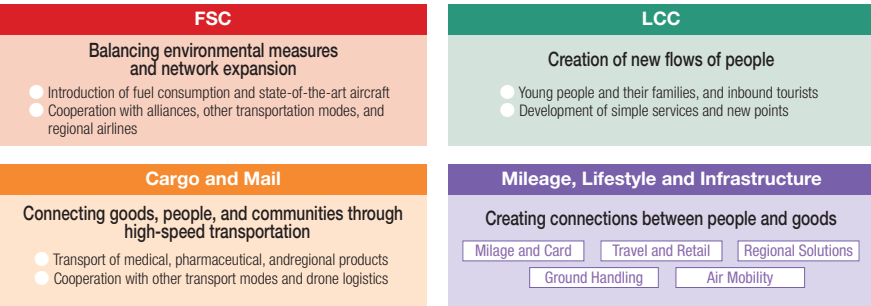


Figure 4 : Profit by Business Domain

For details, please see the following pages. p.51 Business Model Reform

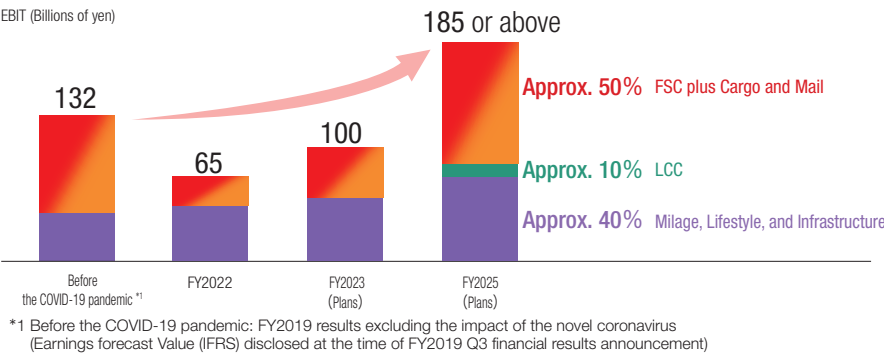
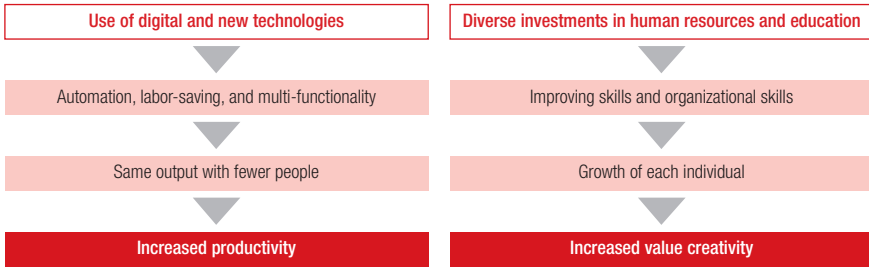


Figure 5 : JAL Style Human Capital Management





## Special Feature Looking Back on the COVID-19 Pandemic

COVID-19 has been repositioned as an infectious disease since May 2023 putting an end to the COVID-19 pandemic, which has been uncontrollable for roughly three and a half years. We can now look back and reflect on the struggle we experienced over the COVID-19 pandemic and recognize its tremendous impact. We will use our knowledge and experience gained through the pandemic to improve our resilience and enhance the sustainability of the JAL Group.

### Initiated a Crisis Management System led by the President Immediately After the Outbreak

#### ■ Enacted a BCP to Establish a Task Force to make Prompt Decisions

##### Task Force Meetings

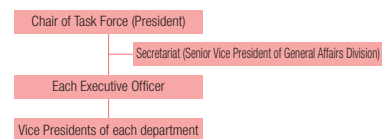
Held **152** times  
(between January 2020 to May 2023)

In January 2020, in line with the spread of the virus in Asian countries, we launched a task force headed by the President based on our Business Continuity Plan (BCP), under the emergence of an unknown virus spreading an infectious disease. Thereafter, we have held weekly meetings in the task force headquarters until May 2023 to address issues with a sense of speed and determination such as the prevention of infections among our customers and employees, our fleet plan, and improvement of the income and expenditure.



JAL Amabie JET planned and painted by our maintenance engineers

#### Task Force System



### ① Protecting Customers - For Safety and Peace of Mind

#### ■ Promote a Wide Range of Initiatives not only to Prevent the Spread of Infection, but also to Ensure Safe Travel For details of our efforts, please refer to "Safety and Peace of Mind" on p.48.

##### Improvement of Hygiene and Cleanliness

JAL SMART AIRPORT automates check-ins and baggage check-ins. Touchless sensors are installed in the check-in computers, and QR orders are installed in the lounge. Anti-viral and anti-bacterial coatings were applied in the cabin. We have worked to improve hygiene and cleanliness in order to ensure safe use everywhere.

##### Providing Support During Travel

New support services were provided, such as the mobile app VeriFLY, which provides travel documents for each country changing day by day, JAL Covid-19 Cover, which pays for medical care and other expenses in case of infection during travel, and PCR Anshin Support, which provides access to PCR tests even on miles.



The "Safety and Security Initiative" is the first in Asia to receive a double award of the world's highest rating.

##### Communication with Customers

After verifying the air circulation in the aircraft using the Fugaku supercomputer, we made efforts to make the announcement objective and easy to understand, such as asking people to wear masks. Due to the increase in inquiries about reservations and airline tickets, and the inconvenience caused by the difficulty in making telephone connections, we are working on opening new channels such as using the LINE application and strengthening our contact center.

##### Compatibility of Stronger Quarantine Systems and Convenience

To make the flow at the quarantine as smooth as possible, we worked with relevant authorities to address issues such as changing the people flow so that customers could receive enhanced measures at the border of Japan to stop the spread of infection. At Narita and Haneda airports, the JAL Group's Airport Customer Service staff took charge of the quarantine support services and made use of their experience to strengthen quarantine at the same time as providing convenience to customers.

### ② Protecting the Route Network - To Meet the Social Demands for Transportation as an Infrastructure

#### International Passengers

< Before Corona > 146.9 flights per day on 57 routes, 83.4% boarding rate (August 2019)  
➔ [the COVID-19 pandemic] 17.5 flights/day on 28 routes, 14.4% boarding rate (April 2020)

Strict immigration restrictions in each country made it necessary to avoid overnight stays for our crew. Their work and flight schedule was advertently reconsidered. While inbound traffic halted, demand for transit through Japan recovered quickly. Based on immigration regulation trends, we worked hard to capture the demand by forecasting the trend, flexibly adjusting manpower, and adjusting schedules to facilitate transit. In June 2020, ZIPAIR began operating LCC flights exclusively for cargo during a period when passenger demand was significantly declining. In June 2021, Spring Japan (currently) became a consolidated subsidiary to prepare for demand recovery.

#### Domestic Passengers

< Before Corona > 860.3 flights per day on 126 routes, 78.9% boarding rate (August 2019)  
➔ [the COVID-19 pandemic] 437.0 flights/day on 115 routes, 19.6% boarding rate (April 2020)

We worked to maintain the network to fulfill our mission as a social infrastructure for the movement of medical workers to outlying islands and other areas. On the other hand, in response to the declaration of a state of emergency in environmental changes, we flexibly reviewed flight frequencies and our fleet plan in order to secure profitability.

#### Cargo and Mail

Freight-only flight  
< Before Corona > 41 flights/year (FY2018)  
➔ [the COVID-19 pandemic] Flight 12,934/year (FY2020)

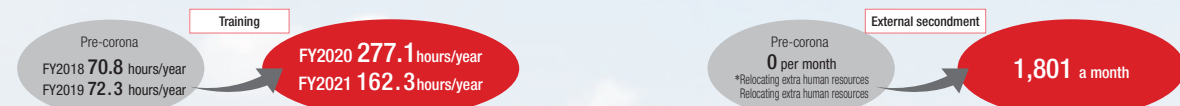
Disruptions in shipping and a sharp decline in supply from passenger services led to tighter supply and demand, as well as new demand for vaccine shipments and home deliveries. In response to this, we expanded our capacity to meet the demand by operating freight-only flights by ZIPAIR, a newly established LCC, and by utilizing freight-only aircraft from other companies. We were able to realize high-quality transportation utilizing our know-how.

### ③ Protecting the JAL Group - To Expand Our Customer Base by Maintaining and Strengthening Our Human Resources and Financial Base in Preparation for a Pent-up Demand

#### ■ Human Capital: Maintaining and Strengthening Human Resources Base who can Transform to Face the Challenges in Creating New and Diverse Values

Monthly flight hours per cabin attendant < Before Corona > 71.8 hours/month (May 2019) ➔ [the COVID-19 pandemic] 8.3 hours/month (May 2020)

Although the number of flights decreased significantly due to the sharp decline in the volume of operations, our top priority was to protect the employment of our human resources, the most important capital in the JAL Group. We worked to maintain and improve the knowledge, skills, and motivation of our employees working in the frontline to be prepared for the pent-up demand when the COVID-19 pandemic subsided. In order to secure employment, while retaining our dignity, our employees were relocated to other regions and companies. We also made use of the public support framework, such as employment adjustment subsidies, by providing training programs to nurture our human resources. In addition, JALUX, a core non-airline subsidiary, helped expand our customer base. Going forward, regarding our human capital management, we will further enhance the potential of employees who have developed skills through training and relocation. We will also promote corporate restructuring by shifting our human resources from FSC business to future growth areas.



With the use of an online conference system, we have advanced the acquisition of new knowledge and skills that cannot be acquired through work alone.  
[Training contents (one example)] Safety/Service/Language/Management Planning/financial results/Knowledge of other types of work/Laws/Cross-cultural understanding/Information systems/Health management, and the like

After confirming their intentions, including an open recruitment process, employees from the airport department, including cabin attendants, were relocated to various fields to acquire new knowledge and values.  
[Relocated areas (examples)] City Hall/Town Hall/car dealers/delivery distribution centers/ customer contact centers/telecommunications companies/integrated construction companies, to name a few. About 140 companies

#### Consolidated Employees

FY2019 to 35,653

➔ FY2022 end 36,039 \*Including LCC and non-airline domains.

#### Voice



NISHIDA Shingo  
President, Representative Director  
ZIPAIR Tokyo

#### An Unusual Case Among LCCs- ZIPAIR Sets the Stage for Early Profitability by Launching Freight-only Flights

The COVID-19 pandemic occurred when Japan's first medium and long haul LCC-ZIPAIR was preparing to start operations. For this reason, the Bangkok Line, which opened in June, and the Seoul Line, which opened in September 2020, launched as a freight-only flight. This was unusual for an LCC as its business is to generate profits with high passenger boarding rates. Being a freight-only flight was considered when we wondered what we could do to help society at that time. ZIPAIR is now responding to the demand recovery period through a total of six routes (8 routes as of August 2023), which operated during the COVID-19 pandemic. As a result, ZIPAIR achieved profits in FY2022.

#### ■ Financial Capital: Aglie Financing and Strong Financial Base/Aircraft Renewal for CO<sub>2</sub> Reduction During the COVID-19 Pandemic

#### Operating cash flows

(Before corona) About 300 billion yen/year ➔ [the COVID-19 pandemic] Approx. ▼ 200 billion yen/year (FY2020)

Interest-bearing debt  
Approx. 460 billion yen

Increase in Committed credit lines  
+250 billion yen  
(Maximum Amount during the Period)

Public Offering  
Approx. 180 billion yen

Hybrid Finance  
350 billion yen

Equity ratio  
End of FY2022 39.3%  
(For Rating Evaluation)

\*Financing from FY2019 Q4 to FY2022

To reduce cash outflows, we immediately and thoroughly reduced all costs throughout the company (p.21). As a financial response, we flexibly secured liquidity on hand in a short period of time while recapitalizing our equity ratio, which indicates the soundness of our financial base, decreased from 57.4 percent at the end of FY2018, but remained at a sound level of 39.3 percent (based on the rating assessment). We will continue to rebuild a strong and risk-tolerant financial base.

Introduction of Airbus A350 **11** aircraft  
(FY2019 Q4 -FY2022)

Introduction of Boeing 787 **6** aircraft  
(FY2019 Q4 -FY2022)

Despite the difficult financial situation, we quickly made the necessary investments to achieve post-COVID-19 pandemic recovery and further growth. In particular, the renewal to fuel-efficient aircraft has been carried out as planned before the COVID-19 pandemic, which has led to a reduction in CO<sub>2</sub> emissions and an improvement in preferences and has ensured a production system that can respond to the rapid recovery of demand.

CO<sub>2</sub> emissions ▼15 to 25% (compared to conventional models)

#### Voice



KIKUYAMA Hideki  
Senior Vice President of Finance and Accounting  
(As of FY2019 to FY2022)

#### Funding Based on Decisions and Measures from Lessons Learnt from our Past Bankruptcy

Around February 2020, when international flight demands were lapsing, we raised funds with interest bearing debt for one year after experiencing flight demand after SARS returned in six months. However, we prepared for a prolonged risk impact for another year after the state of emergency was declared. By taking advantage of our financial position, we devised an equity story that would satisfy investors and undertook a public offering. From a management, perspective, it was absolutely unacceptable not to procure adequate funds when possible because of a change in environment and end up facing the risk of being short of funds. As the timing was feasible, we continued to procure funds through hybrid financing.



1. Materiality

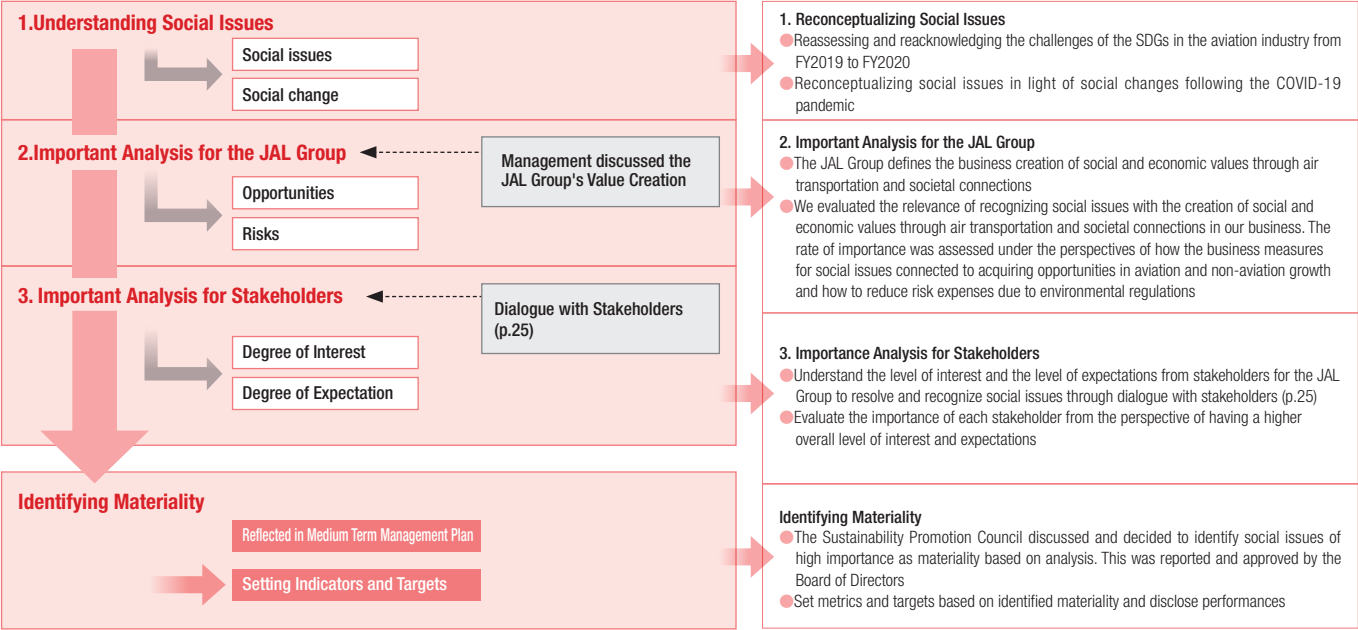
The JAL Group positioned its ESG strategy at the topmost of the JAL Group Medium-Term Management Plan Rolling Plan 2023 and reviewed its materiality to create social and economic value and solve social issues through air transportation and societal connections generated by its business.

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"><li>Regional Revitalization [+10% compared to domestic total passengers FY2019] <b>Management target</b></li><li>Inbound expansion [1,505,000 inbound tourists to Japan using domestic flights]</li><li>Expansion of regional product distribution [Domestic cargo volume +10% compared to FY2019] <b>Management target</b></li></ul>	<ul style="list-style-type: none"><li>Expansion of air travel and total passengers [+10% compared to domestic total passengers FY2019] <b>Management target</b></li><li>[1,505,000 inbound tourists to Japan using domestic flights]</li><li>Increase in transportation of local products [Domestic cargo volume +10% compared to FY2019] <b>Management target</b></li><li>Increase in contracted number of flights [128,000 flights operated by customer airlines]</li><li>Increase in the number of partnership municipalities related to travel [JAL Wellness and Travel 10 Municipalities in Partnership]</li><li>Expansion of mile life service users [There are 810,000 Dokokani mile users Development of subscription-type travel products 250% compared to FY2022]</li></ul>	
Regional Revitalization	Bring prosperity and vitality to the community	<ul style="list-style-type: none"><li>Promotion of new tourism [JAL Wellness and Travel 10 Municipalities in partnership]</li><li>Promotion of research with outside parties [200 Workstyle Research Members]</li></ul>		
Fulfilled Hearts	Enhance happiness and cultivate affluent life through free movement and connection of goods and people	<ul style="list-style-type: none"><li>Respect for human rights [Implementation rate of human rights due diligence 100%]</li><li>Barrier-Free and Stress-Free [2.5 times the FY2019 boarding rate for customers who find it difficult to travel]</li></ul>	<ul style="list-style-type: none"><li>Expansion of air travel in total passengers [2.5 times the FY2019 boarding rate for customers who find it difficult to travel]</li></ul>	
Resilience through Diversity	Build a diverse society in which people, cultures, values, and modes of behavior are respected and new values are created			
Safe and Secure Society	Create, develop, and protect a safe infrastructure of the skies	<ul style="list-style-type: none"><li>Building a foundation for next-generation air mobility [FY2023 drone logistics business, FY2025 eVTOL business]</li></ul>	<ul style="list-style-type: none"><li>Commercialization of air mobility services [FY2023 drone logistics business, FY2025 eVTOL business]</li></ul>	
Aviation Infrastructure	Pass on the basis of sustainable air transport to the future	<ul style="list-style-type: none"><li>Maintenance and expansion of aviation and logistics networks [More than 65 domestic entry points including code share]</li></ul>	<ul style="list-style-type: none"><li>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] <b>Management target</b></li></ul>	
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"><li>Reduction of CO<sub>2</sub> emissions [Scope 1 Emissions &lt; below 9.09 million t (FY2019)] <b>Management target</b></li><li>Conservation of biodiversity [1,000 colonies of sexually reproducing corals by 2026]</li><li>Reduction of single-use plastics <b>Management target</b> [Cabin Lounge: Total elimination of new petroleum derived products] [cargo and airport: 100% change to environmentally friendly materials]</li></ul>	<ul style="list-style-type: none"><li>Expansion of air travel in total passengers [+10% compared to domestic total passengers v.s. FY2019] <b>Management target</b></li><li>Expansion of commerce [15 companies strengthen planning and sales of recycled products in cooperation with companies outside the JAL Group]</li></ul>	
Human Capital	Enhance capacity for value creation and productivity of all JAL Group employees	<ul style="list-style-type: none"><li>Improving the ability to create social value [Highly engaged employees percentage 64.4%]</li><li>Promotion of DEI [Ratio of women in management 30%] <b>Management target</b></li></ul>	<ul style="list-style-type: none"><li>Improving the ability to create economic value [+15% per capita sales v.s. FY2019]</li><li>Promoting DEI [Ratio of women in management 30%] <b>Management target</b></li></ul>	

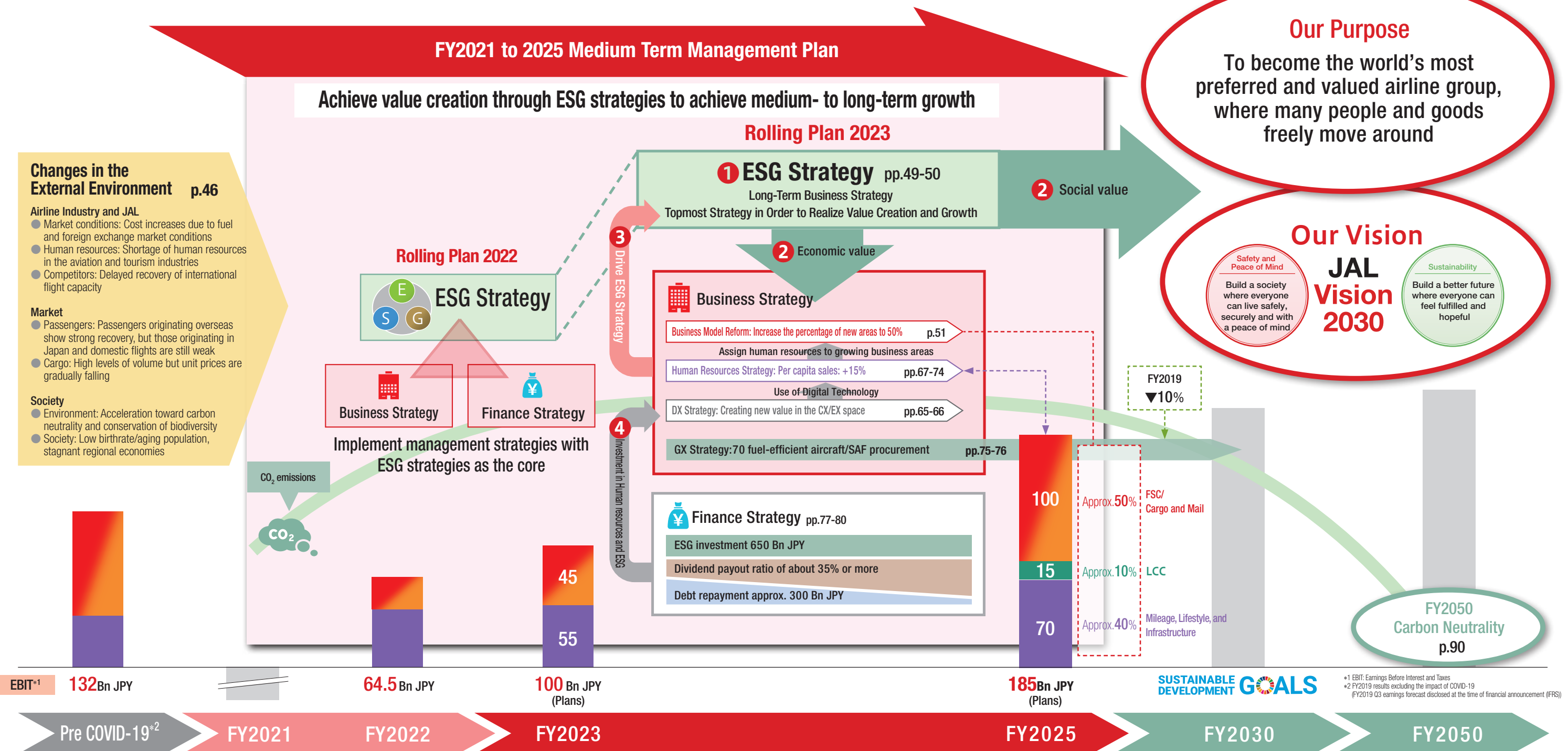
Please see pp.85-88 for more information on "metrics and targets."

## 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.

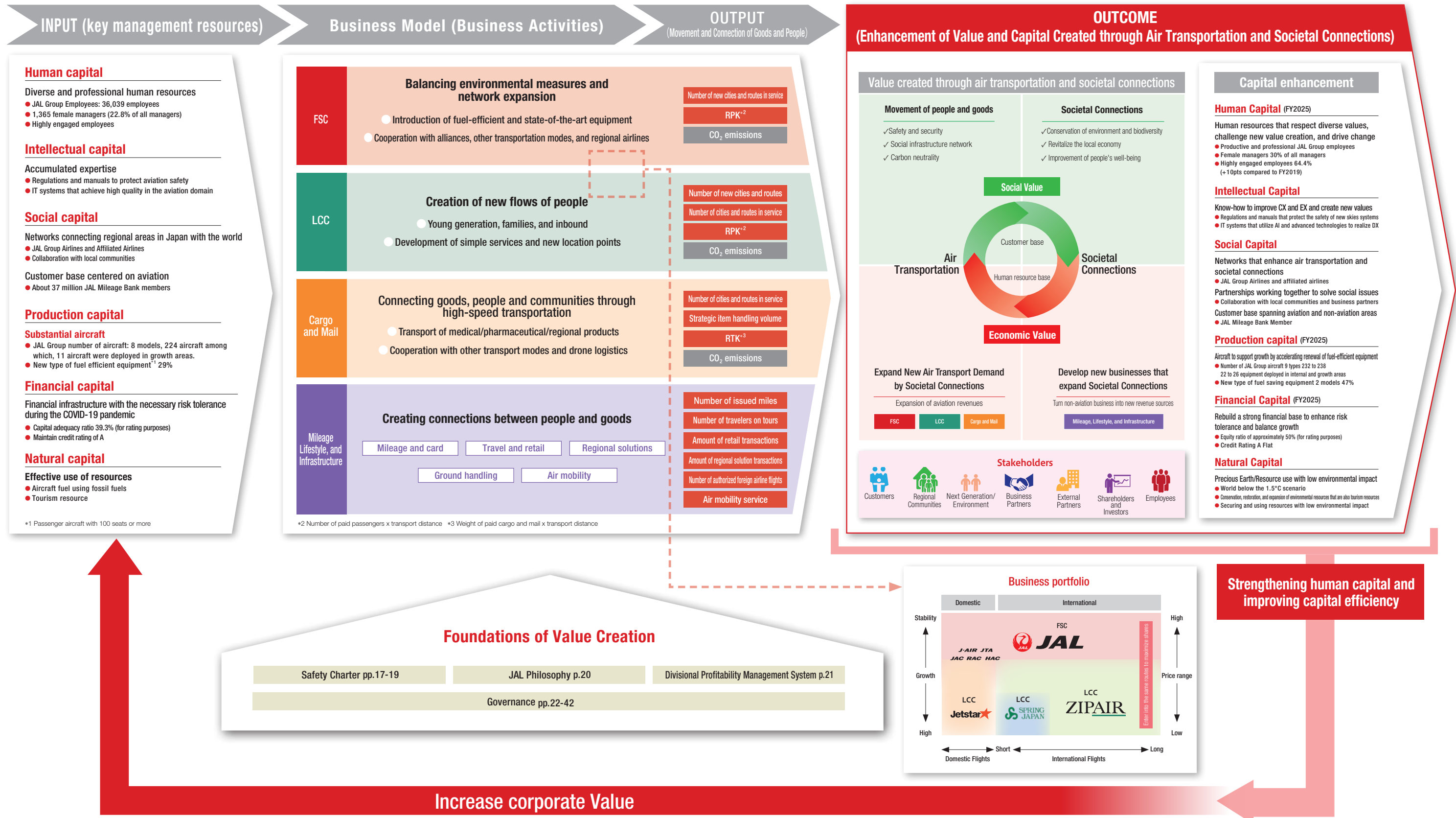




# 3.JAL Group's Value Creation Process

## Solving Social Issues and Enhancing Sustainable Corporate Value

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.

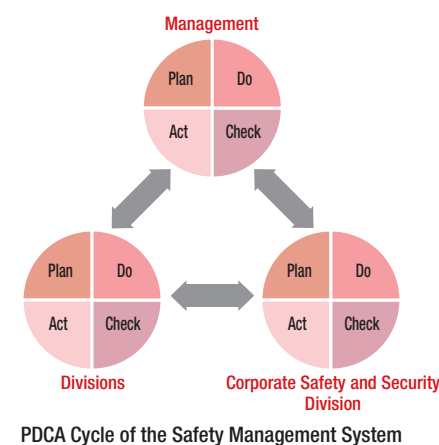
This is the commitment and basic foundation of business continuity for the JAL Group. We take to heart our mission and responsibility as safety professionals to ensure a safe operation on every flight with the best of our knowledge, skills and abilities.

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](https://www.jal.com/en/safety/safety_system/#system)

#### ■ Implementation of the Safety Management System (PDCA cycle)

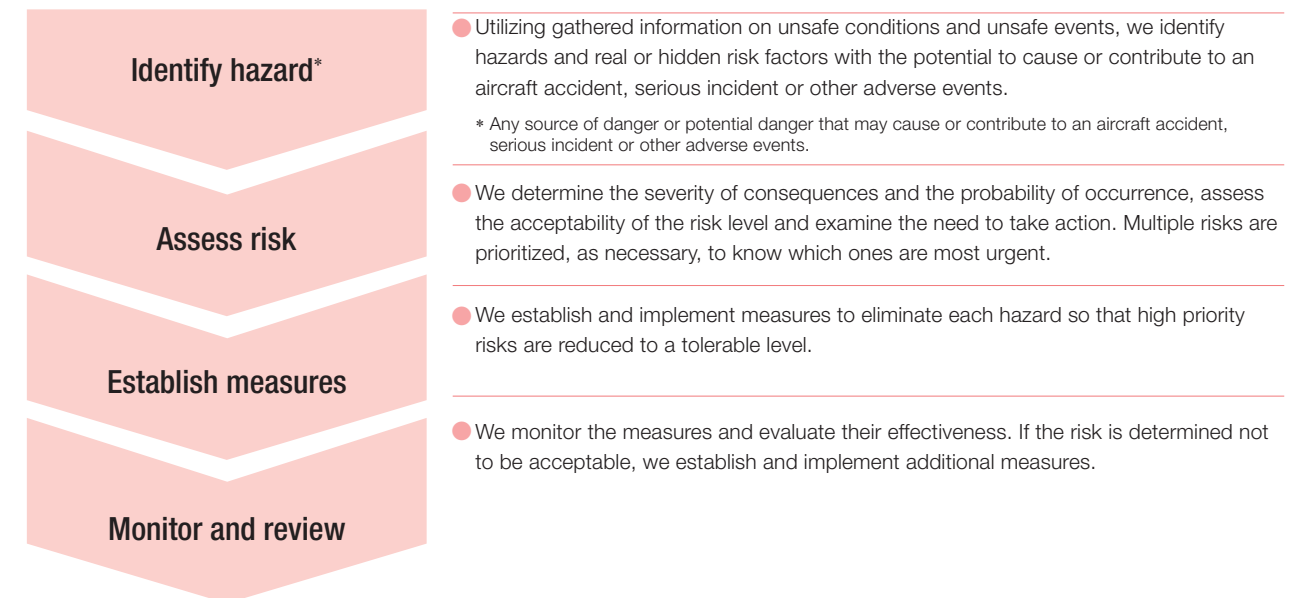
##### ▶ Safety risk management

##### 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.



##### ▶ 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.



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	

▶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.

(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.

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.

### (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.





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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.

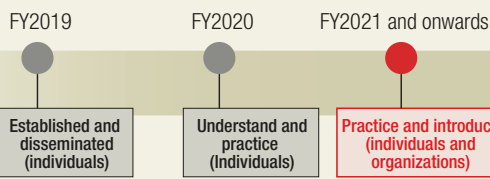
■ Number of Violations of the Code of Conduct in FY2022

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.

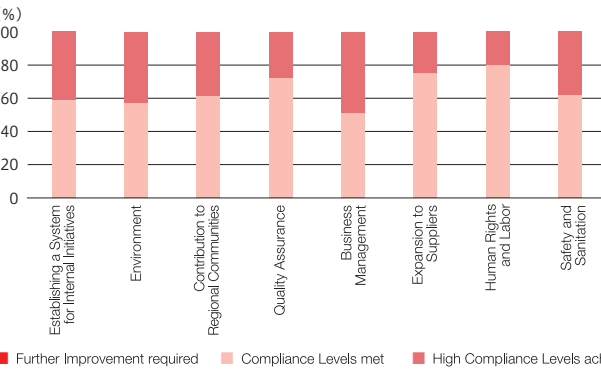
In addition to quality, price, and delivery dates, we will continue to evaluate sustainability through SAQ and other means and promote responsible procurement activities to achieve the SDGs.

\*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](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 CO<sub>2</sub> 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.

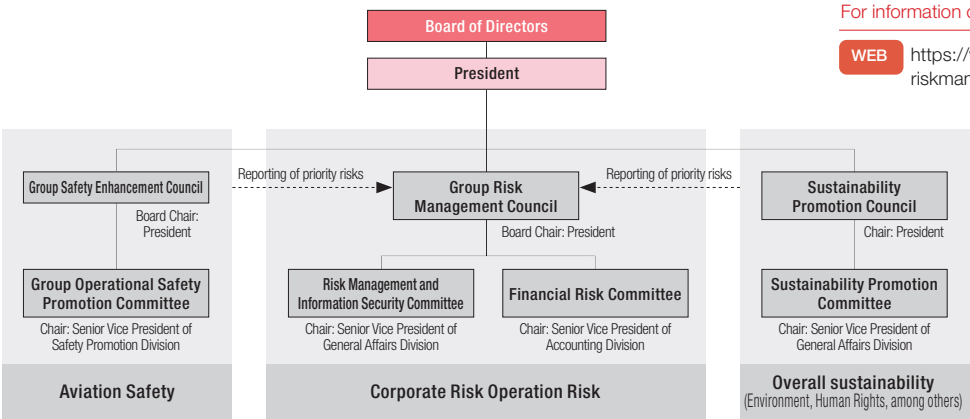
WEB <https://www.jal.com/en/investor/risk/>

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.



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

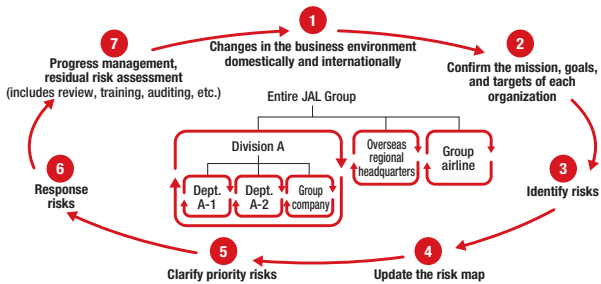
(i) Implementation of the risk management cycle

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<sup>\*1</sup> and Aviation ISAC<sup>\*2</sup> 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

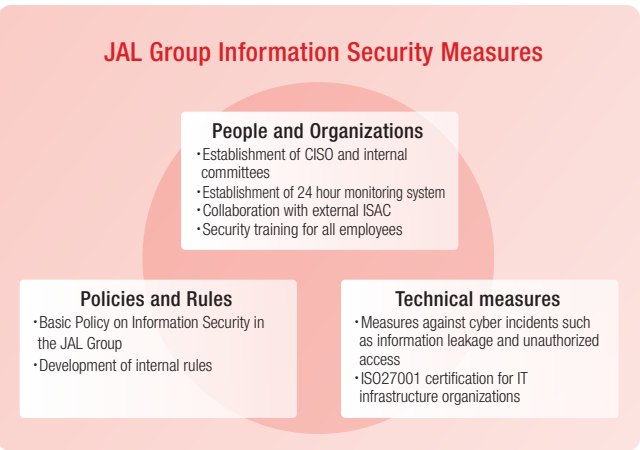
Contribute to Fostering a Security Culture

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"><li>•The person in charge (leader of organization where the risk has occurred) responds by assembling people deemed necessary.</li><li>•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.</li></ul>
Level II	Response the special committee
	<ul style="list-style-type: none"><li>•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.</li></ul>
Level III	Response the command office
	<ul style="list-style-type: none"><li>•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.</li></ul>



■ 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.

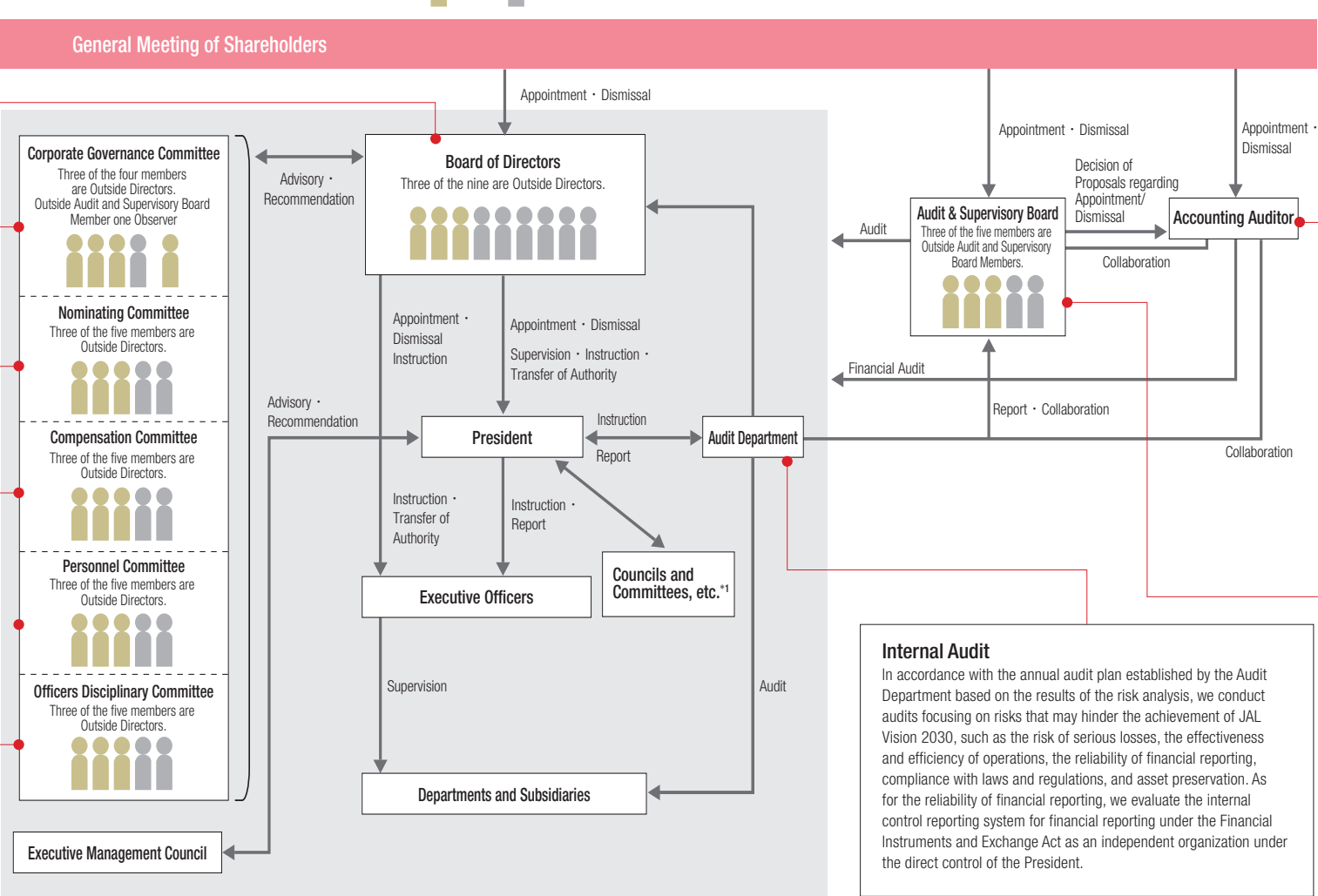
Corporate Governance Committee | Held twice in FY2021

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.

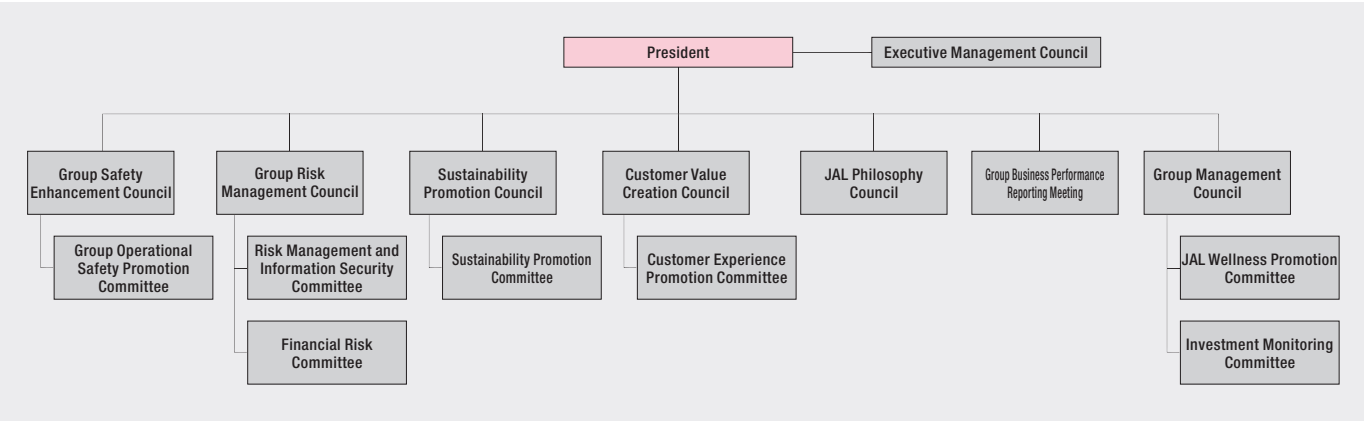
Internal Audit

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			■FY2017 • Compliance with all principles of the Corporate Governance Code	■FY2021 • Compliance with all principles of the (revised) Corporate Governance Code	
Improving board effectiveness		■FY2015 • Started Board Effectiveness Assessment	■FY2017 • Commenced Board Effectiveness Assessment using a third party	■FY2019 • Strengthened the risk management meeting body	■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

					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	Attendance 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

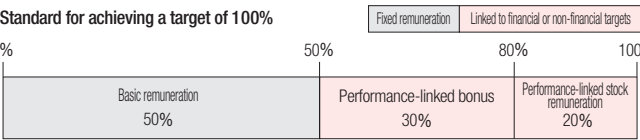
Basic Policy

- 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 <sup>*1</sup>					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 <sup>*2</sup>				
Performance indicators and percentages	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
	EBIT (50%)		Individual Performance Evaluation <sup>*3</sup> (20%)			TSR <sup>*4</sup> (25%)		ROIC <sup>*5</sup> (25%)		ESG <sup>*6</sup> (25%)
Performance evaluation period	One year					Three years				

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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												
FY2022	Challenges	Strengthened supervision of sustainability issues and business structural reforms is needed									Evaluation <ul style="list-style-type: none"><li>• We confirm that we conduct free and open discussions respecting the opinions of outside directors while being audited by Audit and Supervisory Board Members on the execution of duties.</li><li>• In addition to actively providing information to outside directors, we also ensure that there is high accessibility to information, and we confirm that outside directors fulfill their roles appropriately.</li></ul>		
	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 <sub>2</sub> emissions and steady progress in addressing other issues			Review progress by business area			Review issues and direction of efforts					
	Continuing challenge												
	Medium- and long-term strategy									Operation			
	Sustainability			Business model reform			Human capital			DX			
FY2023	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.		
	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>

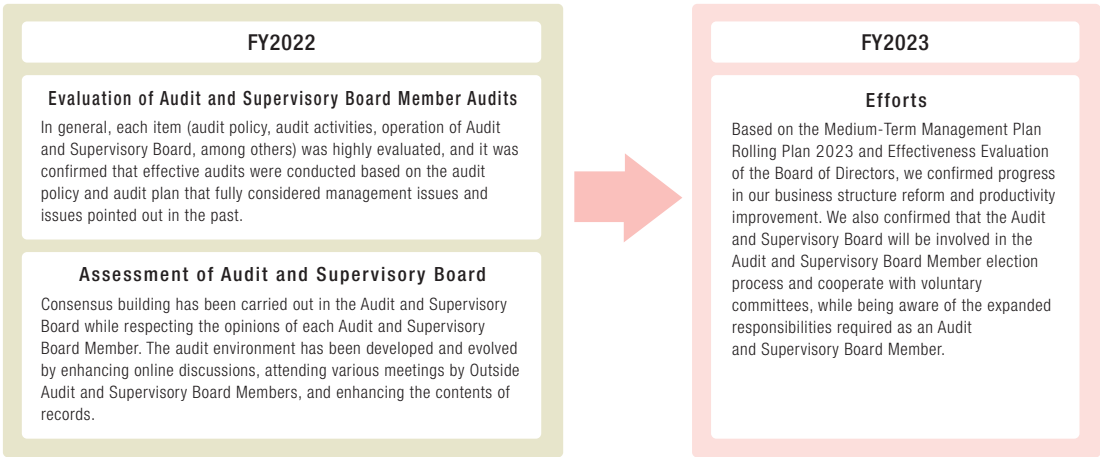
Main Agenda Items Discussed by the Board of Directors

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

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

(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.

<b>【Audit】</b> <ul style="list-style-type: none"><li>● Formulation of audit policies and plans</li><li>● Report on Audit Activities and Audit and Supervisory Board Member Report Committee</li><li>● Checking Risk Management Status</li><li>● Investigation of proposals and documents for the General Meeting of Shareholders</li><li>● Formulation of audit reports</li></ul>	<b>【Cooperation】</b> <ul style="list-style-type: none"><li>● Resolution on reappointment of financial auditor and remuneration's consent</li><li>● Prior Understanding of Non-Guaranteed Business by Accounting Auditors</li><li>● Review of KAM</li><li>● Management interview</li><li>● Review of the consolidated report</li><li>● Verifying the EMS Audit</li></ul>	<b>【Remuneration of Self-Assessment】</b> <ul style="list-style-type: none"><li>● Resolution on Audit and Supervisory Board Member's Individual remuneration</li><li>● Audit and Supervisory Board Member Questionnaire Survey (Evaluation of Effectiveness Evaluation)</li></ul>
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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 CO<sub>2</sub> 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-O-2 operation started
- 1960: DC-8 operation started (left photo)
- 1970: Launch of jumbo jet Boeing 747 (right photo)



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)



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



- 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



IT system

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



- 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



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



- 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

Customer Base

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



- 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



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)



- 1990: Launched the (former) JAL Foundation
- 1991: Launched the Atmospheric Observation & Monitoring Project at the (former) JAL Foundation (periodic observation started in 1993).
- 1994: Launch of a reservation center for priority guests
- 2009: World's first test flight using biojet fuel

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



- 1987: Full privatization
- 2002: Japan Airlines and Japan Air System integrate management Established the Corporate Policy, Safety Charter and Code of Conduct



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

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



1. Overall Strategy —Realize Value Creation through ESG Strategies for Medium-to Long-term Growth—

The Medium Term Management Plan will place ESG strategies at the top of its management strategy to create new social values such as the sustainable flow of people, goods, and distribution channels. We aim for medium- to long-term growth by focusing on solving social issues in Japan and other countries around the world through "air transportation" and "connection."

►Medium Term Management Plan Rolling Plan  
Based on the results of the first two years of the FY2021 to FY2025 Medium Term Management Plan and environmental changes, we revised and materialized specific strategies and plans for the three years to FY2025, and formulated the Rolling Plan 2023.  
While the COVID-19 pandemic is coming to an end, new challenges have emerged, including changes in geopolitical conditions, global price increases, and a shortage of human resources.  
In response to these changes in the business environment, we will achieve our Medium-Term Management Plan by steadily implementing our ESG strategy, which is the top strategy for achieving growth, in order to shift from "recovery and stability" to "growth."

►Creating Values through air transportation and Connection  
As an important social infrastructure, air transportation provided by the JAL Group has created social and economic values as a "safe and secure" means of transportation through which many people and various goods can freely move around.  
Air transportation is both a means of transportation and a source of societal connection.  
Through this "connection," we contribute to the well-being of people and the well-being of society, as well as revitalizing local communities.

See pp.49-50 ESG Strategy for details.

The importance of enhancing sustainability in society was reacknowledged with the experience of the COVID-19 pandemic.  
People who have a continuous and diverse relationship with a particular region are called "related populations".  
In a society with a declining population, the sustainability of the region depends on how to stimulate interacting community.  
It is our role to address the interests of the local area to people, to have them engage with the area through experiences, and create "connections" between the people and area. We also have the role to create a purpose for this movement.  
For example, rather than having one hundred visitors visit the area once, we should deepen the connection with people and the area by having ten people visit the same area ten times.  
With the end of the COVID-19 pandemic, traveling restrictions has been

relaxed traveling lifting, we will work across sectors and occupations to create connections through air transportation.  
In order to keep air transport sustainable, it is essential to reduce environmental impact.  
We will promote the GX strategy and work toward carbon neutrality and biodiversity conservation towards 2050.

►Making the most of human resources to create connections  
As a business strategy to promote ESG strategies, we will promote business model reform, DX strategy, human resources strategies (human capital management), and GX strategies.  
Among them, we believe that human resources strategies (human capital management) are particularly an important driver.  
The JAL Group, a provider of social infrastructure, is a group of human resources with a strong sense of contribution by creating the JAL Group's value of air transportation and connection.  
Each employee understands and derives ideas based on the vision of creating "connections" outlined in the Rolling Plan 2023 and creates new values to create connections.  
To achieve this, it is important for each employee to create new values, challenge the creation of medium- to long-term values, and transform and grow as a human resource, with aspirations.  
More than 20 internal dialogues have been conducted since the publication of the Rolling Plan 2023.  
We received an enthusiastic response from many employees who mentioned their satisfaction with the value of air transportation and connection.  
And one of the keywords when creating new values is diversity.  
We believe that the promotion of diversity, equity and inclusion (DEI), in which diverse human resources are accepted and recognized and can play an active role, will lead to new value creation.  
Creating innovation and social change requires highly motivated human resources.  
We will adopt a more dynamic system for the utilization and promotion of human resources by providing a work environment in which the human resource performance of the JAL Group can be maximized to evaluate our efforts in creating value.  
At the same time, we will support the growth of our employees so that they can build their own careers autonomously. We will also promote measures to increase engagement and advance their careers by providing them with the necessary means of reskilling.

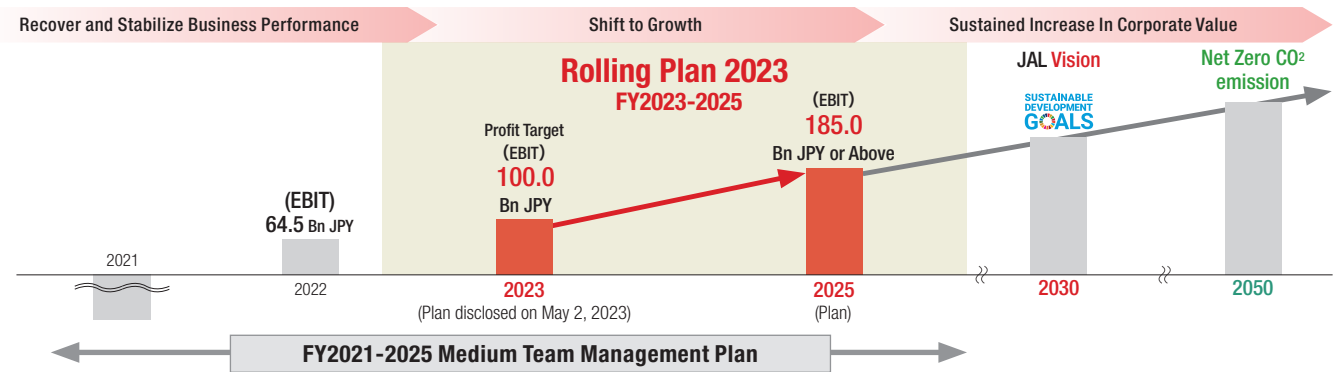
►Promoting capital efficiency with capital costs in mind  
In terms of finance to support these efforts, we will strive to improve capital efficiency while keeping in mind the cost of capital.  
In FY2025, we raised shareholder's equity ratio (based on credit rating evaluation) from 39.3 percent to about 50 percent, and set the ROIC target at 9 percent and ROE at 10 percent or more by surpassing cost of shareholders' equity.  
As we grow by creating new values, we will enhance capital efficiency while strengthening our financial base.  
We are also considering the introduction of a new investment efficiency index, "Sustainable ROIC" (tentative name), which takes social values into consideration.  
By visualizing the value of ESG strategies, one of our goals is performance and capital efficiency. This takes into account not only the increase in corporate profits and cash, but also the increase in social values delivered through our business.  
The JAL Group aims to realize "a vibrant society and a future where many people and goods freely move around," as set forth in JAL Vision 2030, which aims to create a safe, secure and with peace of mind society and a sustainable future.  
As an officer in charge, I will contribute to the growth of the JAL Group by striving to gain the understanding and support of our stakeholders and by quantifying and visualizing the social value that the JAL Group brings, such as well-being, productivity, innovation, and regional revitalization through air transportation and connection.

\*Sales and EBIT by business area described in this Chapter are calculated using a simplified method for internal management and are not sales and profit by business segment.  
In addition, there is no one-to-one correspondence between air transportation business segment and other business areas.



SAITO Yuji  
Director Senior Managing Executive Officer  
Senior Vice President of Corporate Strategy and Planning  
Chief Financial Officer

Timeline

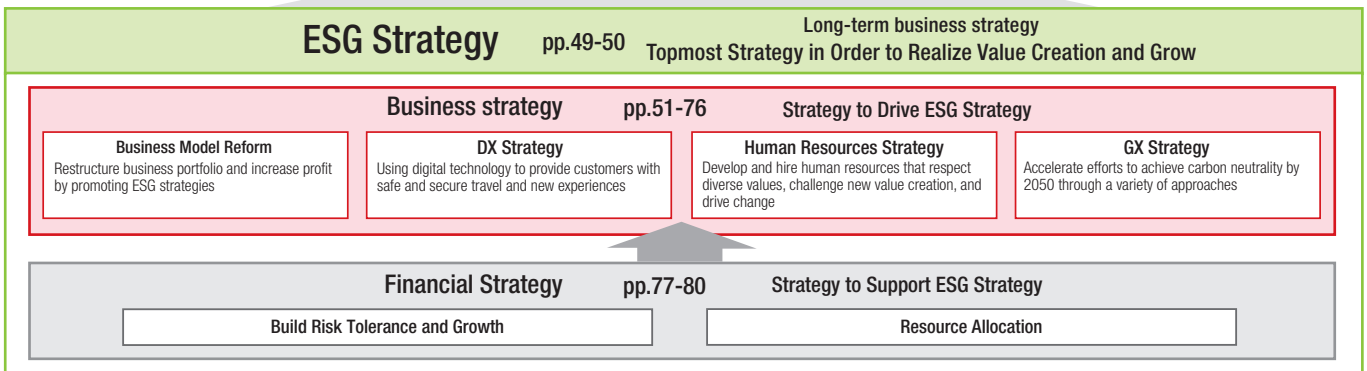


Outline of Environmental Awareness and Strategy

As of May 2023 (Medium-Term Management Plan Rolling Plan 2023)

Politics	Economy	Society and the Environment	Technology
<ul style="list-style-type: none"><li>Digitalization and regional revitalization</li><li>Economic reconstruction by promoting Japan as a tourism-oriented nation</li><li>Heightened environmental regulations such as greenhouse gas control</li></ul>	<ul style="list-style-type: none"><li>Centralization to decentralization and multipolarization</li><li>Fluctuations in fuel and foreign exchange market conditions</li><li>Recovery from the COVID-19 pandemic</li><li>Urban and regional disparities</li></ul>	<ul style="list-style-type: none"><li>Transition to a resilient society</li><li>A move from "mass" to "personal"</li><li>Accelerating the movement toward carbon neutrality and biodiversity conservation</li><li>World population growth and decline in Japan</li><li>Shortage of human resources in the aviation and tourism industries</li><li>Delay in recovery of international supplies</li></ul>	<ul style="list-style-type: none"><li>Digital acceleration and integration with the real world</li><li>Business model transformation with DX</li><li>Non-face-to-face touchless services to become a norm</li></ul>
<b>Main Opportunities</b> Demand: ✓Increased demand for domestic flights ✓Increase in inbound traffic	<b>Main Opportunities</b> Demand: ✓Generation of new demand due to changes in consumer and business behaviors ✓Air transport demand recovers from the COVID-19 pandemic	<b>Main Opportunities</b> Preference: ✓Improve customer preference by addressing needs Demand: ✓Securing and creating demand by maintaining and expanding route networks	<b>Main Opportunities</b> Productivity: ✓Increased productivity Demand: ✓Creating new business models
<b>Major Risks</b> Demand: ✓Decrease in air transport demand due to digitalization Cost: ✓Increased costs associated with environmental regulations	<b>Major Risks</b> Demand: ✓Decrease in passenger demand on local routes Cost: ✓Rapid fluctuations in freight demand	<b>Major Risks</b> Demand: ✓Slower growth in air transport demand due to modal shift ✓Decrease in passenger demand on local routes ✓Difficulty maintaining production system	<b>Major Risks</b> Preference: ✓Loss of competitiveness due to obsolescence Demand: ✓Obsolete existing business

Achieve value creation through ESG strategies to achieve medium- to long-term growth



Amid the end of the COVID-19 pandemic, passenger demand originating in Japan and domestic flights are still weak, and the recovery in flights originating overseas exceeds expectations.  
Costs have increased due to the continued high prices in jet fuel market prices and foreign exchange trends.  
The movement toward carbon neutrality and biodiversity conservation is accelerating.  
Looking ahead to FY2025, although costs will remain high, passenger demand is expected to recover steadily, and a tight demand-supply environment is expected.  
We will position our ESG strategy as the top strategy for realizing value creation and growth and will shift to a medium- to long-term growth strategy with value creation as the starting point. We will aim to achieve our management targets by steadily implementing our business actions and financial plans to promote our ESG strategy.



Management Targets —Work Steadily Towards their Achievement by FY2025—

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

FY2025 Targets			FY2022 Results
Peace of Mind	Safety	Aircraft Accidents and Serious Incidents 0 (during the entire period of the Medium-Term Management Plan)	3 cases
	Peace of Mind	NPS*1 +4.0pt (FSC international/domestic)	Domestic +3.0pt international -3.3pt
Sustainability	Environment	CO <sub>2</sub> Emission Reduction total emissions: below 9.09 million tons	819 million tons
		Reduction of Single-use Plastic Cabin and Lounge: No use of virgin petroleum-based plastic	45% abolished
	Communities	Cargo and Airports: 100% switch to eco-friendly materials	91% change
		Domestic Passenger*2 and Cargo transport volume +10% vs FY2019	Passengers -15% Cargo -17%
Finance	People	Group Female Manager Ratio 30%	22.8% (as of March 31, 2023)
	EBIT Margin	Achieve 10% or Higher	4.7%
	ROIC (Return on Invested Capital)	9%	3.3%
Finance	EPS (Earnings Per Share)	c. ¥290 level	¥79

\*1 Net Promoter Score: Objective indicator of customer satisfaction (compared to beginning FY2021)  
\*2 Increase in passenger count between metropolitan and rural areas by stimulating tourism demand and creating new flows etc. AIM to improve Total Shareholder Return (TSR)

Safety and Security	FY2025 Targets	Achieve a clean record free of aircraft accidents and serious incidents during the period covering the medium term plan, and create a comfortable world-class customer experience that provides peace of mind in all settings.
	FY2022 Results	<b>Safety:</b> We fell short of our target due to three aircraft accidents that caused injury to persons on board from the shaking of the aircraft. In response, we stepped up measures to prevent injury caused by the shaking of the aircraft to protect the safety of our assengers and crew members. <b>Peace of Mind:</b> Human services at airports and in the cabin were highly rated, but there were challenges in dealing with service changes due to COVID-19 and congestion due to rapid demand recovery, and we will make improvements this fiscal year.  See p.48 for our efforts to achieve safety and security goals.
Sustainability	FY2025 Targets	We have set targets in four social topics that the JAL Group address as important issues.
	FY2022 Results	<b>Environment</b> : The reduction of CO <sub>2</sub> emissions and single-use plastics emissions is expected to be the target for FY2025. <b>Community</b> : Due to the prolonged impact of the COVID-19 pandemic, the volume of transportation decreased compared to FY2019. <b>People</b> : Ratio of female managers rose 0.9 points to 22.8% from FY2021. We are working to achieve our 2025 target of 30%.  See pp.81-110 for information on sustainability initiatives.
Finance	FY2025 Targets	We will achieve the level before the COVID-19 pandemic in each indicator. The indicators in FY2023 maintain and improve them thereafter. In particular, we aim to achieve Earnings Per Share (EPS) to counteract the stock dilution caused by the public offering in November 2020.
	FY2022 Results	EBIT for the full year was 64.5 billion yen, which achieved profitability. In terms of EBIT margin, ROIC and EPS, we aim to achieve these targets in FY2025 while simultaneously strengthening risk tolerance and achieving sustainable growth.  See pp.77-80 for our efforts to achieve our financial goals.

Safety and Security —Accelerate Efforts to Realize JAL Vision 2030—

The JAL Group aims to realize a safe and secure society by deepening the layers of safety as a leading safety company. We aim to realize JAL Vision 2030 by focusing on the sustainable development of our human resources, the final stronghold to protect safety and the driving force for value creation. We also addresses various environmental changes issues surrounding aviation and upgrades fight safety using digital technology.

Environmental Changes Surrounding Safety and Security

Internal Environmental Changes

Top ESG Strategies

- Promotion of ESG-based management strategies
- Progress in business model reform (expansion of business areas)

External Environmental Changes

Global Risk and Technology

- Diversification and manifestation of global risks
- Development and penetration of digital technologies

Development of Safety Personnel

Response to Environmental Changes

Use of Digital Technology and Information

Recognition and Award from Outside Parties

JAL is the only Japanese airline to be certified as APEX \*1 "WORLD CLASS" for two consecutive years following 2021. APEX "WORLD CLASS" is an award established in 2021 to evaluate airlines in the post-COVID-19 era, and only airlines that provide high-quality services in line with these new values have been selected due to growing interest in sustainability, safety and security, and well-being. For the sixth consecutive year, SKYTRAX \*2 has recognized us as a "5 Star" airline that provides the highest quality in the world, and we are recognized for our staff's consistent knowledge of products, services and safety from the airport to the cabin.

\*1 The Airline Passenger Experience Association (APEX) is based in North America and is one of the world's largest airline industry associations.  
\*2 SKYTRAX is an international air transport rating organization based in the U.K.

Creating a Safe Environment

During the COVID-19 pandemic, to ensure cleanliness, the JAL Group cooperated with Kao Group and carried out hygiene management based on expert knowledge, including supervising the cleaning manual of cabin attendants and airport staff. In August 2022, we completed the introduction of an advanced security inspection system with X-ray inspection equipment, a passable lane (smart lane), and JAL SMART SECURITY equipped with a UV disinfection system for domestic flights at Haneda Airport to enable smooth and hygienic security systems. As COVID-19 was downgraded to common infectious disease on May 8, 2023, daily life is gradually returning to normal. The JAL Group, however, will continue to ensure that all customers can enjoy safe and comfortable air travel through the utilization of the latest technology and the creation of a clean environment.

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The JAL Group Value Creation Story

Growth Strategy

Sustainability

Data Section





## 3. Business Strategy —Business Strategies to Promote ESG Strategies—

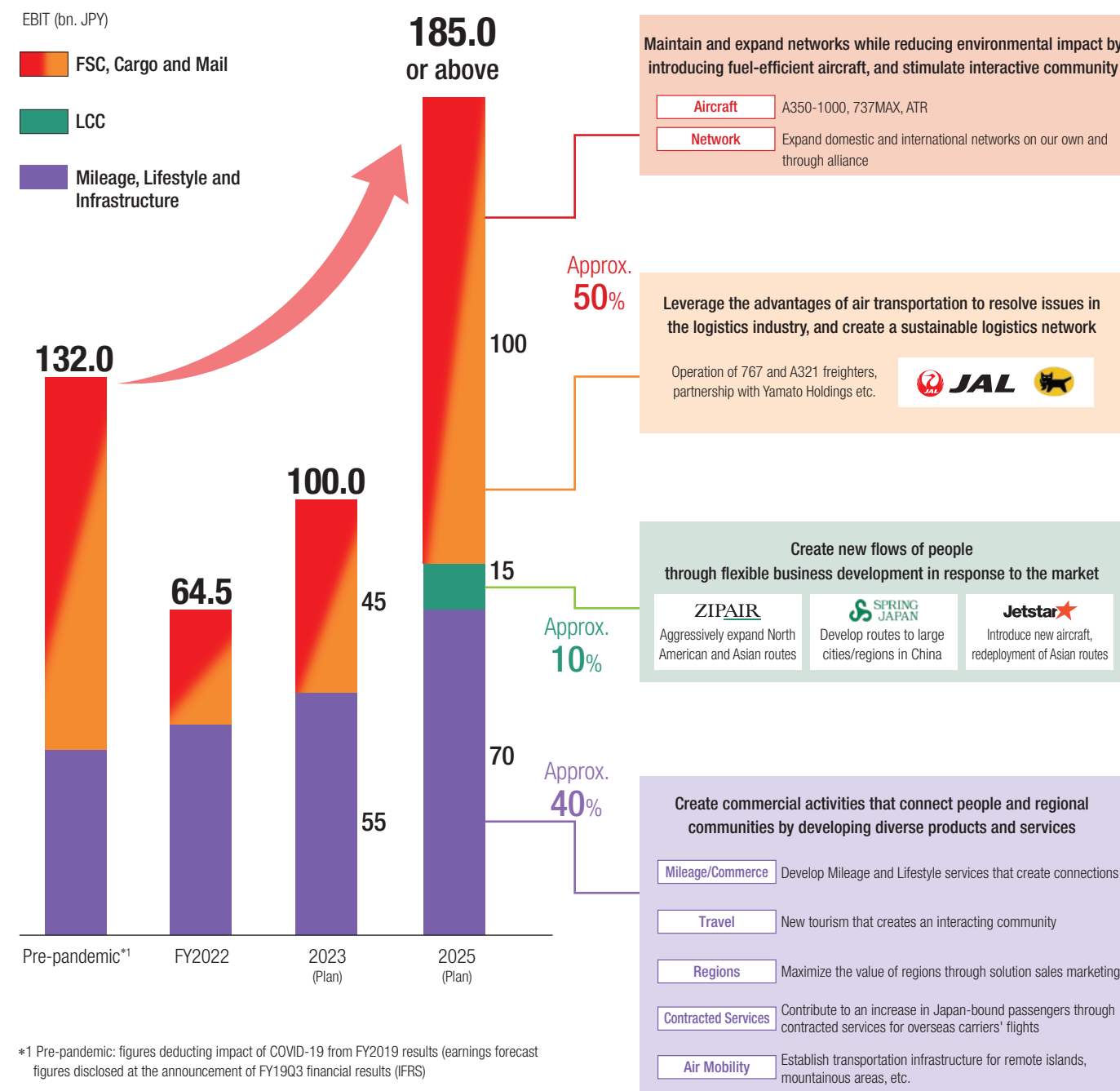
To promote ESG strategies, we will promote business model reform, DX strategies, human resources strategies (human capital management), and GX strategies.

### (1) Business Model Reform

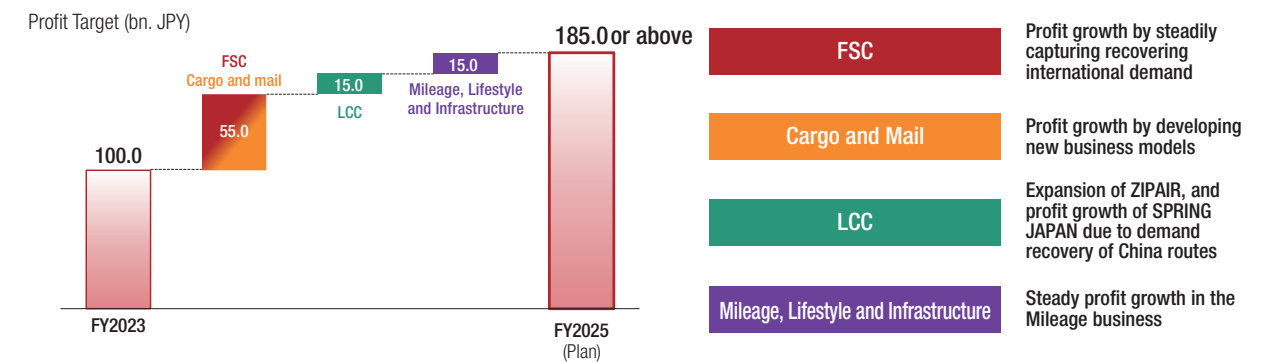
We will restructure our business portfolio by promoting our ESG strategies and address social issues in our four business areas. While changing our revenue structure, we will realize our medium- to long-term profit growth.

In FY2025, we plan to record about half of our profits in the LCC and Mileage, Lifestyle and Infrastructure business areas.

#### Profit Trends by Business Domain



#### Changes in EBIT from FY2023 to FY2025



#### Air Passengers

Achieving Sustainable Growth by Connecting People with the World and Regions

FSC and LCC will maintain and expand networks connecting cities, regions, Japan, and the world, while strengthening cooperation with partnership airlines, to create value for mobility and connection. By updating to fuel-efficient aircraft strategic fleet allocation will strive for sustainable growth that combines network expansion with environmental measures.

#### Meeting the Needs of a Wide Range of Customers Through the FSC and LCC Lineups

Full Service Carrier (FSC) maintains and expands high-quality products, and services and a highly convenient network. Each airline operates flights according to the scale of demand and route characteristics.

We will deepen our cooperation with partnership airlines, build essential networks for business, tourism and daily life. This will contribute to stable human flow and logistics by connecting cities, regions, Japan, and the world.

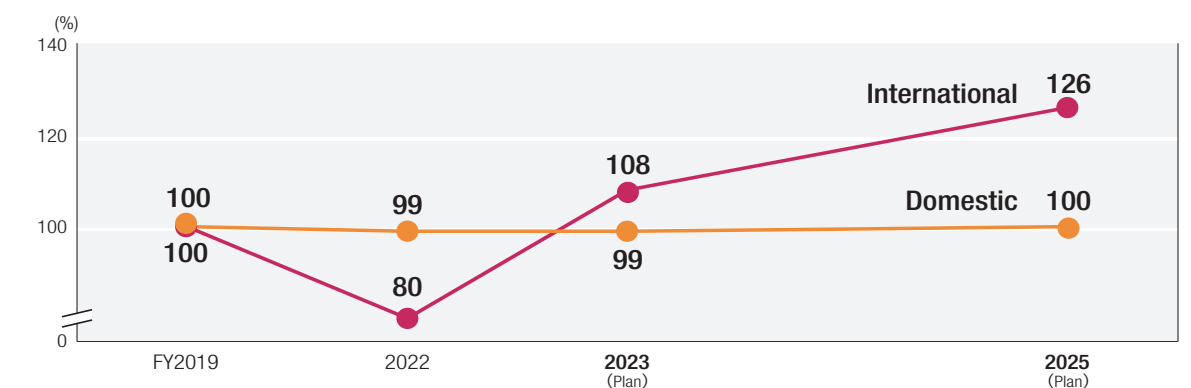
The three LCCs, namely ZIPAIR Tokyo, SPRING JAPAN, and Jetstar Japan, aim to expand their associated demand by offering reasonable prices for tourists and demand for VFR \*, which is expected to grow. LCCs will make air travel easier and more accessible.

Based on the diversified needs for prices and services, the JAL Group will provide a wide range of prices and services, covering the entire international and domestic markets.

\*1. Visit Friends and Relatives

#### Business Scale (ASK\*2)

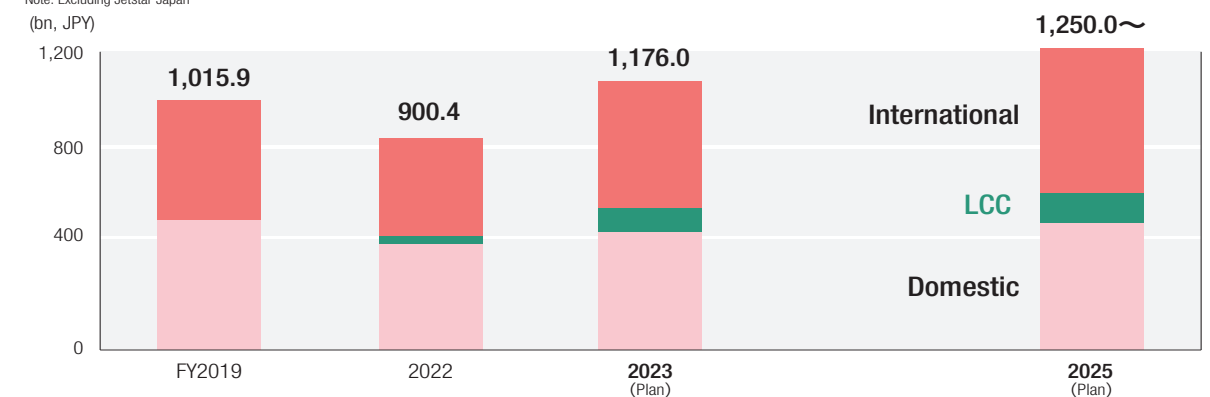
Note: Including ZIPAIR, SPRING JAPAN. Excluding Jetstar Japan.



\*2 Available Set-Kilometer (ASK): Unit for capacity to carry passengers. Total number of seats x distance (km)

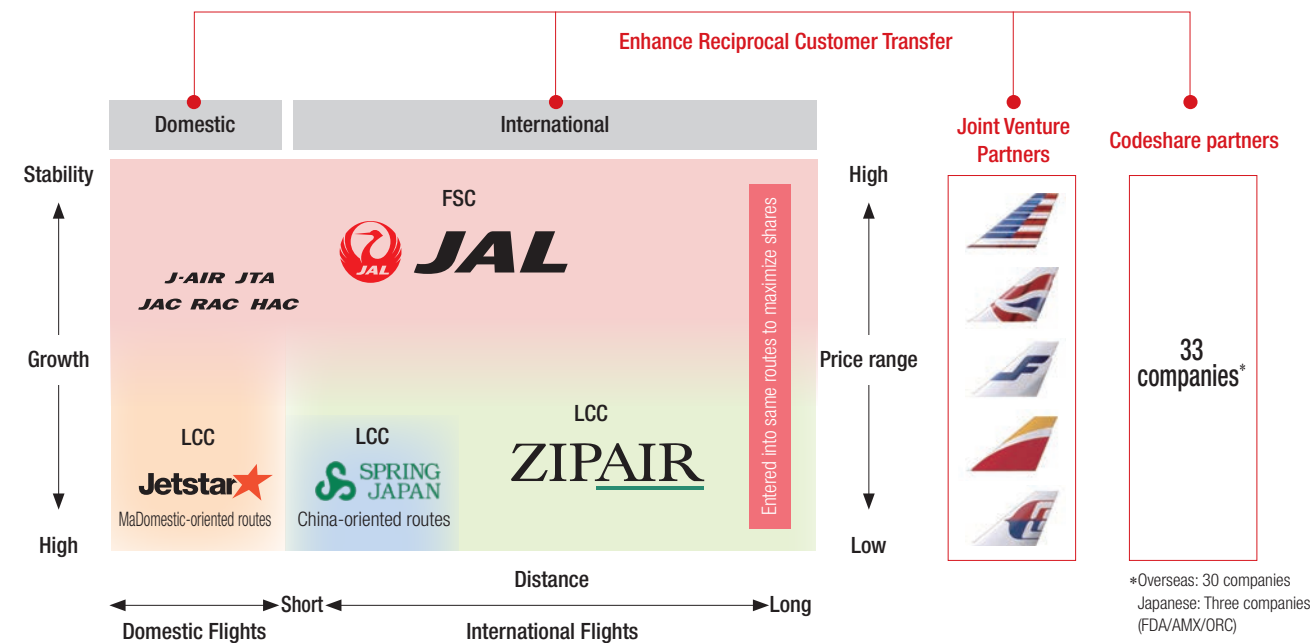
#### Revenues

Note: Excluding Jetstar Japan



## ① Portfolio/Aircraft

### (i) Portfolio



#### ■ FSC

##### ► International

By expanding routes to and from Haneda, which were planned to be expanded in FY2020, and improving the convenience of connecting to domestic flights, we will contribute to the expansion of human flow and logistics in Japan and overseas. We will also work with our joint business code share partners to increase the share of transit demand between North America and Asia, where demand is recovering quickly, on routes to and from Narita.

##### ► Domestic

Maintain the same level of supply as before the COVID-19 pandemic by maximizing the resources of Group airlines. We will create new demand for travel through co-creation with local communities and promote inbound regional travel. We will also implement code sharing using the framework of Essential Air Service Alliance (EAS LLP), which is composed of three regional airlines in Kyushu with outlying island routes (JAC, Amakusa Airlines Co., Ltd. (AMX), ORIENTAL AIR BRIDGE CO., LTD. (ORC)), JAL, and All Nippon Airways Co., Ltd. (ANA). JAL and ANA will work hand in hand to contribute to regional revitalization by creating human flows to cities and outlying islands.

#### ■ LCC

Through collaboration with JAL, we aim to improve the visibility of each company and the convenience of customers by strengthening our sales power and improving our brand strength. We will also ensure that the three LCCs capture the tourists and VFR markets, which are expected to grow further in the future, and expand our business scale.

### (ii) Aircraft Build a Network with 229 Group Aircraft

Aircraft will be placed in growth areas and fuel-efficient aircraft will be introduced to maintain and expand our business scale and create mobility and connections while reducing our environmental impact.

#### ■ Number of Aircraft for the Entire JAL Group\*

By the end of FY2025, the JAL Group plans to build up its fleet size to 234 aircraft, the same as the pre-COVID-19 era. We will strategically utilize FSC and LCC using different aircraft to respond to changes in the business environment and fluctuations in demand trends.



Source: Airbus Japan

\*The number of aircraft in operation, taking into account decommissioning.

#### ■ Reduction of CO<sub>2</sub> Emissions by Upgrading to New Models

CO<sub>2</sub> emissions will be reduced by replacing the existing Boeing 777 and Boeing 767 with the new Airbus A350 and Boeing 787.

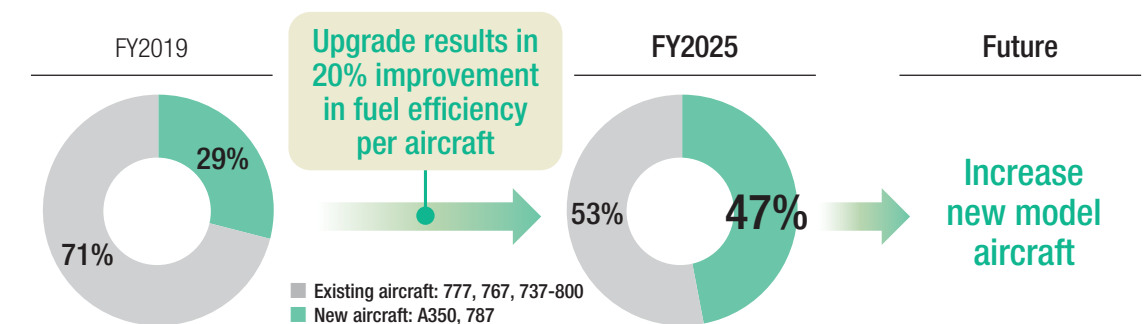
These new aircraft will improve fuel consumption per aircraft by about 20 percent.

In FY2025, 47 percent of the total fleet will be replaced with new models. Specifically, from the second half of FY2023, we will introduce Airbus A350-1000 on international long-haul routes to reduce environmental impact and improve cabin comfort.

Furthermore, from FY2026, Boeing 737-8, a new small aircraft, will gradually renew the conventional Boeing 737-800. Looking ahead to our Medium-Term Management Plan, we will promptly introduce and renew aircraft over the medium to long term.



#### ■ Rate of New Passenger Aircraft (with over 100 seats)



ATR aircraft operated by JAC and HAC are turboprop aircraft with low CO<sub>2</sub> emissions.

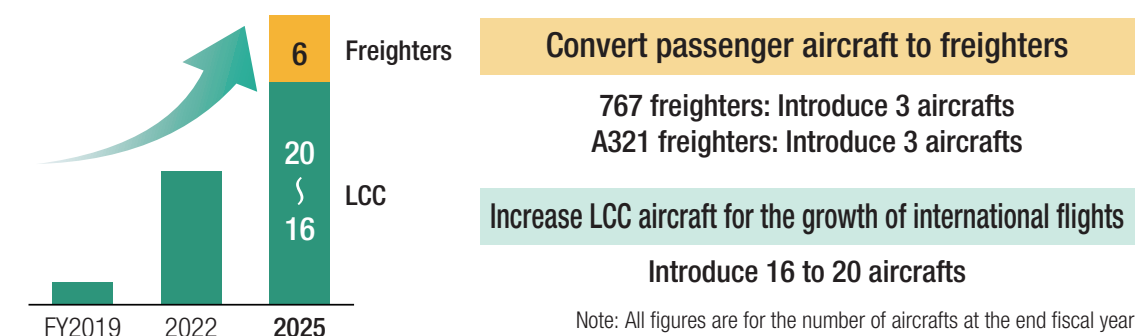
HAC decided to introduce its fourth ATR aircraft in January 2023 and is preparing for the start of operations in the fall.

Maintaining and expanding routes in Hokkaido will improve convenience for citizens and residents as they are important routes for business, medical care, hospital visits, and other social activities.

#### ■ Deployment of Aircraft to Growth Areas (International LCC and Cargo Aircraft Business)

We will actively deploy aircraft in our growth areas of international LCCs and cargo flights.

In FY2025, six cargo aircraft will be upgraded from being passenger aircraft. To stimulate growth in international flights with ZIPAIR and SPRING JAPAN, 16 to 20 aircraft will be introduced in FY2025, up from two in FY2020.



#### Topic

##### Noise Reduction

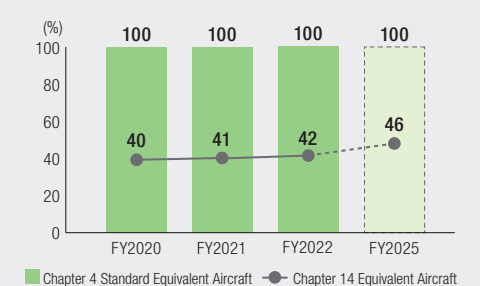
We are steadily upgrading to the most advanced aircraft that complies with noise standards\* (ICAO Chapter 4, Chapter 14).

The flagship carrier will be upgraded to the state-of-the-art Airbus A350, which is efficient in fuel consumption and low in noise.

We are also actively working on reducing noise sources with noise abatement operational procedures, which are the responsibilities of the International Civil Aviation Organization (ICAO) Balanced Approach to Aircraft Noise Management.

\* Standards established by ICAO. Chapter 4 applies from 2001 and Chapter 14 applies from 2017

#### ■ Percentage of Aircraft Complying with ICAO Noise Standards





② FSC



Continuously Create Value by Capturing Recovery and Growing Demand for Mobility and Connections

We will increase profitability by expanding our international network in response to the recovery and expansion demand from the COVID-19 pandemic, maintaining and expanding domestic route networks as social infrastructure, and improving our preferences through service innovation. To achieve sustainable growth, we will also promote the development of products and services that reduce environmental impact, and ESG initiatives utilizing alliances and joint businesses.

Progress Towards Achieving FY2025 Targets

FY2022	FY2023	FY2025 Targets
Improve profitability by maximizing JAL Group companies' resources	Accelerate efforts to reduce environmental impact and restore/expand demand	
<ul style="list-style-type: none"><li>Swiftly adjusting the flight schedule in response to demand recovery</li><li>Expanding domestic services, including the introduction of First Class on the Haneda – Hiroshima route and the Haneda – Kagoshima route, and the introduction of JAL SMART AIRPORT in major domestic cities</li></ul>	<ul style="list-style-type: none"><li>Airbus A350, a fuel-efficient aircraft, to improve preference</li><li>Promote the development and provision of products and services that reduce environmental impact</li><li>Promote further ESG strategies using alliances and joint business</li><li>Expand networks in response to demand recovery</li></ul>	<div><b>Profit target (EBIT)</b> (bn, JPY) Total FSC business and Cargo and Mail business</div> <div></div> <div><b>• Maintain and expand networks while reducing environmental impact to create a relevant population</b></div>

Medium-term Approach

Expand Networks in Response to Demand Recovery

International Flights

For international flights, the total passenger demand is expected to recover 90 percent of the 2019 level (pre- COVID-19 pandemic) by the end of FY2025. As COVID-19 is now classified as Class 5 infectious disease in Japan, we will plan routes and number of flights in response to the recovering travel demand. With the expansion of the Haneda Airport Departure network, which had been suspended during the COVID-19 pandemic, and the introduction of the new flagship Airbus A350-1000, we will develop new services to strengthen the uptake of Japanese business and tourism demand. In addition, we will strive to capture inbound demand and transit demand between North America and inbound demand by code sharing with other Asian airlines as well as route network expansion to and from Narita. By strengthening cooperation with joint business partners and expanding new code shares, we aim to increase customer options and build a highly convenient network. In addition, in 2024, we will open the new Haneda – Doha route in our summer flight schedule, the first direct flight to the Middle East by a Japanese airline. Through the international network of Qatar Airways, which is a member of oneworld Alliance with JAL, it will be possible to connect from Doha to the Middle East, Africa, and South America.

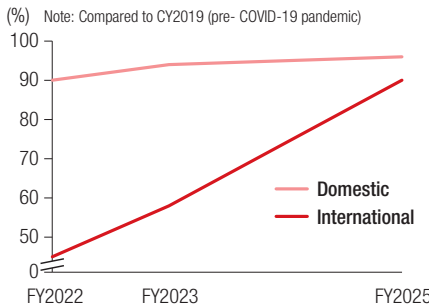
Domestic Flights

Domestic flights maintain and develop networks as an important infrastructure that supports society. In particular, regional airlines, namely J-AIR, JAC, HAC, JTA, and RAC, have a social mission of supporting daily life routes. We will make the most of their resources to maintain the same supply of total seats as before the COVID-19 pandemic, optimize their networks, create travel demand, and create and disseminate regional attractiveness. The Sapporo (Okadama) -Nemuro Nakashibetsu Line will open from the 2023 winter schedule. By strengthening ties between Sapporo City, which supports medical and disaster prevention, and the Nemuro area, including Nakashibetsu Town, we will contribute to the promotion of local industries and the development of local communities while enhancing the convenience of local medical services. In addition, together with neighboring Memanbetsu Airport, Kushiro Airport and Obihiro Airport, we will enhance wide-area tourism in Higashi Hokkaido and revitalize the Doto area. In addition, we will expand New Tourism by co-creating with local communities based on creating new demand opportunities. Creating new flows of people by countryside stay, anime tourism, travel subscriptions, eco tourism. They will contribute to solve social issues at the same time as increasing the number of passengers on domestic flights and revitalizing the local economy. We will also promote workcation and adventure tourism. In addition, for inbound travel, we will set priority destinations for each country of departure and promote inbound travel.

Estimated total passenger demand (total market demand)

Air transport demand is steadily recovering

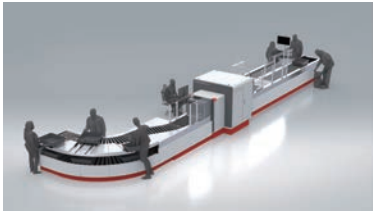
**International** FY2025 end: Recovery to 90% level  
**Domestic** FY2023 medium: Recovery to 90% level



Medium-term Approach

Improve Customer Preference by Introducing New Flagships and Renewal of Services

Following Haneda Airport, JAL SMART SECURITY will be introduced at Naha Airport Domestic Flight A security checkpoint in March 2024 (scheduled). By introducing advanced X-ray CT inspection equipment, we will realize safer and more secure inspection without removing liquid materials, personal computers, and plastic bottles. In addition, our customers will be able to prepare and pass the inspection smart lane quickly as three people can go through the lanes. The JAL Group will continue to provide safer, more secure and stress-free airport services for our customers. Starting with our 2023 Winter Schedule, the Airbus A350-1000 will be introduced on the New York route and the aircraft flight will be expanded gradually. As for domestic flights, we have already introduced sixteen A350-900 aircraft, and will steadily upgrade the aircraft with less noise and using less fuel consumption to reduce environmental impact. We also decided to introduce the Boeing 737-8 in March 2023, with the aim of starting operation in 2026. By deploying aircraft with as little environmental impact as possible, we will promote compliance with future environmental regulations and create a foundation for sustainable air transportation. We will also enhance customer preference and comfort, thereby strengthening the business demand, which is the basis of our revenues.



Smart lanes

Medium-term Approach

Promoting the Development and Provision of Products and Services that Reduce Environmental Impact

We will eliminate the use of new petroleum-based plastics completely in in-flight services and lounges by FY2025. In order to reduce food waste, the lounge will gradually have staff serve certain buffet menus and introduce online orders. For in-flight meals, JAL Royal Catering will recycle the composts of food residues from the in-flight meal manufacturing process in Haneda and Narita. In December 2022, we expanded the JAL Meal Skip Option for international in-flight meals to all routes to reduce food waste. We are also expanding the use of carbon offset services for individuals and businesses. In November 2022, we conducted a sustainable Charter Flight to realize carbon neutrality. We aim to realize a sustainable society not only with our own efforts but also by cooperating with our customers, companies, and local communities. In addition, the interest in environmental measures is growing year by year. We view this as an important purchasing decision factor and will promote initiatives to encourage customers to choose the JAL Group.



For more information about security, visit our company website.

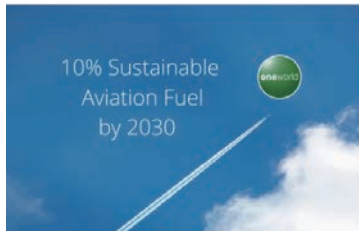
**WEB** <https://www.jal.com/ja/sustainability/kakure/>  
\*Japanese only

For details, please refer to Sustainable Charter Flight on pp.81-82.

Medium-term Approach

Further Promotion of ESG Strategies Using Alliances and Joint Businesses

We will strengthen our network with partner carriers, joint businesses and partnerships, with the aim of enhancing customer convenience and attracting a strong number of international visitors to the region. As for ESG, we will deepen our understanding of our mutual ESG strategies and consider opportunities for collaboration. Using the oneworld framework, we will conduct joint procurement of SAF in the United States and expand its presence in scheduled flights. We will also consider promoting SAF production in regions with low manufacturing capacity and making strategic investments with SAF manufacturers.



JAL and oneworld alliance members Alaska Airlines, American Airlines, British Airways, Finnair, and Qatari Airlines have jointly announced their intention to purchase SAF Ziebo. from Gevo Inc., a renewable fuel manufacturer in Colorado, United States. Over the next five years, starting in 2027, the Alliance plans to procure a total of approximately 750,000 kiloliters of SAF, which JAL will ship to Los Angeles on the west coast of the United States, to scheduled flights at Los Angeles, San Francisco, and San Diego International Airports.

Voice



**MIYABE Yuka**  
Route Strategy  
Assistant manager

Contribute to Regional Revitalization Through Code Sharing (Joint Operations) beyond the Group

As part of a new initiative by EAS LLP, we began codesharing (joint operations) on October 30, 2022. Although there were variety of systems and airport operations due to the different lineages, we were able to overcome many barriers through cooperation and consultation. In addition, ANA was able to sell seats on AMX and JAC flights and JAL was able to sell seats on ORC flights. This has enabled us to expand our network to areas where we do not operate, and has enabled more customers to travel to outlying islands. In addition, we believe that the increase in the number of passengers using outlying island routes will lead to the revitalization of the service area and enable the stable operation of life routes. JAC and other community-based airlines play a role as a transportation infrastructure closely related to people's lives, and we feel that maintaining these routes has great social significance. We will continue to work with airlines that play such a role to ensure sustainable route management.

1. Overall Strategy	2. ESG Strategy	3. Business Strategy	4. Financial Strategy
(1) Business Model Reform	(2) DX Strategy	(3) Human Resources Strategy	(4) GX strategy

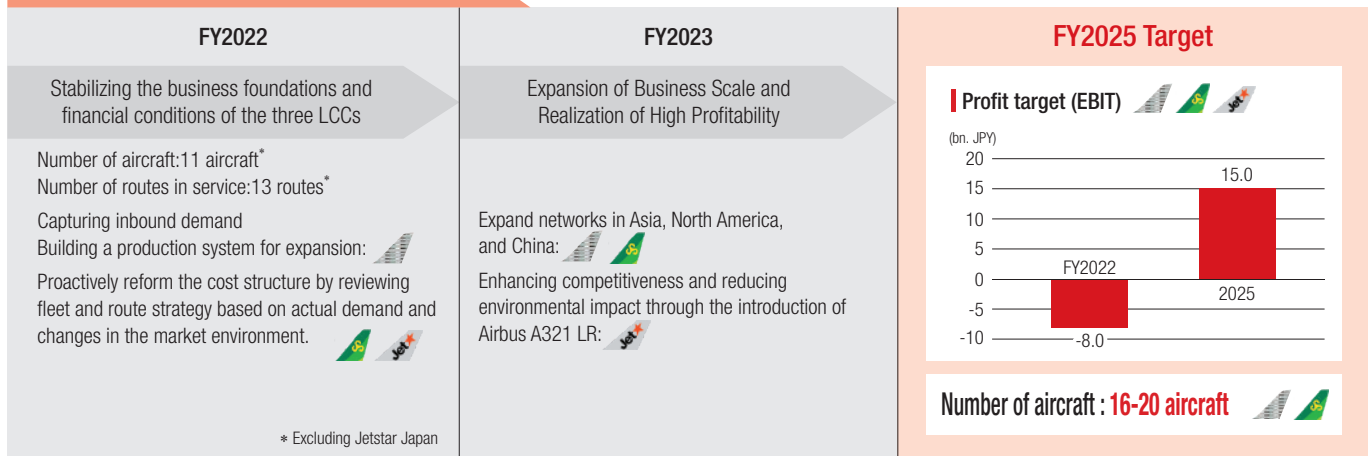
③ LCC

Based on the Growth in Demand, Generate a New Flow of LCC Passenger Traffic

In the growing market, the three LCCs will create value for human mobility and connections with others by offering reasonably priced tickets on their respective network. We will also contribute to the expansion of inbound traffic and the creation of international transit demand with Narita Airport as our hub, thereby achieving high profitability and expanding the scale of our business.

Progress Towards Achieving FY2025 Targets

ZIPAIR: SPRING JAPAN: Jetstar Japan:



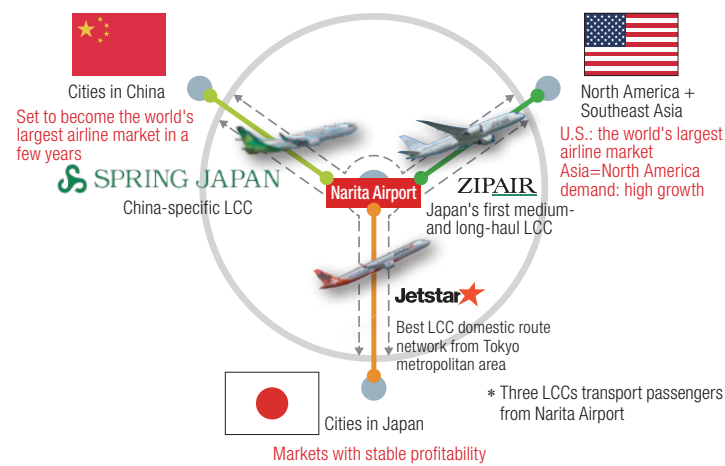
Medium-term Approach Route Network Expansion in Asia, North America, and China

: As the JAL Group's medium- and long-haul LCC, we will expand our network from Japan to North America and Southeast Asia. This will contribute to the expansion of the JAL Group's business areas through the acquisition of new customer segments. Our goal is to create a "NEW BASIC AIRLINE" that provides a high quality of service at the best value for the money paid.

: In line with the recovery of the market in the Japan-China route, to gradually expand the network to China's metropolitan and regional routes, we will leverage Spring Group's sales and brand capabilities to contribute to the expanding and growing inbound traffic from China.

: We will certainly capture the recovering domestic tourism demand and drive the growth of the domestic LCC market, especially in the Tokyo metropolitan area. We will also resume international flights in order to capture the strong inbound demand from Asia. We will strive to improve our competitive advantage by introducing the most environmentally friendly aircraft.

In addition, using Narita Airport, where the three LCC companies are based as a hub, we will utilize the strong network that each has to promote the flow of people between the world and Japan. This will contribute to the expansion of inbound traffic and the creation of international transit demand.



Voice



XU Zhihan  
Sales and Marketing Department  
SPRING JAPAN Co., Ltd.

Towards the Return and Increase of Flights on the Chinese Routes

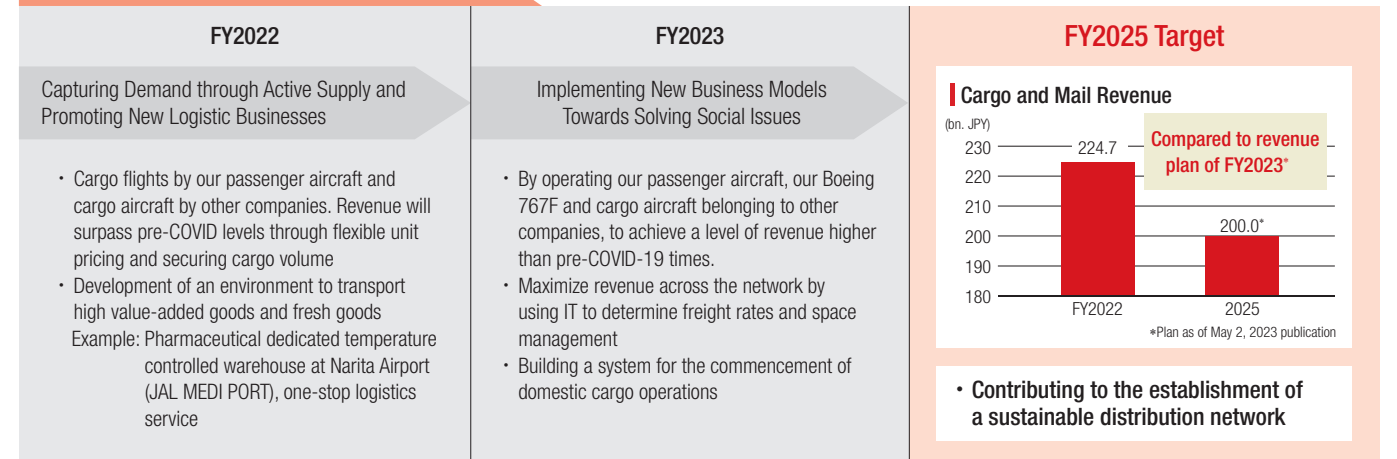
SPRING JAPAN is making concerted efforts to restore and increase the number of flights to China. As an LCC, we are not only striving to maintain and improve our price competitiveness, but we are also preparing for the sales and marketing activities in which I am in charge, such as our efforts to increase the sales share of our official website, package sales including connections with JAL Group LCC companies, and various marketing initiatives in cooperation with JAL's China branches. Going forward, we will actively expand our Chinese route networks and use our pricing and marketing strategies to attract more customers, thereby contributing to regional revitalization through inbound travel to Japan and improving the JAL Group's profits.

Cargo and Mail

Connecting Goods, People and Communities with High Quality Transport and New Business Models

Air freight is expected to play an ever-increasing role in high-speed transportation to connect goods with people and communities. We will strengthen our handling of high-value-added products such as pharmaceuticals and Japanese regional products that require high quality transport, which is a strength of the JAL Group. In addition, we will establish a sustainable logistics network based on a new business model to solve social issues in logistics.

Progress Towards Achieving FY2025 Targets



Medium-term approach JAL to Launch Cargo Flights for Further Growth in the Cargo and Mail Business

Boeing 767-300ER BCF Aircraft\*

- By building strong partnerships with logistics partners, our company will begin operating our own cargo flights on both international and domestic routes, focusing on a network strategy based on stable and high-growth demand, such as e-commerce and home delivery. This new business model reduces business risks from fluctuations in demand and market conditions.
- We will attempt to secure profitability by offering flexible charter and temporary flights to meet customer needs.

Airbus A321ceo P2F Aircraft\*

- In response to the 2024 logistic problem in Japan., we will begin to operate cargo-only flights in cooperation with Yamato Holdings, Inc.
- Utilizing the assets and know-how of both companies, we will attempt to solve social issues centering on logistics, such as securing stable transportation capacity, maintaining and improving service quality, and revitalizing local communities.

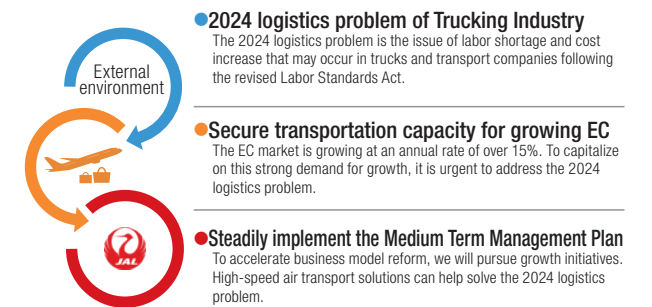
\* Aircraft refurbished from passenger to cargo planes



Boeing 767 300ER BCF (Image)



Airbus A321 ceo P2F (image)



Build a sustainable logistics network through freighter operations

Voice



YOSHIZAWA Yuto  
Senior Staff  
Cargo Route Marketing Route Office

Solving Social Issues Through Our Own Freightier Operations

In order to further expand out Cargo and Mail business, we will begin operating our own cargo flights based on our strategy of steadily capturing demand through strong cooperation with logistics companies. Under our mission of never stopping logistics, we proposed during the COVID-19 pandemic, we were able to secure supply in line with customer needs by operating cargo flights with our own passenger aircraft and chartering cargo planes. This experience has made us aware that our responsibilities are to ensure a stable transport capacity and to maintain supply chains. In preparation for the launch of our own cargo aircraft, we are currently studying our flight schedule to meet customer needs and coordinating with airports and other relevant parties to establish a handling system. The new cargo operations will contribute to solving social issues in response to the expected growth in e-commerce and air transportation demand stemming from the 2024 logistics problem, and contribute to the sustainable development of society through the growth of our Cargo and Mail business.



## Mileage, Lifestyle, and Infrastructure

### ① Mileage and Lifestyle

#### Growth Through Expansion of Mileage and Lifestyle Services that Create New Connections

We will provide a variety of services that will enrich your daily life and expand the scene of saving and the usage of mileage outside of air travel. We will expand our customer base with a new status program that reflects our daily use. We will also realize growth by expanding our commerce business by utilizing the know-how of JALUX, a core non-aviation company.

#### Progress Towards Achieving FY2025 Targets

FY2022	FY2023	FY2025 Targets
Promoting the JAL Mileage and Lifestyle Initiatives to expand the savings and making use of mileage to realize the well-being of customers and society and to lead business model reform		
<ul style="list-style-type: none"> <li>Expansion of services in non-airline domains JAL Denki, JAL Mortgage, JAL Pay</li> <li>Strengthening EC Businesses Making JALUX a consolidated subsidiary</li> <li>Increase the attractiveness and value of mileage Partnership promotes cross-exchange with major common points</li> <li>Issuance of Green Life Mileage</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing awards and expanding the membership base (Introduction of new status program)</li> <li>Expanding the e-commerce business by utilizing our member base (launch JAL Mall)</li> <li>Continue to strengthen mileage partnerships in a variety of areas</li> </ul>	<p><b>Profit Target</b> (bn.JPY) Note: Mileage, Finance and Commerce Total</p> <p><b>Business area expansion</b> ⇒ Profit increase</p> <p>FY2019 25.0 FY2022 39.0 FY2023 40.0 FY2025 50.0</p>

#### Medium-term Approach

To Promote the JAL Mileage and Lifestyle Initiative, We Seek to Ease Of Saving and Use Of Mileage and to Expand the Customer Application

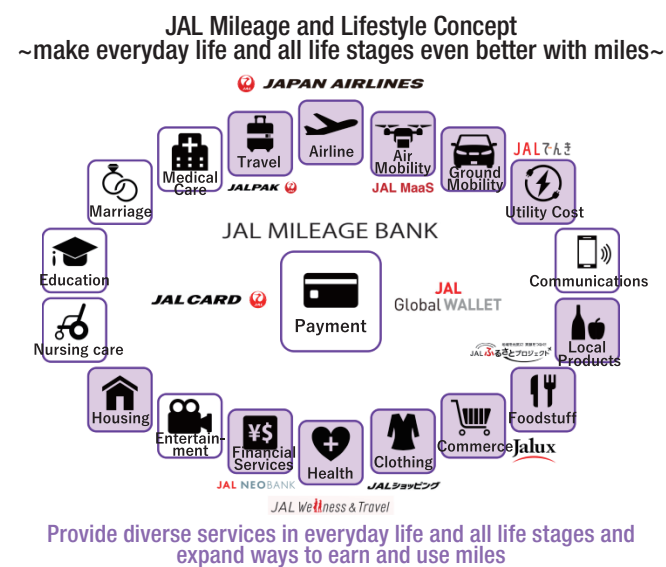
#### ■ Expansion of Creating New Flow of People and Contributing to Regional Revitalization Mileage and Lifestyle Initiatives

We will continue to promote the JAL Mileage, Lifestyle and Infrastructure, which provide a variety of services in daily life and life stages. It also expands the scene of savings and using mileage to expand our customer base and achieve profit growth.

Specifically, we will work with our group companies to enhance the functionality of JAL Pay and establish an online shopping mall (JAL Mall) in order to improve the ease and usability of mileage in our daily life.

#### ■ Future Initiatives

In the future, we will pursue further business expansion and profit growth by combining the expansion of frequent flyer services into new fields such as nursing care and entertainment with investment in these new businesses. At the same time, we will launch a new status program that will reflect not only airline used but can also be use in non-airline domains, as well as a new smartphone application for JMB members.



#### Voice



**YAMASHITA Nao**  
Senior Staff  
Mileage

#### Customer Touchpoints, not Just in the Sky, but in Everyday Life

We are working hard with our co-workers daily to build attractive frequent flyer programs that can be thought of as a need to save and use more JAL mileage not only in an inflight menu but also in everyday life. The new status program, which is scheduled to be introduced in January 2024, will add status points that are accumulated in everyday life, such as paying with JAL cards, shopping at JAL Mall, and participating in environmentally friendly activities recommended by JAL, as well as boarding flights. Going forward, we are trying to find out how to encourage non-flying JAL customers to enjoy their JAL status, and how to continue using JAL services. We are also trying to improve our business to make the system easy to understand. In order to encourage customers to choose JAL throughout their daily lives, we will continue to promote the Mileage and Lifestyle concept from the customer's perspective.

### ② Air Mobility/MaaS

#### Facing the Challenges of Local Mobility Through Realizing a Future where People and Goods Travel without Restraint

In order to provide new value in mobility, we will utilize the JAL Group's know-how on aviation safety to promote the social implementation of drones and eVTOL. In addition, we will expand JAL MaaS, which provides seamless travel to destinations by connecting with diverse transportation services, in an effort to create a new regional flow of people.

#### Progress Towards Achieving FY2025 Targets

FY2022	FY2023	FY2025 Targets
Expand the Air Mobility Market by Establishing an Operational Platform		
<ul style="list-style-type: none"> <li>Together with Amami Setouchi-cho, testing use of drones to support life on the island</li> <li>Development of operation control technologies and methods to support drone operations</li> <li>2025: Selected the eVTOL operator of Expo 2025 Osaka, Kansai</li> <li>JAL MaaS launches new services to pursue and arrange airport-based travel</li> </ul>	<ul style="list-style-type: none"> <li>Practical use of drone service in Amami Setouchi-cho</li> <li>Study business models to create new last-mile projects for local logistics</li> <li>Promote preparations to realize eVTOL operations</li> <li>Expand MaaS services in collaboration with local communities and existing businesses</li> <li>Realize seamless travel with the introduction of digital tickets</li> </ul>	<p>Contribute to the realization of a future/ society where people and goods come and go freely by connecting with new mobility.</p> <p><b>■ Air mobility</b></p> <ul style="list-style-type: none"> <li>Provide safe drone operations and management systems to support regional logistics</li> <li>eVTOL to offer new traveling experiences</li> </ul> <p><b>■ MaaS</b></p> <ul style="list-style-type: none"> <li>Connect with diverse transportation services to travel seamlessly to your destination with just a smartphone</li> </ul>

#### Medium-term Approach

Utilizing JAL Group Know-how to Establish an Operation Platform and Provide New Value in Mobility

#### ■ Air mobility

- We will realize a world where our customers will be able to access one-stop service with a single smartphone by expanding our existing transportation services between airports and collaborating with all modes of transportation from origin to destination, utilizing our aviation expertise in DX and PR.
- Taking the opportunity of the Expo 2025 Osaka, Kansai, we will promote the commercialization of eVTOL and contribute to the realization of an exciting society and future in which people and goods can travel without restraint.

#### ■ MaaS

- We will expand our existing transportation services between airports, utilize our aviation expertise in DX and promotions to realize a world where customers can use our one-stop services with a smartphone by linking with all modes of transportation from departure to destination.
- Focusing on the needs and challenges of travel, we will realize new travel and traveling experiences by providing seamless baggage-free transportation and last-mile services.



#### Voice



**SASAHARA Saori**  
Business Development Group Grand Crew  
Air Mobility Business Creation Department

#### New Mobility in Remote Islands

For me, Amami Oshima is an island of healing with its abundance of natural resources and the warm greetings by the islanders that cannot be found in urban areas. However, due to the declining birthrate and aging population, there are many daily issues such as shopping, medical care, and disaster response that need to be addressed. I am currently working on an initiative to solve regional problems using drones in the town of Setouchi, Amami. I can't forget the wonderful smiles on the children's faces when the drones delivered ice cream, which can't be bought at shops on the island. We hope to integrate drone services into the island lifestyle and expand a sparkling future for children into the skies.

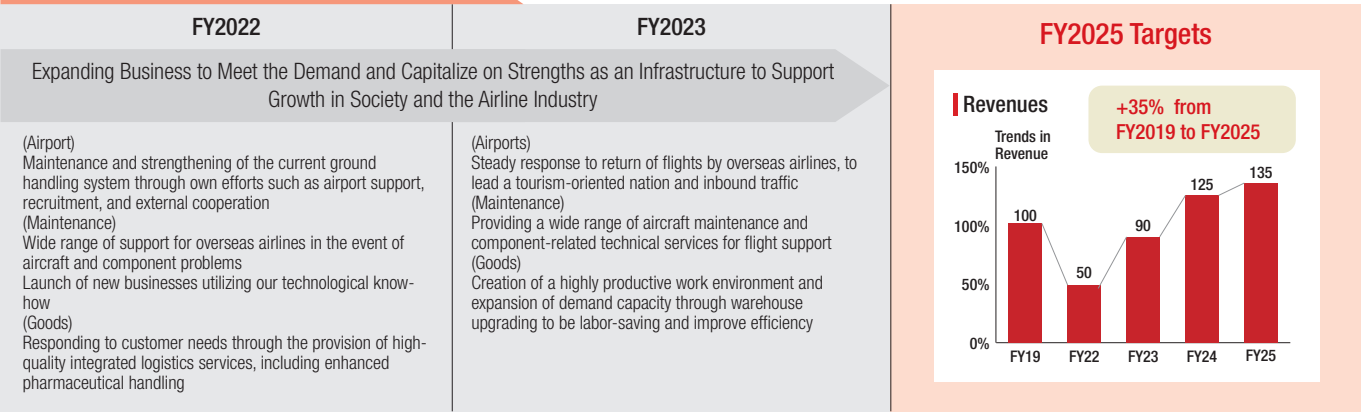
1. Overall Strategy	2. ESG Strategy	3. Business Strategy	4. Financial Strategy
(1) Business Model Reform	(2) DX Strategy	(3) Human Resources Strategy	(4) GX strategy

③ Contract Business

Support the Restart and Recovery of the Coming and Going of People and Goods as an Infrastructure Supporting the Entire Aviation Industry

We will support the restart of flights by overseas airlines and contribute to the revitalization of the flow of people and logistics. We provide high-quality services for airports, maintenance, and cargo with the skills and assets that the JAL Group has developed. We will also expand our market share by building a system that can respond flexibly to changes in demand through cooperation with partners.

Progress Towards Achieving FY2025 Targets

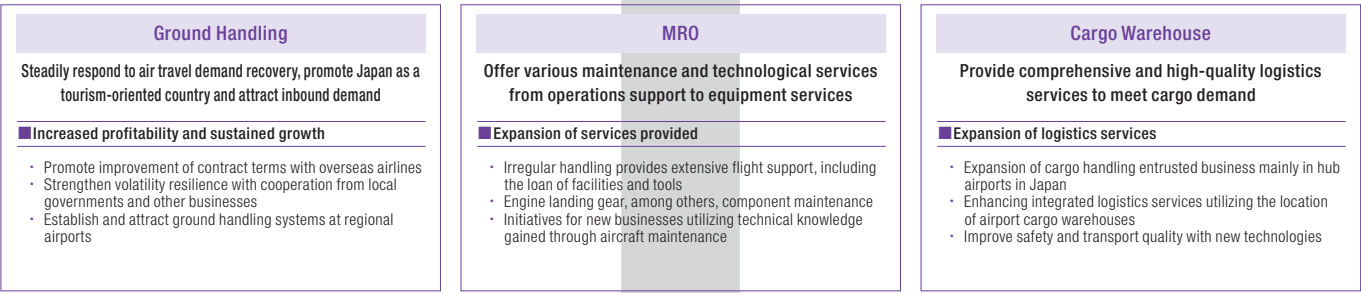


Medium-term Approach Building a System to Respond to the Restoring Demand and Providing High-Quality Services using JAL's Strengths

[Demand Environment] Recovery of inbound demand, needs for maintenance and technical services through return flights, and flexible response to cargo demand



- Provide peers and public agencies with various services leveraging our facilities/equipment and human skills cultivated in air transportation operations
- Build a solid supply structure in alliance with partners to flexibly respond to changes in demand trends and seek larger shares



Create flows of people and distribution channels

Growth of society and the airline industry

Expand contracted services

Sales target +35% increase vs. FY2019 by FY2025

Voice



Customer Touchpoints, not Just in the Sky, but in Everyday Life

When we were entrusted with ground handling operations by a newly serviced overseas airline at Haneda Airport, we developed a system that included planning and setting up education and formulating a manual for the operation at Haneda Airport. In addition, we took on the challenge of being entrusted with the task of overseeing the entire maintenance. As part of our new challenge, we were able to make the most of the JAL Group's knowledge and experience in contracting at other airports and successfully started this business smoothly. We will continue to provide services that meet the demands and contribute to the development of society and the airline industry.

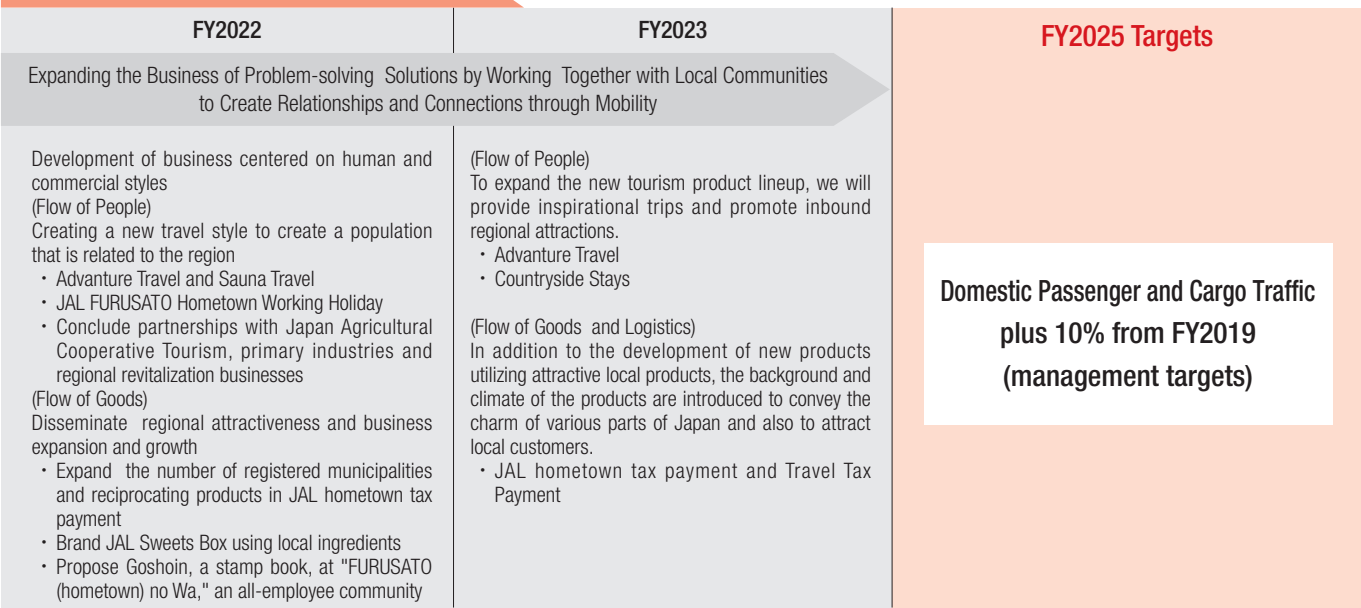
**FUNATO Manami** Customer Service Group Supervisor  
JAL Sky Haneda Airport Operations Administration Co., Ltd.

④ Travel and Regional Revitalization

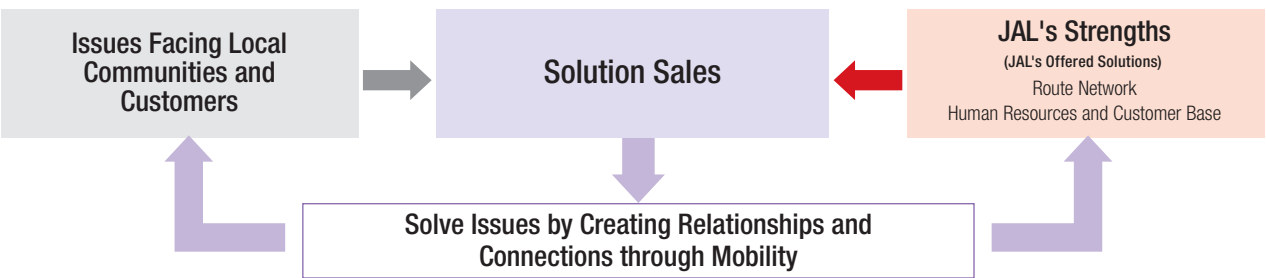
Providing Solutions to Solve Problems by Creating Relationships and Connections through Mobility

We will expand our business in problem-solving solutions in response to the diversifying issues and needs. In order to create a flow of people, we will create new travel goals, known as New Tourism, such as workcation and Adventure Travel, and will realize well-being based on these values. In addition, we will maximize regional value by supporting local industries and promoting attractiveness through commercial channels to expand the relevant population.

Progress Towards Achieving FY2025 Targets



Medium-term Approach Providing Solutions for Local Issues Through the JAL Group Products and Services that Lead to the Creation of the Flow of People and Goods



Diverse needs and issues are emerging with the growing awareness of the environment by the customers, the diversification of lifestyles due to the influence of the COVID-19 pandemic, changes in the passenger structure demand due to changes in work styles and attitudes, the diversification of purchasing channels, and changes in sales methods due to rapid growth in the e-commerce market. The JAL Group aims to sustainably expand and grow its business by providing solutions utilizing its products and services through dialogue. We will use our long-established sales capabilities to meet the diversifying needs and issues of customers.

To address regional issues, we will provide solutions that take advantage of JAL's strengths in contributing to the creation of the flow of people and goods, and work together with local communities to resolve issues by creating value for relationships and connections through mobility.

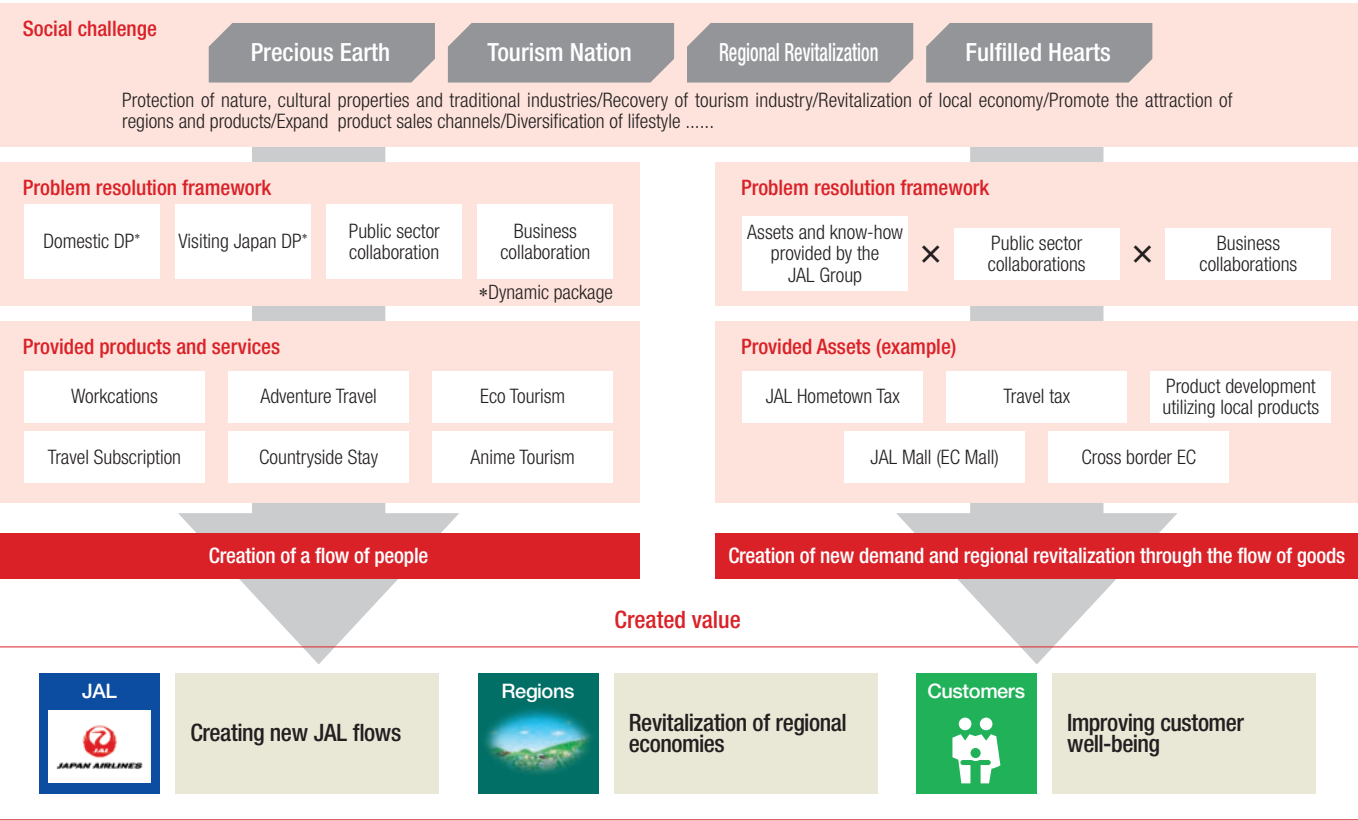




1. Overall Strategy	2. ESG Strategy	3. Business Strategy	4. Financial Strategy
(1) Business Model Reform	(2) DX Strategy	(3) Human Resources Strategy	(4) GX strategy

■ Creating New Flow of People and Contributing to Regional Revitalization

We aim to revive the tourism industry and revitalize the local economy by creating new demand through the expansion of thematic and optional products, including the creation and provision of attractive products centered on workcation, Adventure Travel, and Countryside Stay. We also aim to respond to diversifying needs and resolve local issues by developing inbound local tours and experiential educational trips. We aim to realize sustainable tourism, revitalize local communities, and improve well-being through relationships and connections created through the creation of new flows of people, in other words, mobility.



Voice



HIGASHINO Hiromasa  
Assistant Manager  
Tourism Planning Group  
Solutions Sales Promotion Dept.

Challenges of Overseas Visitors to Local Areas

As part of our efforts to attract overseas visitors to Japan, we strive to improve our travel products, which convey the appeal of the region, and promote them to appropriate markets. In refining our products, we aim to create products that make you want to visit Japan, where Adventure Travel in the rich nature of Japan is one example. We will promote our products in appropriate markets, such as selling ski products at travel expositions in Australia. Through JAL Vacations, a dynamic package for visiting Japan, we will promote inbound tourism by selling the products we refine and send as packages, along with airline tickets and hotel accommodation reservations.

Topic    Developing Outside Human Resources

The JAL Group makes use of the knowledge and experience it has gained through its aviation business to focus on educating new university graduates. In particular, we aim to contribute to the revitalization of the local economy and the promotion of industry by deepening our understanding of the aviation business and fostering human resources that contribute to the development of the entire tourism industry. In addition, we take advantage of the know-how we have accumulated in providing education to outsiders, such as lectures at universities, and are taking on the challenge of expanding our education business to a wider audience.



Training Programs for the General Public by JAL instructors



A lecture by a JAL lecturer at a university

■ Contributing to the Local Economy Through the Creation of New Business Streams

In order to create relationships and connections with local communities, we will provide an e-commerce site for customers who use JAL Hometown Tax Payment and local products, as well as inbound passengers, so that they can continuously purchase local products. In order to make people want to visit the production areas, we will introduce the background and climate of the products and convey the charm of various parts of Japan through local products, which will lead to attracting customers to the area. We will also create added value by creating products with regional characteristics.

New Businesses Promoted Through Open Innovation and Venture Capital

Based on the policy to "realize a prosperous and sustainable society by reducing the distance between people, things and people around the world", we are working to create new businesses and services for the JAL Group that can play a part in the expansion of business areas set forth in the Medium-Term Management Plan. While actively utilizing internal innovation platforms such as the JAL Innovation Lab and the JAL Innovation Fund, as well as external know-how and knowledge, we will promote initiatives in a wide range of areas, from space in the distance to sauna facilities in the vicinity, whether virtual or real.

Topic 1

Connect the Real and Virtual

JAL aims to create people who do not live in the area but come to work and play, and people who have relationships with the people who live there. To this end, we see JAL's role as creating connections and are promoting projects to form various connections with customers. We are working to co-create special experiences and products with local communities through digital technology, and to provide new unique digital products by utilizing JAL assets. Going forward, we will continue to deepen similar initiatives and take on the challenge of creating value through new connections between the real and virtual.



KOKYO NFT is a project where you can connect with local experiences and specialty products.

Topic 2

Connect Earth and Space

Using the JAL Group's air transport know-how and experience, we are pursuing future space business possibilities such as space transport and space travel. In 2017, we began a capital and business alliance with ispace, inc. In 2022, the HAKUTO-R Mission 1 Lunar Lander, in which the JAL Group was involved in the assembly and inspection, was launched, marking a dramatic step forward in space development. In addition, we are participating in partnership with Sierra Space of the United States and Kanematsu Corporation with the Dream Chaser® spaceplane, which is the beginning of a new challenge in realizing space transportation from Oita Prefecture. Looking ahead to the future, when economic activities and people's lives will spread to outer space, we will continue to shape the JAL Group's space business in order to become a player in the safe and secure movement of people and goods.



(Left) Technical cooperation with ispace's commercial lunar exploration program "HAKUTO-R" (2020)  
(Right) Dream Chaser® space plane

Topic 3

Connect Aviation and Non-aviation Areas

JAL Innovation Lab is promoting new business development utilizing advanced technologies with various co-creation partners. Last year, we launched Tokyo Saunist, a solution service that visualizes the rush in saunas in the Lifestyle Area. This is an example of JAL's non-aviation business development utilizing the knowledge and network that JAL has cultivated in the aviation field as its sauna tourism business. Going forward we will promote the introduction of hot spring facilities and create synergies with JAL's overall business, including the Mileage, Lifestyle and Infrastructure.



High-precision sensors will be installed in front of the sauna room to detect the flow of people and visualize the rush in real time.

## (2) DX Strategy —Accelerating the Creation of New Value Using Advanced Technologies—



With big data, technology, and mobile as key drivers, our employees work with motivation and enthusiasm to create new customer experiences that exceed customer expectations. We will also work to expand new business areas and take on challenges to solve social issues and change through DX.

### NODA Yasushi

Executive Officer  
Senior Vice President,  
Digital Innovation Division



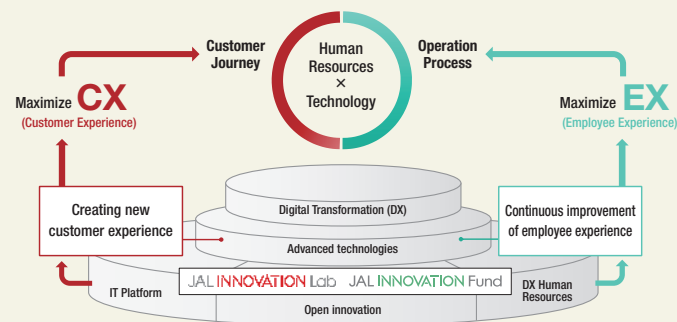
DX 銘柄 2023  
Digital Transformation

### ▶ Review of FY2022

In order to promote ESG strategy that create connections through Air Transportation and solve social issues, DX as stated in the Medium-Term Management Plan is aimed at maximizing Customer Experience (CX) by providing new experience and the best services to customers, maximizing the Employee Experience (EX) by improving business quality and productivity, and expanding business areas.

In FY2022, we completely revamped our domestic fares and improved our website to make it easier to understand and use. We also expanded our application functionality to make it mobile with same-day upgrades and waiting lists. In the non-aviation business area, we launched JAL Pay, a smartphone payment service, to promote the JAL Mileage and Lifestyle Concept. In addition, we worked to improve productivity by visualizing business processes and utilizing digital tools to improve operational efficiency. In addition, as a new business, we conducted demonstration tests for the commercialization of drones.

JAL was selected as one of the DX Stocks 2023 by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency. In addition to JAL's DX promotion system, the selection was based on recognition of the deepening of existing airline services and the full launch of initiatives in new business areas.



Going forward, we will use our accumulated experience to strengthen resilience and accelerate profitability, and work to create new social and economic value by adapting to the changing business environments and diversifying customer needs.

### ▶ Direction of DX Strategy

As the importance of connections between people and local communities has been recognized following the COVID-19 pandemic, the JAL Group is working to enhance its corporate value through ESG strategy. JAL's DX strategy aims to provide customers with safe and secure transportation and new experience by challenging social issues and changes through the use of advanced technologies with diverse human resources, which is JAL's strength.

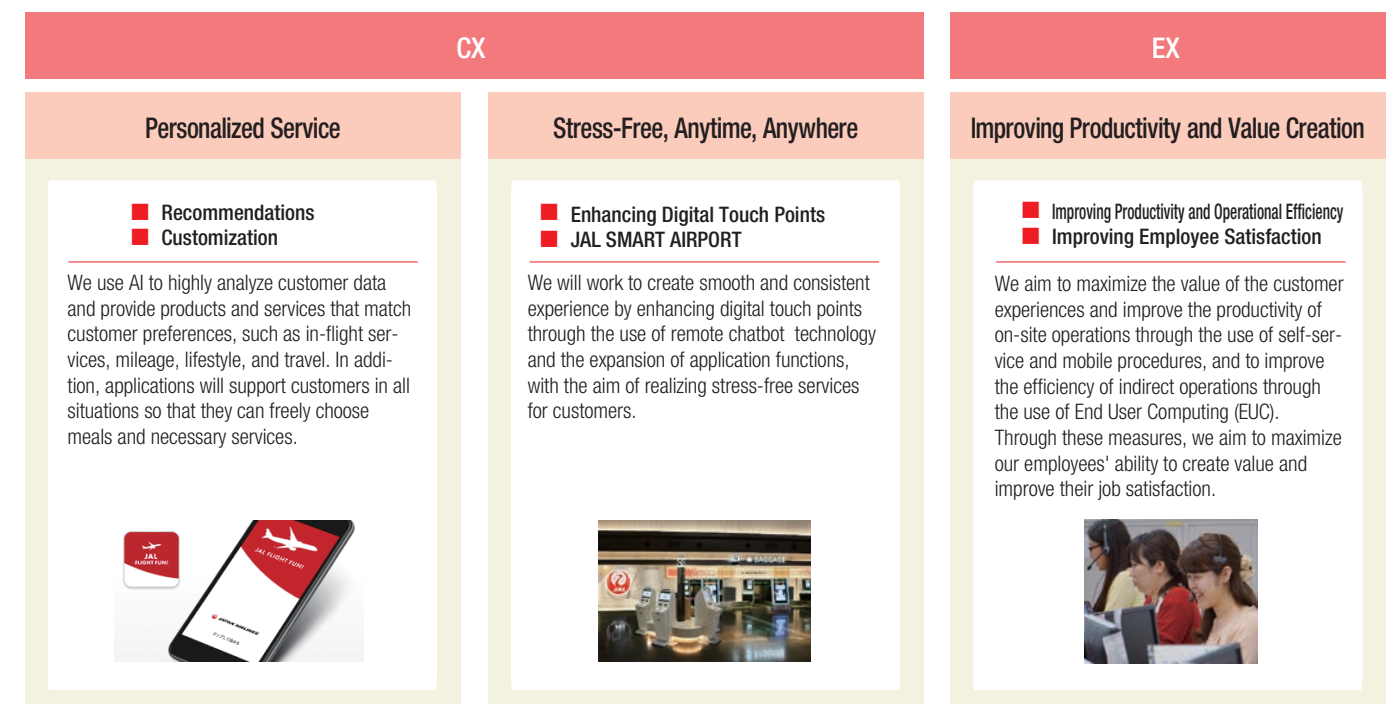
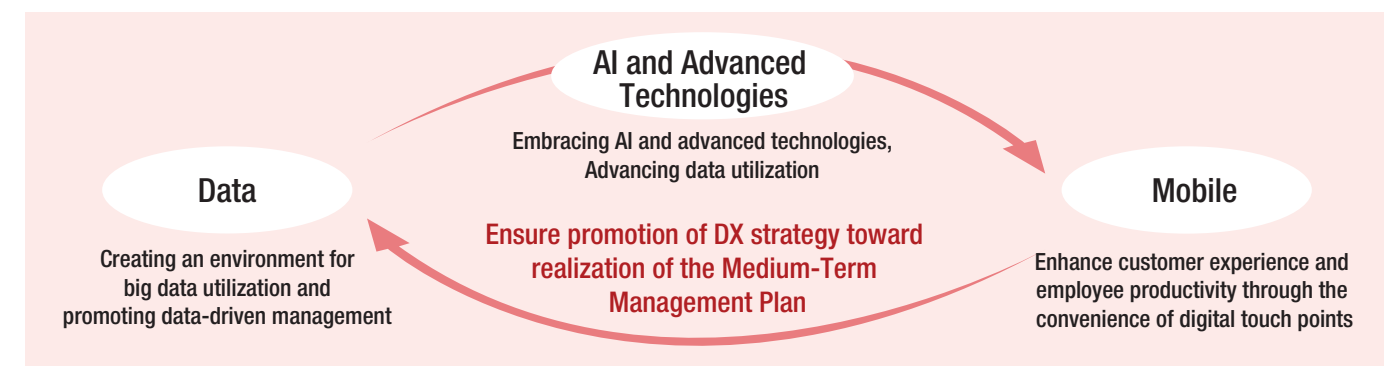
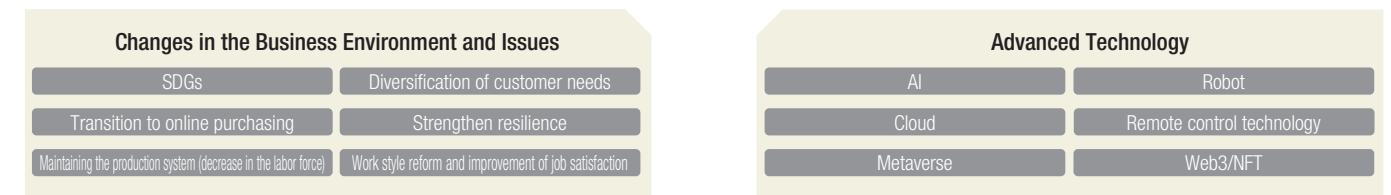
In order to maximize CX and EX, which are the objectives of DX, we will work to create new experience for customers in the CX area, and work to create an environment in the EX area where employees can work with high productivity while maintaining high motivation on an ongoing basis. Maximizing EX will lead to the development of new services and the improvement of service quality, which in turn will contribute to maximizing CX, thereby creating an upward spiral of EX improvement.

To this end, it is essential to utilize advanced technologies such as data and AI, and to foster the IT infrastructure, open innovation, and DX human resources that support them. Specifically, we aim to create new value and businesses (p. 64) by strengthening security, enhancing our database, and utilizing the JAL Innovation Fund and the JAL Innovation Lab, which are innovative platforms. We will also accelerate DX throughout the JAL Group by cultivating personnel capable of promoting DX and new business creation throughout the entire company.

## Value Created Through DX Strategy

### ■ Toward the Realization of DX

With the development of technology, we have become a society that enables us to realize new services and upgrade our operations. To adapt to changes in the business environment, the JAL Group will focus on data, AI and advanced technology, and mobile as the three elements of DX aiming to improve convenience for customers and productivity for employees. Furthermore, by further utilizing the data accumulated through customer experiences and daily operations, we will create a virtuous cycle of the three elements and ensure the promotion of our DX strategy.





1. Overall Strategy	2. ESG Strategy	3. Business Strategy	4. Financial Strategy
(1) Business Model Reform	(2) DX Strategy	(3) Human Resources Strategy	(4) GX strategy

(3) Human Resources Strategy -Increasing Value Creativity and Productivity through Aggressive Human Resource Investment-



In promoting human capital management, we will work together to improve value creativity, drastically improve productivity, and invest in human resources to achieve this goal. We aim to create a virtuous cycle that leads to further value creation by creating an environment in which we can conduct business on a sustainable basis and by returning the results to each employee.

**SAEDA Naohito**  
Executive Officer  
Senior Vice President,  
Human Resources Division



**Human Capital Management**  
人的資本経営コンソーシアム

►Review of FY2022

In FY2022, with the aim of responding to the environmental changes caused by the COVID-19 pandemic and accelerating business model reform, we divided our efforts into four elements to realize "creation of new value" and "continuous improvement of productivity": "allocation of human resources to growing business areas," "recruitment of diverse human resources and provision of growth opportunities for employees," "business process reform," and "basic initiatives."

For each element, we set numerical targets to be achieved in FY2025. As a result of the expansion of job postings under the open recruitment system and the promotion of the active participation of women, the allocation of human resources to growing business areas and the ratio of female managers were on track to meet the targets for FY2025. On the other hand, sales per capita was -2 percent in FY2022 (compared to FY2019), compared to the target of +15 percent in FY2025 (compared to FY2019). The ratio of employees with high engagement was -2.7 points (compared to FY2019) in FY2022, compared to the target of +10 points in FY2025 (compared to FY2019).

Based on these results, and in order to respond to new internal and external issues, in FY2023 we will deepen our efforts to materialize human capital management.

►Integration with Management Strategies

The Rolling Plan 2023 positioned ESG strategy as the top strategy for realizing value creation and growth, and positioned human resources strategy as one of the business strategies to promote ESG strategy.

In promoting our ESG strategy, we first clarified the JAL Group's human resources vision as "Human resources that respect diverse values, challenge new value creation, and drive change". Next, in the face of the rapidly changing environment, we recognized two particular issues that need to be addressed. Inside the JAL Group, there was a lack of opportunities for diverse human resources to reach their potential.

Turning our attention to the outside world, we recognized that it will be difficult to secure human resources in the future as the birthrate declines and the population ages.

In order to cope with this severe environmental change, we will actively invest in human resources in order to realize the "improvement of value creativity" and "drastic improvement of productivity." We will accelerate business model reform by expanding new business areas such as the Mileage, Lifestyle, and Infrastructure business through "improvement of value creativity" and by "drastically improving productivity" in the existing air transport business, which is our main business. By doing so, we aim to create a virtuous cycle that leads to further value creation by improving corporate value and returning the results to each employee, who is our human capital.

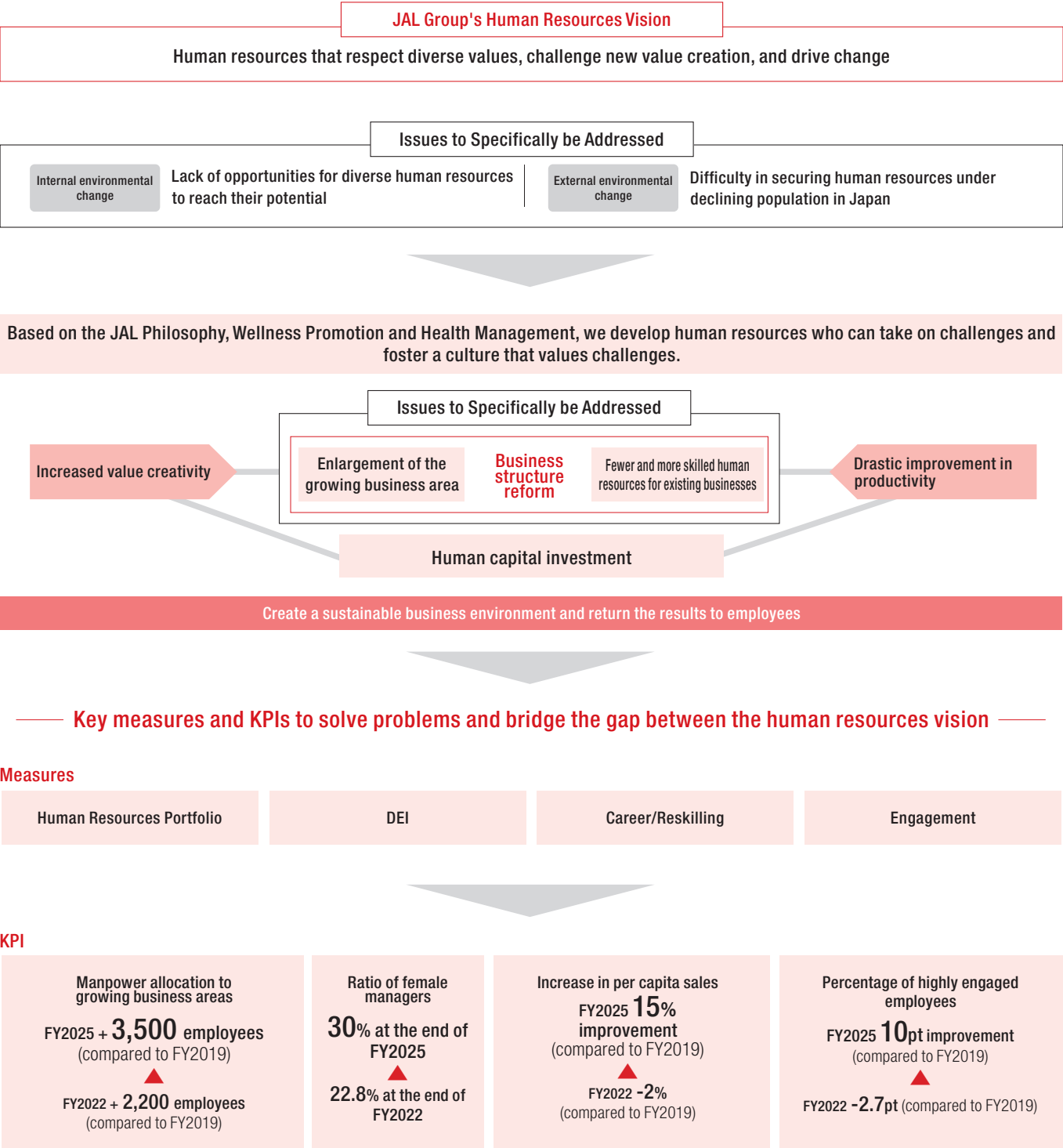
►Strategies and KPIs

Diverse human resources are the JAL Group's greatest strength, and its philosophy has not changed. In formulating the human resources strategy for Rolling Plan 2023, we adopted the concept of human capital management, which maximizes the value of human resources and improves corporate value, in order to reinforce this philosophy.

In the "Three Perspectives and Five Common Elements Required for Human Resources Strategy" of human capital management, "Human Resources Portfolio," "DEI," "Career/Reskilling" and "engagement" as well as "working style independent of time and place" are listed as the five common elements of human resources strategy. Based on the belief that the human resources portfolio and the activation of individuals and organizations ("DEI," "Career/Reskilling" and "Engagement ") are particularly important in the promotion of ESG strategy, the JAL Group's human resources strategy was formulated by focusing on these four elements, and specific measures are formulated and implemented for each element.

Although each element is related to the other, measures for internal environmental change are mainly assigned to "Human Resources Portfolio" and "DEI," and measures for external environmental change are assigned to "Career/Reskilling" and "Engagement".

In addition, we have set KPIs for each element so that we can quantitatively grasp the ideal state and the current state of affairs. Based on the results of each KPI in FY2022, we have formulated various measures to close the gap. In order to achieve our goals, we will backcast what we need to do and execute with a sense of speed.



Concept of Investment in Human Resources

At the JAL Group, we will accelerate the development of a system that supports the active participation of employees, provides educational and training opportunities that contribute to the improvement of individual abilities, and develops a personnel evaluation system and a compensation system that properly evaluates and rewards challenges. We will continue to actively invest in human resources with the aim of improving value creativity and drastically improving productivity.

1. Overall Strategy	2. ESG Strategy	3. Business Strategy	4. Financial Strategy
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① Human Resources Portfolio

In order to realize business model reform, we will acquire, nurture, assign and treat personnel with diverse knowledge and experience to support new business areas and personnel with high expertise in the aviation field to support existing business areas. We will expand the recruitment of experienced personnel, expand the scope of areas and positions covered by the performance-based remuneration system, and introduce a personnel wage system that applies to highly specialized personnel essential for safe operation, thereby placing personnel in optimal positions and build a new human resources portfolio for the JAL Group.

Priority and Strategic Measures

Acquisition and Placement of Human Resources to Realize ESG Strategies

Recruitment and Promotion of Employees with External Experience

Many experienced employees are active in areas where high knowledge is required, such as business creation and digital promotion, and are working to create new value by utilizing diverse external knowledge to promote JAL’s growth strategy. Many employees are promoted to the management level and are involved in important decisions at the company. In order to further promote value creation by utilizing internal and external knowledge, we will further promote the promotion of employees who are hired with experience by making fair and impartial appointments based on personnel. In addition, JAL Next Career GATE was launched as a new platform for recruiting experienced employees, which resumed in 2022, and began recruiting throughout the year. We will continue to make further efforts to recruit experienced personnel through the development of various recruitment methods with the aim of recruiting personnel with a high level of expertise and diverse knowledge and experience.

Human Resources Placement in Growing Business Aeas

The JAL Group aims to expand growing business areas such as LOC and Mileage and establish a personnel system to diversify and maximize business income and expenditure. In FY2025, we will increase the number of personnel allocated to growing business areas by +3,500 employees (compared to FY2019) through the transfer of personnel from existing areas, mainly FSC, to growing business areas and the recruitment of personnel with diverse knowledge and experience.

Measures to Enhance Value Creativity of Human Resources Acquired and Placed

Performance-based Remuneration System

Since the JAL Group expects high results from Group companies that are primarily responsible for business model reform, we introduced a performance-based remuneration system in FY2022 for the positions of Presidents in some Group companies. This will encourage new value creation, such as business expansion in new business areas and diversification of revenue sources. In FY2023, the system will be expanded to other Group companies and other positions, not limited to the position of the President, in an effort to realize business model reform.

② DEI

In order to improve corporate value over the medium to long term and to enhance the sustainability of our business, we will transform from a company with highly homogeneous human resources to a highly diverse company with human resources with diverse knowledge and experience such as experience, sensitivity, values, and expertise. We will deepen diversity and create new values by intergroup secondments, the active recruitment of foreign employees in Japan, and by expanding the employment of people with disabilities, through the creation of an environment where everyone can work with satisfaction.

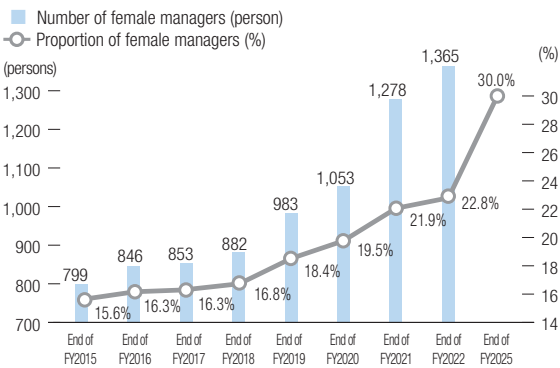
Priority and Strategic Measures

Measures to Deepen Diversity

Promotion of Women in the Workplace

We are continuing our efforts to achieve our management goal of 30 percent female managers in the JAL Group. There were 22.8 percent as of March 2023. In addition, the ratio of women in organizational management positions based on the provisions of the Act on the Promotion of Women’s Participation and Advancement in the Workplace is 28.4 percent. As for the promotion of women to managerial positions, we conduct age-specific training for the purpose of job autonomy in stages from their twenties. To nurture the initiative to chart their own careers at an early stage, we also conduct study sessions for those returning to work from administrative leave, and other initiatives to ensure that women’s career advancement is not interrupted by life events. At the same time, we have also established a system to learn comprehensively about the qualities of leaders that are required for each level of management, from the first to the senior management. We are promoting the placement of female managers across job categories, including the appointment of six out of twenty-four female managers as flight attendants to the general managers of sales branches in various regions.

We actively promoted women to executive positions by utilizing the Pipeline List to nurture and promote women according to their individuality and aptitude. In April 2023, JAL newly appointed three female executives, bringing the ratio of women to 22 percent in the management.



Actively Recruiting and Appointing from Regions Outside Japan

In order to enable employees, recruited from regions outside Japan, to play an even more active role, we are making efforts to relocate employees to locations outside of Japan, as well as to foster the appointments of employees by providing seminars and training programs specific to each area. As of April 2023, approximately 30 percent of our employees held important positions, such as District Managers and Business Directors. We, however, intend to increase this number during the Medium Term Management Plan period. The number of staff working in Japan is expected to reach 50 employees by 2025. The opportunities to expand the range of work experience will be increased even further. The contacts between our diverse employees are expected to grow, which is expected to develop global mindsets.



Overseas employees working in Japan

Promoting Challenges by Employees with Disabilities

Shops servicing coffee and light snacks, and shoeshine services are popular among our employees. These shops provide opportunities for employees with disabilities. They can use their talents and abilities to play active roles. It also provides opportunities for our employees to deepen their understanding of DEI. On the Sustainable Charter Flight, employees with hearing impairments served as cabin support staff to express in-flight announcements in sign language. We will continue our efforts to create opportunities for career advancement that are not limited to conventional stereotypes and to support career development that can be challenged by anyone regardless of disability.



Shoeshine services for employees

Voice



KONISHI Kenta  
Tennozu Pioneer Group  
JAL Sunlight, Inc. General Affairs Center

Helping Employees Develop Job Autonomy

We support diverse employee challenges through the Job Autonomy Development Training Program, an intern type training program launched in 2022. Employees with disabilities can also participate in this program to take on new challenges. I am deaf, but I was wondering about the lack of opportunities for employees to participate in DEI promotion. By participating in the Job Autonomy Development Training Program by the D&I Promotion Group of the Human Resources Strategy Department, I thought that I would be able to share my opinions as a person with disabilities and also make use of my new knowledge and experience. In the barrier-free mindset project I worked on, I eliminated barriers between the disabled and the abled by devising ways to communicate. In the future, I would like to continue to engage in work that can create a climate of respect for others and acceptance of diversity regardless of our traits.

③ Career/Reskilling

The work roles of our employees are changing with the optimization of human resource portfolios due to the revisions in business structures and the rapid transitions in the social environment. To respond to these changes, we support career development in job autonomy and reskilling. We support our employees by implementing a job autonomous career development system, such as a human resource system for employees who want to nominate themselves to the department they wish to work in and a system where the employees can use their skills and abilities in an in-house second job system, or providing DX education and reskilling for a second career for our employees to shape their own careers responsibly.

Priority and Strategic Measures

Developing Human Resources to Realize ESG Strategies

DX Human resources Development

We will conduct basic DX education for our 36,000 Group employees in order to build services and business models that meet the needs of customers and society through the use of digital technology as well as to develop DX human resources that create new value by transforming old internal processes and organizational culture. In addition, we will provide DX education tailored to each level, including management and business staff.



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►Developing Autonomous Employees

The JAL Group has been conducting various activities to train managers to change their mindset and provide a place for practice to apply "JAL OODA", which is a form of autonomous thinking and action. One of these activities, W-PIT\*, is an in-house venture group that enables employees to take on challenges of co-creation in different industries and to connect their excitement to business. In addition, we continue to hold in-house entrepreneurship auditions Sozo *no Tsubasa (Wings of Creativity)* for employees to open new business areas. In addition, in the Career Challenge, an internal recruitment program in FY2022, 23 divisions accepted 33 people who had been selected internally to develop autonomous human resources.

\*Abbreviation for Wakuwaku (exciting) Platform Innovation Team

►Career Design


In order to encourage employees to develop their own careers, we have created opportunities for employees to think about their careers by disseminating information through the CAREER Page on the company intranet, holding the JAL CAREER TALK LIVE where employees active in the JAL Group discuss their careers, and introducing career development training. We also introduced a career consulting interview where employees can discuss career development with a nationally qualified internal career consultant.

We will continue to create an environment where employees can form their own careers and aim to improve employee engagement.

Topic

Internal Career Consulting

Six employees with national qualifications in career consulting, selected through internal recruitment, provide support to deepen and clarify the awareness of career development by encouraging psychological self-insight of the counselor based on expert knowledge such as career theory. A counselor said, "I now have a clear idea of what I value and focus on, how I want to work in the future, and what I need to do in order to do so." We also plan to expand to JAL Group companies in the future.

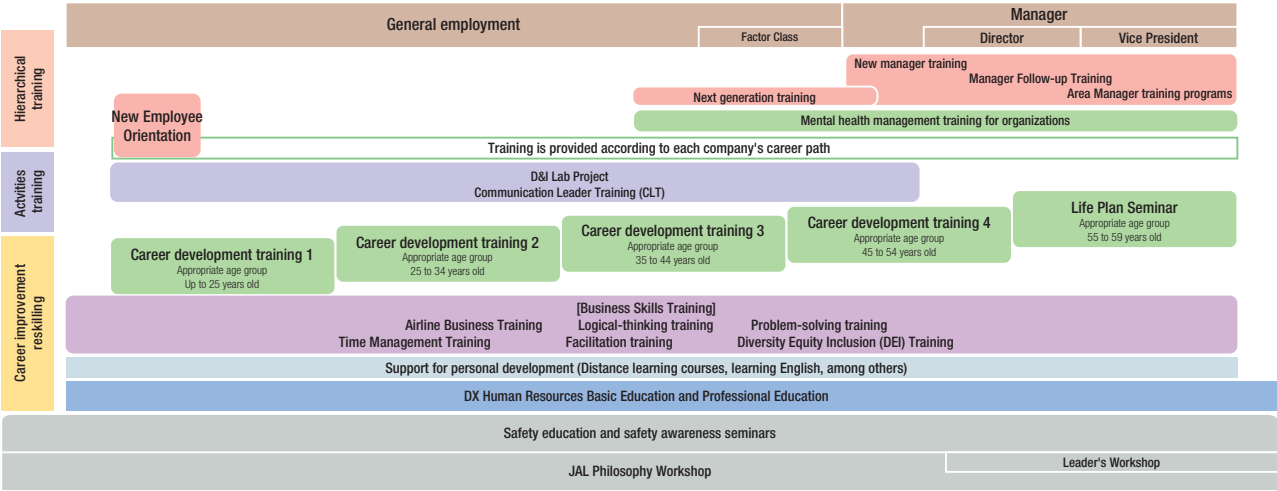


JLCAREER Portal

►Expanding Training Programs

Based on JAL Philosophy, we have established JAL Group's Human Resources Vision as our basic concept. We conduct personnel exchanges that transcend the boundaries of companies and occupations within the Group. In addition, we train leaders and safety and service professionals through specialized training programs for each job category and provide seminars and training programs specific to each company. We will continue to provide opportunities for employees to grow and learn in order to build job autonomy. We will nurture human resources that will serve as a driving force to accelerate the diversification of the business areas listed in Medium Term Management Plan.

Basic Education and Training System of the JAL Group in FY2023



►Developing Human Resources to Support the Organization

►Development of Management Human Resources and Next Generation Leaders

In order to nurture management human resources who are able to set the direction of business and steer management in a strategic and speedy manner despite rapid changes in the social and business environment, and next generation leaders who understand the mission of management, and respond flexibly to all changes while driving diverse business areas, including FSC, we provide opportunities to work in other companies, study and train outside JAL, and cross-industry exchanges for each working level. Each employee brings back the knowledge and what they learnt during their employment in outside companies and applies the schooling to transform it into their business structure and create new values. We will continue to select better programs and expand the scope of our programs.



Management human resources and next generation leaders training



④ Engagement

In order to maximize the power of diverse human resources, which is the JAL Group's greatest strength, we will create a highly engaged work environment where each employee feels needed and rewarded.

We will improve employee engagement by implementing various measures such as the Human Resources Portfolio, DEI, and Career/Reskilling. Also by promoting organizational revitalization through JAL Philosophy and Health Management. We will achieve a virtuous cycle of increasing engagement by increasing productivity and appropriately transferring the results to human capital investment.

Priority and Strategic Measures

■Understanding Engagement Status

►Employee Engagement Survey

The JAL Group regularly conducts engagement surveys as the basis for achieving a virtuous cycle in which productivity increases as a result of increased engagement and business activities, and the results obtained are appropriately transferred to human capital investment to further increase engagement.

In the survey, we conduct a company-wide survey of organizational activity, in which we identify questions that lead to engagement, such as career and remuneration, and measure the percentage of employees who respond favorably to these questions.

FY2022 results are -2.7 points (compared to FY2019), which is far from the FY2025 target of +10 points (compared to FY2019). In order to improve engagement, the JAL Group believes that it is important to promote the aforementioned measures on the Human Resources Portfolio, DEI, and Career/Reskilling, as well as the following measures on the Promotion of Diverse Workstyle, Health Management, and Occupational Health and Safety Activities. By accelerating these measures, we will improve engagement.

■Improving Engagement

►Promotion of Diverse Workstyles

The JAL Group promotes diverse workstyles for everyone to play an active role.

In FY2022, looking ahead to the close of the COVID-19 pandemic, we established a basic policy for hybrid work, which combines office attendance and telework, so that employees can choose where they work while being conscious of productivity and communication in accordance with the content of their work.

In addition, we established guidelines for second jobs to create an environment in which employees can gain new insights and human networks through their other job.

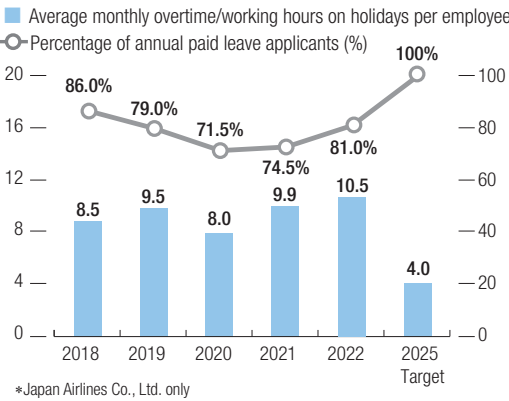
The JAL Group will continue to promote diverse workstyles in order to foster an environment in which diverse human resources can work actively.



►Optimizing Working Hours

The JAL Group aims to be a company where everyone can play an active role, including employees with time constraints such as childcare and nursing care. For this reason, we have introduced a scheduled annual paid leave program and optimized working hours. In spite of the recovery in passenger demand and various projects, there is an increase in workload particularly in the supporting departments, however, with the implementation of a flexible workstyle, the percentage of employees taking annual leave improved to 81.0 percent in FY2022 (74.5 percent in FY2021). On the other hand, the average monthly overtime and holiday working hours per employee was 10.5 hours (FY2021: 9.9 hours), so we will continue to strive for optimized working hours with flexible workstyle.

■Overtime Work and Annual Paid Leave Applicants\*



►Health Management

For the diverse human resources to fully display their individuality and abilities, it is essential to create a safe and secure work environment and to promote the health of employees and their families. The JAL Group Health Promotion Project "JAL Wellness" was launched in conjunction with the Medium Term Management Plan in 2012. Currently, JAL Wellness 2025 continues to promote the health of employees and families based on the five major indicators such as lifestyle-related diseases, cancer, mental health, tobacco control, and women's health.

In particular, we consider female-specific health issues to be most important as it is directly related to productivity improvement and organizational revitalization. We have introduced a program to address symptoms of menstruation and menopause using femtech in collaboration with LIFEM Inc. We are working to improve the health literacy of all employees toward "women's health" through the use of online medical services and the active implementation of seminars.

With the "Occupational Health and Safety Activities" at the workplace and the "JAL Wellness" between employees and their families, we will provide a stage for each member of the JAL Group to actively perform and shine.

For details, see the following page.

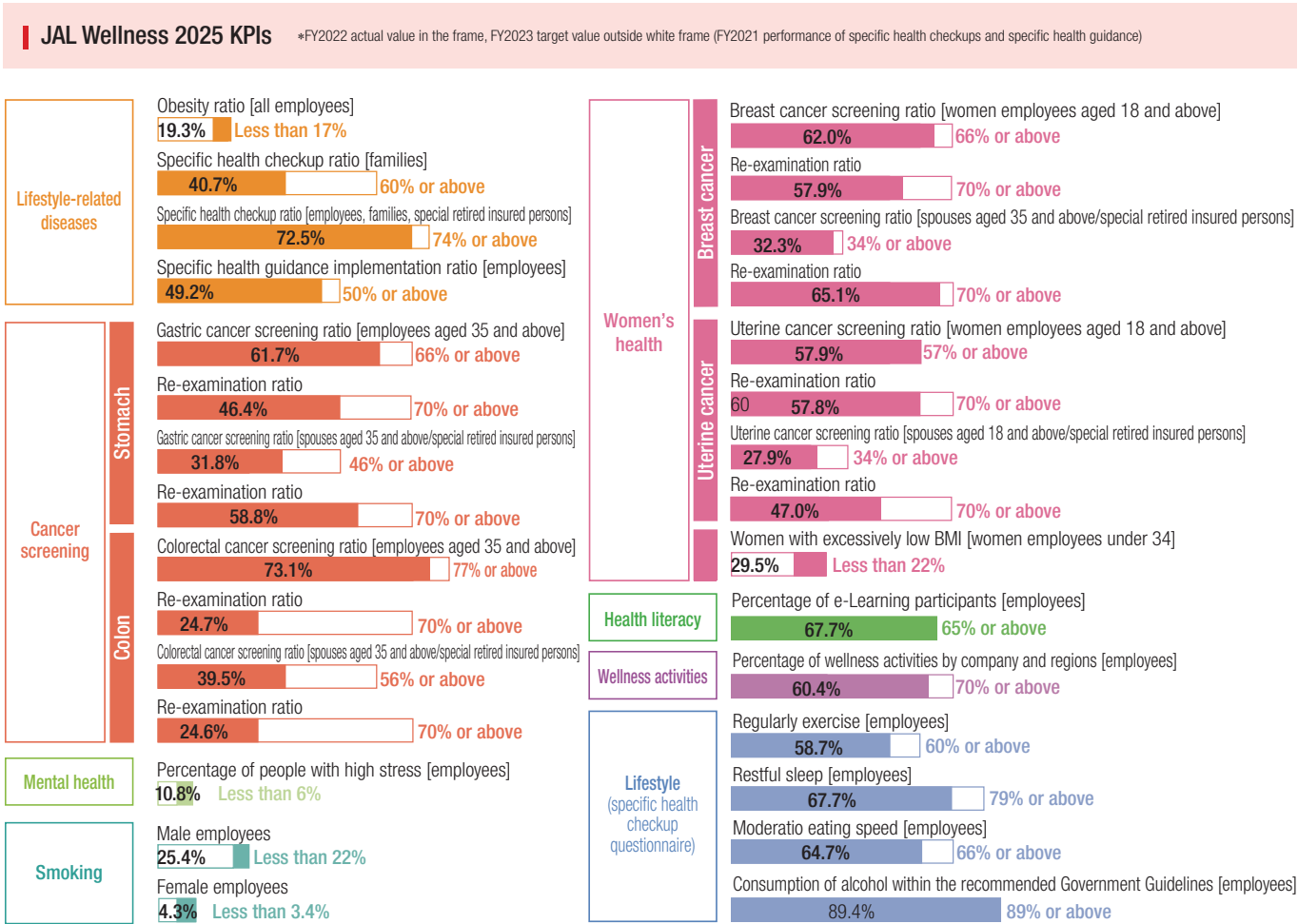




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1JAL Wellness 2025 Initiatives

JAL was recognized as a brand in the 2023 Health & Productivity Stock Selection for the fifth time. Twenty-four companies in the JAL Group (20 last year) were recognized under the 2023 Certified Health & Productivity Management Outstanding Organizations Recognition Program. They were highly praised for working actively under the strong leadership of the Chief Wellness Officer (CWO), Wellness Leaders in the workplace and further initiatives to improve women's health, literacy on health through better use of the website, and mental health care during the pandemic.



Occupational Safety and Health Activities

The JAL Group strives to ensure workplace safety and prevent industrial accidents by steadily implementing "Occupational Health and Safety Management Activities" in all of its business areas, for all our active employees, as well as our contractors and partners.

1Occupational Health and Safety Policy

- We will strengthen safety and health systems in the JAL Group's business sites, for all our employees, working contractors and partners.
- In accordance with relevant laws and regulations, each workplace appoints a general safety and health manager, an industrial physician, a safety manager, and a health manager according to the nature of the business and the number of employees. Also including employee representatives, labor and management work together to promote occupational safety and health activities, at the Safety and Health Committee and the Health Committee.
- In particular, in departments such as operations, cabin, maintenance, airports, cargo, loading and unloading, maintenance of vehicles dedicated to ground operations, and catering, we will set up departments and personnel in charge of safety and health, conduct risk assessments, share safety hazard cases, and continuously implement PDCA through the Occupational Safety and Health Management System to prevent recurrence and reduce risks.
- The ultimate goal of the JAL Group is to achieve zero industrial accidents. To achieve this goal, each business site sets specific action plans for individual issues, sets priorities and quantitative targets, and effectively conducts the PDCA cycle.
- This occupational health and safety policy is formulated by the JAL Wellness Promotion Committee, which consists of an Executive Officer in each business area. Led by Chief Wellness Officer (CWO), this policy serves as internal regulations such as the "Safety and Health Regulations" and guidelines for occupational health and safety activities at each site.

2Health Management for Flight Crew Who Supports Flight Safety

In addition to the annual physical examination, the flight crew also undergo annual medical examinations as stipulated by the Civil Aeronautics Act, which is under the jurisdiction of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT). The Flight Crew Wellness Promotion Department follows up on the medical examinations and the results of the examination. In addition, an industrial physician always meets with the flight crew once a year and conducts a medical interview, as well as confirming the physical and mental health of each individual and providing support for health management. Depending on the results of the medical examination, the flight crew may need to take a leave of absence based on the standards. In this case, the flight crew will concentrate on medical treatment, among others, and will return as a flight crew through the return process prescribed by the MLIT and the company after confirming that the health condition has been restored and the numerical value has been improved. After returning to service, the Flight Crew Wellness Promotion Department will carry out follow-ups as necessary.

Topic JAL Athletes Taking on the World Challenge

The JAL Group supports all athletes, including JAL Athlete Employees, by combining the image of athletes believing in themselves and colleagues with JAL's aim to become "the world's most preferred and valued airline group." At the Budapest 2023 World Athletics Championships, KITAGUCHI Haruka, a female javelin thrower, won the first gold medal in Japanese women's field history. We will continue to support our athletes and para-athletes who are taking on global challenges. JAL Athlete Employees travel around Japan to launch the JAL Athlete Academy, which provides children with advice on how to enjoy sports and improve their athletic skills. We will work together with local residents to inspire and to experience the charm and enjoyment of sports as well as to experience the attraction of areas they have never visited before.



JAL Athlete Academy in Amami



KITAGUCHI Haruka, a female javelin thrower who won the gold medal at the World Athletics Championships in Budapest 2023.



JAL Athlete Employee. From left to right: YACHI Sora (Ski/Nordic Composite), KITAGUCHI Haruka (Athletics/javelin throw), KANO Koki (Fencing/Epe), TOBE Naoto (Athletics/High Jump), DOI Anna (Athletics/short-haul Run), YAMAMOTO Ryoma (Athletics/Triple Jump), KORA Ayaka (Athletics/Long Jump), SUZUKI Yudai (Para Track and Field, Long Jump, short-haul Run)



## (4) GX Strategy -Accelerating Response to Carbon Neutrality by 2050 Through a Variety of Methods-



The GX strategy was formulated based on business characteristics and changes in the external environment, with the goal of realizing a 1.5°C scenario for carbon neutrality by 2050. We will promote GX through cooperation with suppliers and partners with GX promotion technology. We will use ESG investment to lead the aviation industry's efforts to realize a decarbonized society as a leading airline company.

### AOKI Noriyuki

Managing Executive Officer  
Senior Vice President,  
General Affairs Division

### ►Background and Outline of GX Strategy

We recognize that reducing CO<sub>2</sub> emissions in the air transport business is the most important issue in order to realize an exciting society and future where many people and various objects can move around without restraint. The GX Strategy was formulated in the Medium Term Management Plan Rolling Plan 2023 with the intention of addressing the issue as one of the pillars, which must be resolved strategically.

At the 2022 General Assembly of the International Civil Aviation Organization (ICAO), long-term targets, which aims to become carbon neutral in the field of international aviation by 2050, and CORSIA\*, which is a framework for reducing CO<sub>2</sub> emissions, were adopted.

In this environment, we will accelerate our efforts to reduce our own emissions by upgrading to fuel-efficient aircraft, implement JAL Green Operations, and utilize SAF, which reduces CO<sub>2</sub> emissions by up to 80 percent compared to conventional jet fuel. One of the most important issues is the production and utilization of domestic SAF, and it is important to see this as an opportunity to build a domestic recycling-based society that is internationally competitive, and work to establish a national circulation that transcends industry boundaries.

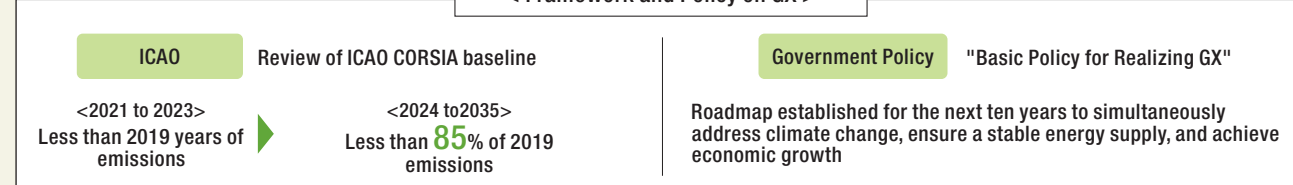
In addition, as part of CORSIA's efforts to implement offset

obligations, we will add the use of emissions trading. In the medium to long term, we will promote cooperation with suppliers and partners that have new technologies such as synthetic fuels and negative emissions (such as CO<sub>2</sub> capture) that are under development worldwide, and promote the use of new technologies. In addition, Internal Carbon Pricing (ICP) was introduced to accelerate efforts to reduce CO<sub>2</sub> emissions from the perspective of how it contributes to the roadmap for reducing CO<sub>2</sub> emissions, rather than focusing only on returns from initial investment. We will aggressively pursue investments to promote GX, including projects that will lead to the acquisition of CORSIA certification in the future.

### ►Accelerate Response Through Technological Innovation and Stakeholder Collaboration

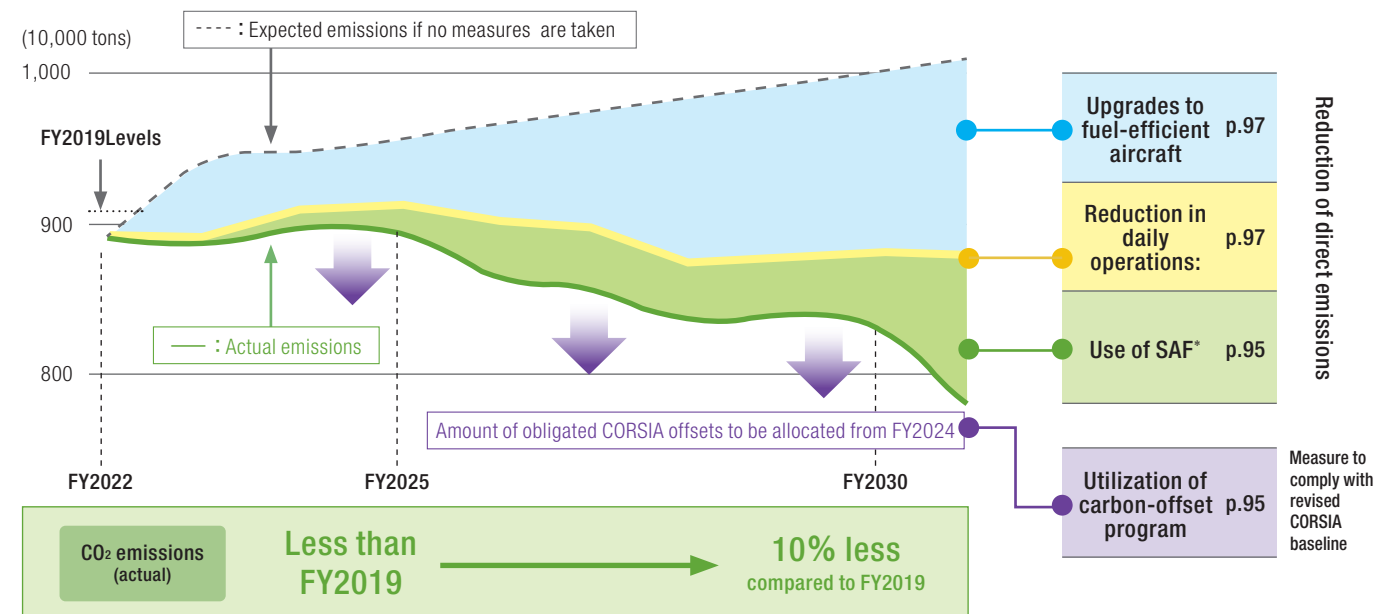
For the sustainability of the aviation business, we expect our new aircraft and technological innovations will reduce CO<sub>2</sub> emissions. In addition, in the face of the rapidly increasing recognition of SAF, it will be extremely important to accelerate efforts to grasp trends in technological innovation and ESG investments through cooperation with stakeholders while maintaining firm communication with external parties. We will work together to realize a decarbonized society while gaining the understanding of all stakeholders, including our customers and shareholders.

### < Framework and Policy on GX >



\*CORSIA ... A system requiring international flights to purchase emission credits for exceeding the 2019 CO<sub>2</sub> emission standards

## Roadmap for Reducing CO<sub>2</sub> Emissions by FY2030



\*Sustainable Aviation Fuel

### GX promotion investment

**Introduce Internal Carbon Pricing (ICP) into investment decisions**  
Base price: 15,000 yen/ton

We have introduced an ICP to estimate the quantitative effect of CO<sub>2</sub> reduction and have set the standard amount of CO<sub>2</sub> reduction effect at 15,000 yen/ton. When making decarbonization investment decisions with a focus on the future, we will not make capital investment decisions based solely on economic value, but will actively use this information to identify social value and profit opportunities and risks, balancing the level of company-wide efforts and accelerating our efforts toward carbon neutrality.

### GX promotion technology

**Promote coordination with suppliers and partners who possess new technologies such as synthetic fuels and negative emissions (CO<sub>2</sub> capture, etc).**

In addition to accelerating our existing efforts to achieve our CO<sub>2</sub> emission reduction targets by 2030, we will actively promote the use of new technologies in our medium- to long-term strategies, such as synthetic fuels and Direct Air Capture (DAC) that directly captures CO<sub>2</sub> from the atmosphere, which are undergoing research and development worldwide with the aim of commercializing the technology around 2030, with a view to achieving carbon neutrality by 2050.

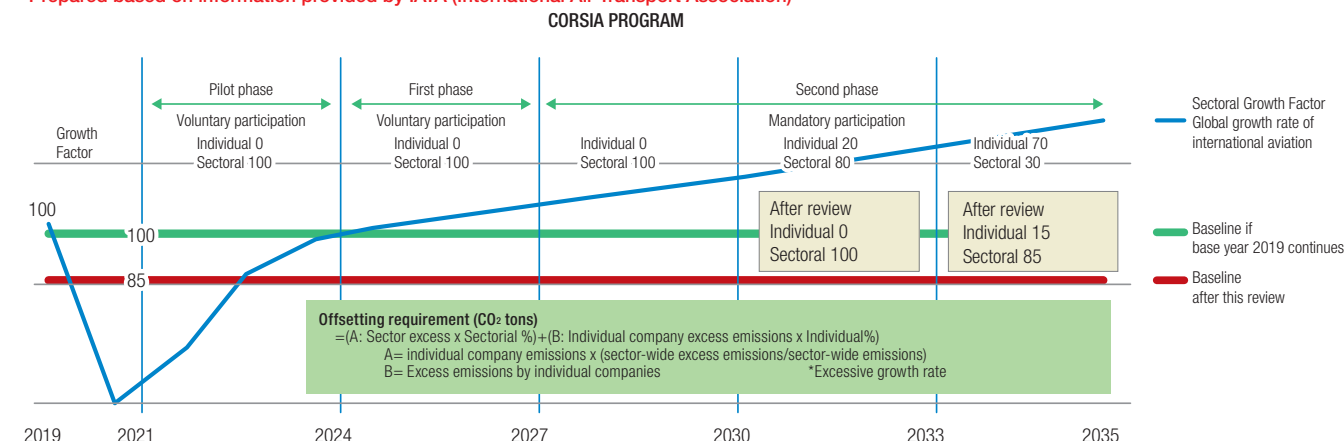
### What is CORSIA?

CORSIA is a system established by ICAO that requires offsetting requirements on airlines of participating countries by sharing the amount of CO<sub>2</sub> emissions exceeding the baseline on international flights. At the 2022 ICAO General Assembly, the baseline was revised to "85 percent of the 2019 emission level" after 2024. Since the baseline was lowered 15 percent, airlines of participating countries are required to offset when exceeding 85 percent of the 2019 emissions. There are two types of offset requirements: individual and sectoral. The former refers to the ratio of individual airlines to bear the amount of their own offset requirements, and the latter refers to the ratio of airlines of participating countries to bear the amount of offset requirements of the aviation sector.

Prior to the baseline review, the ratio was 0 percent for Individuals and 100 percent for Sectoral until 2030, and 20 percent for Individuals and 80 percent for Sectoral since 2030. However, based on the baseline review last year, the ratio was 0 percent for Individuals and 100 percent for Sectoral until 2033.

### Baseline and Ratio of Individual Growth Factors After Review

\*Prepared based on information provided by IATA (International Air Transport Association)



4. Financial Strategy

-Strengthen Our Risk Tolerance and Further Accelerate Sustainable Growth-

As the COVID-19 pandemic comes to an end and air transport demand recovers, the JAL Group will strengthen its risk tolerance while accelerating its efforts for sustainable growth. In addition to investment, we will actively allocate management resources to promote our ESG strategy and human capital management, by recognizing the use of resources not as costs, but as “ investments to support the future of JAL”. As business performance recovers, we will gradually expand shareholder returns for those who have supported us during the COVID-19 pandemic.



Director, Senior Managing Executive Officer  
Senior Vice President of Corporate Strategy and Planning  
Chief Financial Officer

SAITO Yuji

►Summary of FY2022

This fiscal year, air passenger demand in Japan and overseas steadily recovered as the shift toward balancing the infection's prevention and socioeconomic activities gained momentum. Amid the recovery trend, the JAL Group strived toward maximizing revenue by capturing both passenger and cargo demand, as well as by steady growth of ZIPAIR and its mileage business, both of which are growth drivers. We also made every effort to improve revenue by cost reduction to recover from the COVID-19 pandemic, achieving profitability for the full year.

As for our financial strategy, in order to steadily upgrade our fleets to fuel-efficient aircraft, we implemented a financing of approximately 26.5 billion yen through a transition-linked loan with specific use of proceeds in March 2023 as the first Japanese airline company to use such a loan.

In terms of shareholder returns, the JAL Group has not provided dividends for fiscal year 2020 and fiscal year 2021, as it was necessary to place the highest priority on securing liquidity on hand and strengthening its financial position.

However, the JAL Group provided its year-end dividend at 25 yen per share for fiscal year 2022, as cash flow is steadily recovering, positive profitability is achieved for the full fiscal year, and air transport demand is expected to make a steady recovery toward the next fiscal year.

We would like to express our deep appreciation to our shareholders for their continued support during the pandemic.

►“Financial Strategy” as a foundation for Our ESG Strategy

For the fiscal year 2023, passenger demand is also on a steady recovery trend. The JAL Group has overcome the unprecedented situation of a sharp and significant decline in demand and is firmly in place to fully capture the recovering demand, including resuming the

Executive Officer  
Senior Vice President of Finance and Accounting  
Senior Vice President of Business Administration

YUMISAKI Masao

recruitment of human resources toward medium-to long-term growth. International routes have shown recovery above expectations. We will expand our long-haul full service carrier routes and expand the capacity and network of our LCCs, particularly ZIPAIR, above pre-pandemic levels. As for domestic routes, we will introduce fuel-efficient aircraft and maintain the same level of supply at pre-pandemic levels, and aim to create new demand, such as regional movement within Japan of inbound passengers.

For the cargo business, we aim to expand business with a new business model that suppresses volatility through partnerships. The mileage business has recorded stable profits, and we will continue to take measures to improve convenience and expand our customer base.

As part of our investment for our company's sustainable growth, we plan to introduce the state-of-the-art flagship A350-1000 on our international routes from the winter schedule of fiscal year 2023, in order to enhance our product competitiveness. Also, we will aim for expansion through the introduction of freighters refurbished from a passenger plane. By partnering with our logistics partners, we will build a new business model that reduces business risks and contributes to solving the shortage of truck drivers in domestic delivery, which has become a social issue.

In order to expand our non-airline business domain, we are investing in IT for the new mileage status program, which we plan to introduce. Furthermore, through the expansion of SMART AIRPORT, we will aim for smooth procedures at airports and improvement of efficiency regarding our human resources.

Regarding shareholder returns, the forecasted dividend for fiscal year 2023 is 40 yen per share, and the forecasted interim dividend is 20 yen per share, as steady recovery of cash flow is expected. Going forward, we will strive to achieve our basic policy of a continuous and stable shareholder return, that is in line with our business recovery.

① Restructuring of our Financial Foundation - Toward Risk Tolerance and Growth-

		End of FY2022	Overview and Goals of FY2023-2025 Strategies	
Build Risk Resilience and Capital Efficiency	Liquidity	639.2 Bn JPY Credit Facility 250 Bn JPY	Secure <b>5.0–5.6</b> months' worth of passenger revenue (including credit facility)	
	Stability (Equity Ratio)	39.3% (credit rating)	End of FY2025: Over <b>50%</b> (credit rating)	
	Credit Rating	Maintain A Rating	Achieve “A Flat”	
	Capital Efficiency	ROIC*1	FY2025 : <b>9%</b> In addition, consider introducing “Sustainable ROIC (tentative name)”, a new investment efficiency index that takes social values into account	
		ROE	FY2025: <b>10%</b> or more by surpassing cost of shareholders' equity	
Resource Allocation	Capital Allocation		Accelerate efforts to achieve sustainable growth while improving risk tolerance	
	Financial Discipline		Secure sufficient free cash flow for each fiscal period	
Shareholder Return	Dividend	FY2022: 25 yen/share	Achieve a dividend payout ratio of over 35%, as soon as possible	

\*1 Return on Invested Capital (ROIC) = EBIT (after tax)/average of fixed assets\*2 at the beginning and end of the fiscal year  
\*2 Fixed assets = Inventories + non-current assets - deferred tax assets - assets for retirement benefits

Although there are no major changes in our financial strategy, we will focus more on accelerating growth. As the COVID-19 pandemic comes to an end and demand steadily recovers, we will strengthen our risk structure and accelerate our efforts for sustainable growth.

We will strive to achieve our goals by fiscal year 2025, the final year of the Medium Term Management Plan, by implementing business model reform and achieving sustainable growth in the post-pandemic period.

The target indicators for strengthening risk tolerance were set in preparation for events at pandemic-level scales, and will be followed in the “Medium-Term Management Plan FY 2021-2025 Rolling Plan 2023”. With regard to liquidity on hand, we aim to secure approximately 5.0~5.6 months of passenger revenue while partially utilizing credit facilities, and aim to achieve approximately 50 percent in terms of our equity ratio (based on credit rating evaluation) by the end of FY2025.

While the credit facility was increased during the pandemic, this was reduced on June 30, 2023, upon reflecting the improvement in performance and cash flow.



In order to maintain our financing capabilities, we aim to achieve an “A Flat” credit rating. At the same time, we will also work to improve capital efficiency and asset efficiency, aiming to achieve a “ROIC of 9%” and “ROE of 10% or higher”.

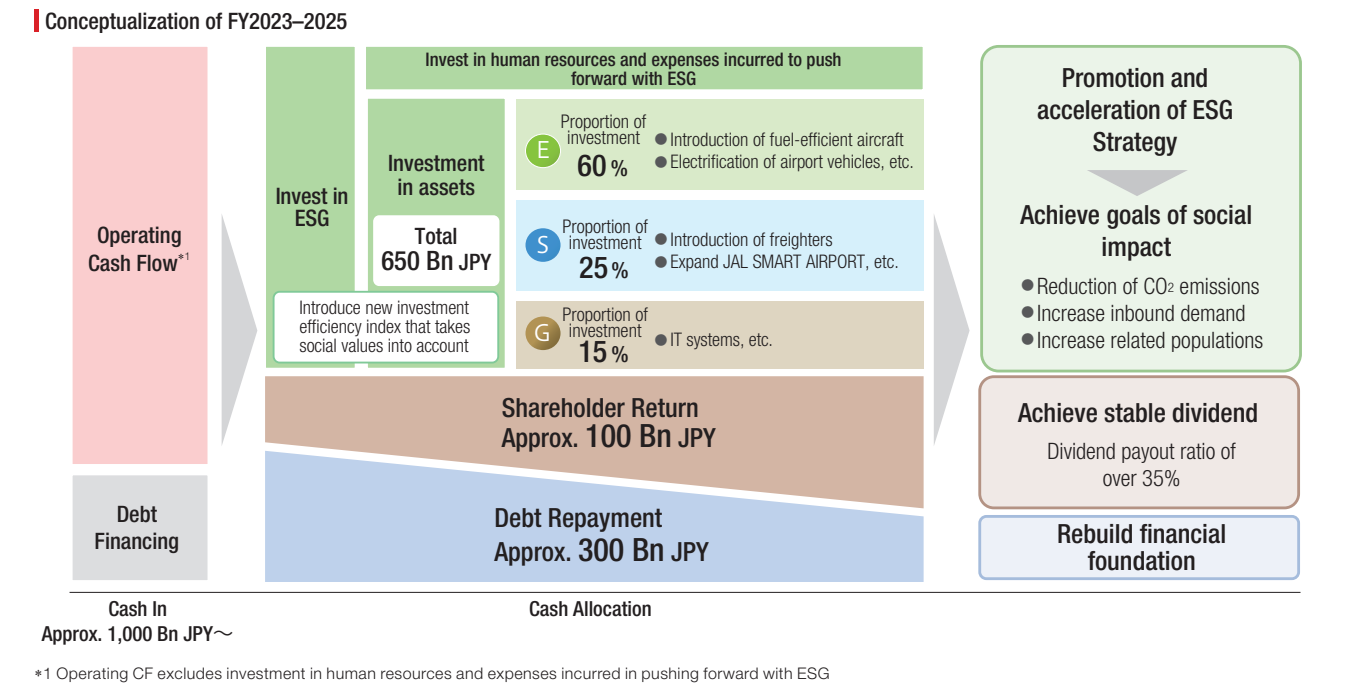
In addition, in order to promote our ESG strategy, we are considering the introduction of a new investment efficiency indicator, “Sustainable ROIC (tentative name)”, which takes into account the social value generated by ESG investments.

With regard to shareholder returns, we aim to achieve a dividend payout ratio of approximately 35% or more as soon as possible. We will continue to work to restore and improve our business performance and our ability to generate cash flows to achieve our basic policy of a continuous and stable shareholder return.



② Distribution of Management Resources

-Gradually expand shareholder returns while accelerating ESG investments-



In terms of the allocation of management resources, we will proactively promote ESG investment to support our ESG strategy, as well as gradually expand shareholder returns in line with the recovery of our business performance, and restructure and grow our financial base.

In addition to asset investment, we will continue to pursue our ESG strategy and human capital management, considering the use of resources not as costs, but as “investments to support the future of JAL”.

To further promote ESG management, we plan to invest a total of 650 billion yen in assets between fiscal year 2023 and 2025. Investment amounts related to **E**, **S** and **G** are allocated as follows. We believe that investments in ESG management will simultaneously play a role in risk management to reduce fluctuations in capital costs and enhance our customer preference.

<b>E</b> 60% of Investments	<ul style="list-style-type: none"><li>● Introduction of fuel-efficient aircraft including the Airbus A350-1000</li><li>● Electrification of airport vehicles</li></ul>
<b>S</b> 25% of Investments	<ul style="list-style-type: none"><li>● Introduction of freighters toward solving the issue of shortage of domestic truck drivers in domestic delivery</li><li>● Expansion of JAL SMART AIRPORT for airport procedures and improved productivity</li></ul>
<b>G</b> 15% of Investments	<ul style="list-style-type: none"><li>● IT systems to support our business</li></ul>

In fiscal year 2023, we introduced ICP(Internal Carbon Pricing) into our investment decisions. We will accelerate ESG investment by including ESG elements in our investment decisions. We are also considering the introduction of a new investment efficiency index, the “Sustainable ROIC (tentative name)”, which takes into account the social value generated by ESG investments. The total amount of debt repayment toward restructuring our financial base is expected to be approximately 300 billion yen over three years. At the end of FY2022, we were able to resume dividends for the first time in 3 financial years. Going forward, we will strive to gradually expand shareholder return as profits recover to achieve a dividend payout ratio of approximately 35 percent or more as soon as possible.

For more information on Internal Carbon Pricing, please visit the JAL website. <https://www.jal.com/en/sustainability/environment/>

Communication with Institutional Investors

We are committed to appropriate, interactive communication with our institutional investors. In addition to individual meetings with our President, Executive Vice President, Group CFO and others, we hold regular events to provide institutional investors with opportunities to deepen their understanding of our company. In addition, we regularly provide feedback on issues of interest and opinions from institutional investors around the world to our directors and management at Board of Directors meetings and Group Management Council meetings, to identify issues and improve our management. We will continue to strive to improve both the "quality" and "quantity" of our dialogues to help more investors understand our company.

Total Number of Events for Institutional Investors	FY2019	FY2020	FY2021	FY2022
Earnings Announcement・Medium Term Management Plan Announcement for Institutional Investors	4	4	4	4
Events for Institutional Investors	4	3	3	3
IRDAY	1	1	1	1
Facility Tour	1	0	0	0
CEO Small Meeting・CFO Small Meeting	2	2	2	2
Conference hosted by Securities Companies	9	9	11	12

Total Number of Interviews with Institutional Investors (Total)	FY2019	FY2020	FY2021	FY2022
Interviews with Domestic Investors	167	209	188	162
Interviews with Overseas Investors	219	262	164	230
Total	386	471	352	392
Interviews by Management	63	173	91	112
President	16	42	12	17
Vice-president	0	0	1	7
CFO・Senior VP of Finance & Accounting	43	68	74	86
Others*1	4	63	4	2

\*1 Includes interviews with the Chairperson

Internal Feedback Conducted	FY2019	FY2020	FY2021	FY2022
Feedback conducted at the Board of Directors Meeting*2	4	4	4	4

\*2 Refers to feedback sessions conducted at the Board of Directors meeting to internally share the opinions of institutional investors

IR DAY

At “IR DAY” held in May 2023, 11 management members including President Akasaka, discussed the contents of the “JAL Group Medium-Term Management Plan FY 2021-2025 Rolling Plan 2023” focusing on the mid-long term growth strategy and other relevant topics. Participants deepened their understanding of the JAL Group through various perspectives including Full Service Carrier/Cargo, LCC, Mileage Lifestyle and Infrastructure, and strategies regarding ESG and human resources.



Facility Tour

At the “facility tour” held on May 2023, analysts of security companies and institutional investors were introduced to the aircraft of ZIPAIR, our growth driver in the LCC business, as well as SMART AIRPORT and SMART SECURITY, which are highly effective as part of the company's DX strategy.



CEO Small Meeting and CFO Small Meeting

At “CEO Small Meeting” and “CFO Small Meeting”, dialogue sessions were held focusing on the ESG strategy, which is a central theme of the “JAL Group Medium-Term Management Plan FY 2021-2025 Rolling Plan 2023”.



Special Feature

Japan's first challenge toward addressing society and the future stated in our goals!

Sustainable Charter Flight

The JAL Group aims to create social and economic value by building relationships and connections through air transportation that goes beyond business realms. This is to realize "an society and future where many people and goods freely move around" as set forth in our goals. The JAL 2030 Sustainable Charter Flight (hereinafter the "Flight"), which operated in November 2022, symbolizes this concept. Working with various stakeholders, we took a challenge to operate a flight that leads to a sustainable future.



Voice

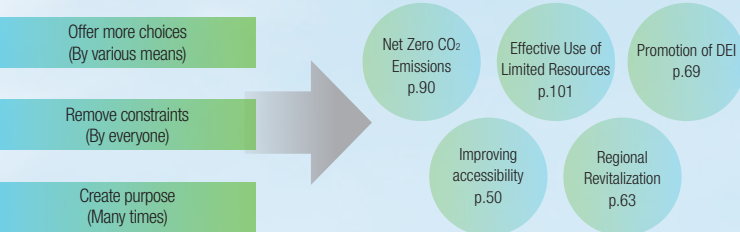


OGAWA Noriko, Vice President of ESG Promotion

Realizing a continuous transformation of our flights together with our customers

Preparations for this Flight were carried out under the slogan "Together with our Customers." Our customers kindly cooperated with carbon offsetting to achieve Net Zero CO<sub>2</sub> Emissions. To further reduce CO<sub>2</sub> emissions, our customers also made efforts to reduce baggage weight, get to the boarding gates early for on-time departures, pre-cancel inflight meals in advance, make reservations for inflight sales in advance, and we offered digitalized inflight magazines. In order to recycle the paper cups used for inflight drinks, we asked customers to cooperate in waste segregation. We also reduced the volume of plastics by changing the lid of the paper cups from plastic to paper. With the understanding and cooperation of our customers, this Flight was successful. This will not be a one-off effort but will be expanded to international flights and those operated by the Group airlines. By taking advantage of the awareness and discoveries gained through the implementation of this Flight, we will realize sustainable flights for 2030 and work together with the JAL Group to promote initiatives to create connections through air transportation.

Efforts to Provide Transport and Connections to Solve Social Issues



Bring Together Initiatives Related to Sustainability

While transportation is convenient, the environmental impact of flight operations has become a major issue. The JAL Group has declared Net Zero CO<sub>2</sub> Emissions by 2050 to realize a sustainable air transportation business. In addition to transportation, we also aim to create social and economic value by facilitating the flow of people, business, and goods, which are relationships and connections, through initiatives to offer more choices, remove constraints, and create goals by collaborating across business realms. This Flight, operated between Tokyo (Haneda) and Okinawa (Naha) in November 2022, is an action that symbolizes our concept in realizing our goals. With Net Zero CO<sub>2</sub> Emissions at the top of our list, navigators such as Professor Kanie Norichika of Keio University Graduate School, a leading researcher of SDGs, participated in this event, focusing on the effective use

of resources, promotion of diversity equity and inclusion (DEI), improving accessibility, and regional revitalization.

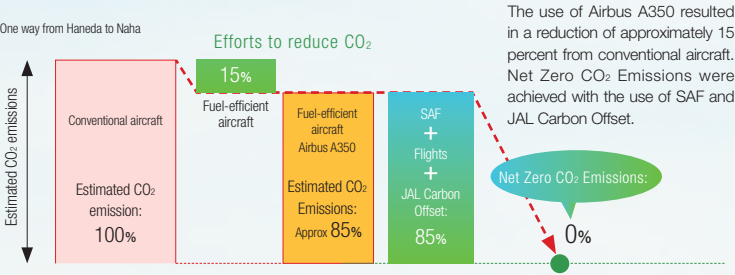
Practicing the Five Pillars for Future Flights

The Airbus A350-900, a state-of-the-art fuel-efficient aircraft was used for this Flight. Approximately 40 percent of the fuel used was sustainable aviation fuel (SAF), which reduces CO<sub>2</sub> emissions by nearly 80 percent compared to conventional jet fuel. We achieved Net Zero CO<sub>2</sub> emission by devising operational improvements such as efficient engine operations, and our customer's cooperation in JAL carbon offset, which compensated the CO<sub>2</sub> emissions during the flight. Regarding inflight services and giveaways, we made effective use of resources. Upcycled items such as baggage tags made from used JAL seat covers, and

tumblers made from Okinawa sugarcane pomace distributed as giveaways. Drinks were served in recyclable paper cups using paper lids, focused on the texture and durability. The cups and lids were collected after use. We served hamburgers made with soybean meat patty, which has a low environmental impact, as well as other menus that took water consumption and health into consideration. Many of employees played active roles in this Flight. Half of the cabin attendants were men, and employees with hearing impairments also served as cabin support staff and presented the outline of inflight talk session with sign language. Cabin attendants with in-house accessibility certifications and airport staff with Care-Fitter certifications serviced on the day, which promotes DEI and accessibility.

In terms of regional revitalization, we offered tours that allow visitors to experience the charms of Okinawa while taking the environment into consideration. In addition to preparing hotels with sustainable amenities made from recycled plastic and Okinawa sugarcane pomace, a portion of the tour fee was donated to preserve the natural environment in Okinawa. As the slogan of this Flight was A Sustainable Future Together, a future Net Zero CO<sub>2</sub> Emissions flight was realized not only by the JAL Group but also by co-creating with our customers, business partners, and local communities. The JAL Group will further accelerate our efforts to make all flights sustainable in order to realize "an society and future where people and goods freely move around".

Realizing Japan's First Net Zero CO<sub>2</sub> Emissions Flight



The use of Airbus A350 resulted in a reduction of approximately 15 percent from conventional aircraft. Net Zero CO<sub>2</sub> Emissions were achieved with the use of SAF and JAL Carbon Offset.



With the cooperation of all customers in JAL Carbon Offset, this Flight was able to compensate for CO<sub>2</sub> emissions by donating to CO<sub>2</sub> absorption projects.



Top: Hamburgers with soybean meat patty served as an inflight meal  
Top right: A souvenir baggage tag made from used JAL seat covers and leftover Kariyushi fabric invented by JAL's engineers.  
Bottom right: Cups and lids made from paper that acquired international certification in consideration with forest resources



In order to take advantage of the diverse abilities of our employees with various origins, two of our JAL SUNLIGHT's employees with disabilities served as cabin support staff on this Flight.

For more information about JAL2030 Sustainable Charter Flight, please visit our website.

WEB <https://www.jal.com/en/sustainability/sustainableflight221118/>



# Sustainability Initiatives

-Enhance corporate value by increasing social and economic value through the promotion of ESG strategies

We will promote our ESG strategies while always being aware of how the JAL Group should be from social perspectives and how we can leverage our capital and strengths to influence the environment and society. We will accelerate a JAL-like sustainability by determining our social role in order to realize a future in which everyone can feel fulfilled and hopeful.

AOKI Noriyuki, Chair of Sustainability Promotion Committee



Key Sustainability Promotion Committee Members

From left in the back row, OMORI Yasushi, Senior Vice President of Mileage and Lifestyle Business, SAEDA Naohito, Senior Vice President of Human Resources, ABE Eri, Deputy Senior Vice President of Sales and Marketing, NAKAGAWA Yukio, Senior Vice President of Procurement, From left in the front row, TOTTORI Mitsuko, Senior Vice President of Customer Experience Brand Communication, AOKI Noriyuki, Chair of Sustainability Promotion Committee and Senior Vice President of General Affairs, SAITO Yuji, Senior Vice President of Corporate Planning Chief Financial Officer.

►Review of FY2022

ESG is now mainstream across the globe and it is changing rapidly with the demands of non-financial disclosure and the evolving of the regulations such as the CORSIA baseline. In the Medium-Term Management Plan Rolling Plan 2022, the JAL Group defined its ESG strategy, its long-term business strategy, to solve social issues and facilitate the flow of people, business, and goods, and has focused on transforming its business objectives. While drawing our future image, we are steadily promoting our initiatives after reviewing our main sustainability initiatives and performance indicators to promote business activities based on ESG strategies in business areas other than air transportation. The JAL Group has disclosed information in line with our initiatives which lead to the selection and assessment as a constituent of the ESG evaluation. In addition, the JAL 2030 Sustainable Charter Flight was a symbolic initiative and a good opportunity for our employees to experience sustainable flights as well as for our customers to see, learn, and experience sustainability.

►Considering the Impact on the Environment and Society

Initially when the Medium-term Management Plan was announced, the JAL Group focused on its own intentions and reasoning

regarding its ESG strategy. However, gradually the JAL Group changed its perspectives to on how the Group should be from a social outlook and what kind of impact we should exert on to the environment and society by leveraging our capital and strengths. We recognize that business and ESG should not be differentiated. As ESG is no longer exclusive, we are more aware of the impact that our business activities have on the environment and society. Thus we must change in order to continue to be the JAL Group that our shareholders call for. The Rolling Plan 2023 positioned the ESG strategy as the topmost strategy to realize value creation and growth. Based on the premise of reducing environmental impact, we aim to resolve social issues such as the decline of community life and the diminishing sense of well-being through the power of air transportation and societal connection, which are being reviewed with the COVID-19 pandemic. Going forward, we will hone in on JAL's unique efforts to collaborate across business realms. We hope to make strides toward initiatives with a sense of purpose that create both social and economic value through our business activities. In order to realize an exciting society and future in which people and goods can freely move around, our employees will work together while considering the impact on the environment and society.

## (1) Overall Sustainability

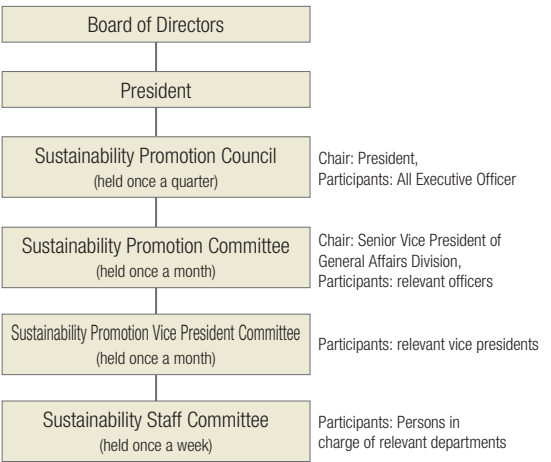
### Governance

The Sustainability Promotion Committee, chaired by the Senior Vice President of the General Affairs Division, is held on a monthly basis to review the progress of initiatives and discuss them among the relevant officers.

The Sustainability Promotion Council, established in 2021 with the President as Chair and attended by all Executive Officers, conducts management reviews and promotes ESG management under the following topics.

- Determine important issues and annual targets for sustainability initiatives, and monitor and evaluate the progress
- Determine risks and opportunities for climate change
- Monitor and evaluate Environmental Management System (EMS)
- Monitor and evaluate human rights due diligence

The Sustainability Promotion Council reports and discusses the agenda of the meeting with the Board of Directors. They will consult the important matters related to ESG promotion with the Board of Directors in order to enhance corporate value. In FY2022, TCFD, the results and reviews of DJSI, the ESG evaluation outline, materiality reorganization, initiatives based on external environmental changes and social requirements, additional and revised targets, among others, were discussed and reported to the Board of Directors twice in total. Based on the discussions in the Sustainability Promotion Council, ESG and GX strategies were separately discussed at the Board of Directors twice in the process of formulating the Medium-Term Management Plan Rolling Plan.



### Strategies

Based on the value creation story, the ESG strategy is positioned as the topmost strategy in the Medium-Term Management Plan Rolling Plan 2023. It promotes company-wide initiatives.

Please see pp.49-50 for more information on ESG strategy, pp.67-74 for the human resources strategy, and pp.75-76 for the GX strategy.

\* This chapter mainly refers to TCFD, information based on the recommendations of the TNFD, effective use of limited resources (reduction of single-use plastics and food waste), and efforts to respect human rights based on human rights due diligence.

The eight reorganized materiality issues are as follows. Please see pp.11-12 for details on materiality.

### ■Eight Key Materiality Issues Addressed by the JAL Group

Creating mobility and connections through business activities	Tourism Nation	Promoting economic growth and international mutual understanding through tourism
	Regional Revitalization	Bringing prosperity and vitality to the community
	Fulfilled Hearts	Enhancing happiness and cultivate an enriched life through free movement and connection of goods and people
	Resilience through Diversity	Building a diverse society in which people, cultures, values, and modes of behaviors are respected and new values are created
	Safe and Secure Society	Creating, developing, and protecting a safe infrastructure of the skies
	Aviation Infrastructure	Passing on the basis of sustainable air transport to the future
GX strategy	Precious Earth	Preserving and restoring the global environment, which serves as a source of people, sales and distribution channels, and to pass it on to the next generation
Human resources strategy	Human Capital	Enhancing capacity for value creation and productivity of all JAL Group employees
Foundation for value creation	Governance (Corporate Governance/JAL Group Code of Conduct)	

### Risk Management

The JAL Group defines risk as an event or action that interferes with the achievement of the mission, objectives, and goals of an individual or an organization. Risk surveys and assessments are performed every six months.

The Sustainability Promotion Council deliberates risk management policies and necessary solutions for overall sustainability governance, including the environment. The details are reported to the Board of Directors.

(2) Key Initiatives (Metrics and Targets)

While covering the 17 SDGs, the JAL Group simultaneously organizes the ESG perspectives and the degree of impact through businesses and the importance for management is discussed at the Board of Directors. In FY2019, the JAL Group established four priority areas, namely the environment, people, local communities, and governance. 22 issues were addressed in each area and medium-term targets were set for each of the four areas and 22 issues. ESG management was promoted to achieve the SDGs.

In FY2021, the four preeminent initiatives (reducing CO<sub>2</sub> emissions, reducing single-use plastics, improving the ratio of female managers, and regional revitalization) were set as management targets (Sustainability). In FY2022, new indicators were added and disclosed along with past performances in order to promote our management strategy based on our ESG strategy in business areas other than air transport.

On the other hand, as the previous 22 issues in the 4 areas were mainly based on the FSC business, the link to social and economic values were not clear. In FY2023 they were revised into the eight materiality issues.

Key initiatives based on the 8 materiality issues include actions to create mobility and connections through business activities from the perspectives of increasing options, eliminating constraints, and creating objectives. Global environmental conservation initiatives such as the GX strategy to pass on the precious Earth to the next generation, human capital management aimed at by the human resources strategy, and governance as the foundation for value creation. Metrics and targets are set as follows. It is also possible to set quantitative numerical targets, and we have set items to promote with intention.

Among the disclosed items up to FY2022, prioritized items focused on tracking data trends are reflected in the ESG data.

Our company website provides information on key initiatives and achievements up to FY2022 that were included in last year's consolidated report.

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

Tourism Nation	Regional Revitalization	Fulfilled Hearts	Resilience through Diversity	Safe and Secure Society	Aviation Infrastructure		
	Action Items	Performance Indicators	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2025 Targets
Creating Relationships and Connections Through Mobility	Increase in domestic passengers and cargo traffic	Increase ratio (Passengers)	—	-74.2% v.s.FY2019 *Excluding LCC	-59% v.s. FY2019 *Excluding LCC	-15% v.s. FY2019	+10% v.s. FY2019
		Increase ratio (Cargo)	—	-30 v.s. FY2019	-34% v.s. FY2019	-17% v.s. FY2019	
	Maintenance and development of regional route networks including outlying island routes	Number of domestic entry points (including code share)	62 points	61 points	61 points	64 points	More than 65 points
	Expansion of services provided through increased contract orders	Number of passenger and cargo flights regarding ground handling for foreign carriers	87,000 flights	9,000 flights	17,000 flights	29,000 flights	128,000 flights
	Promoting the use of domestic flights to in-bound tourists	Number of users	701,240 people	49,188 people	121,844 people	582,180 people	1,505,000 people
	Drone logistics and commercialization of eVTOL Air Taxi	Commercialization	—	—	—	—	FY2023:Commercialization of drone delivery FY2025:eVTOL commercialization
	Promoting air travel to customers who find it difficult to travel	Ratio of such passengers onboard	0.36%	0.29% (0.8 times v.s. FY2019)	0.64% (1.8 times v.s. FY2019)	0.71% (1.9 times v.s. FY2019)	2.5 times v.s. FY2019 results
		Number of wooden wheelchairs which go through metal detectors	478 units	478 units	478 units	508 units	580 units
	Enhancing pharmaceutical transportation	Transport weight	610 tons	721 tons +18% v.s. FY2019	1,172 tons +92% v.s. FY2019	1,363 tons +123% v.s. FY2019	+50% v.s. FY2019
	Promoting Workstyle Research with Outside Stakeholders	Number of member organizations of study groups	—	—	—	52 organizations	200 organizations
	Promoting JAL Wellness & Travel	Number of municipal partnerships	—	—	—	4 cases	10 cases
	Strengthening planning and sales of recycled products in cooperation with companies outside the JAL Group	Number of affiliated companies	—	—	—	—	15 companies
	Promoting Dokokani Mile	Cumulative number of users	—	—	—	540,000 people	810,000 people
	Creating flow of people through the development of subscription -type travel programs	Number of users	—	—	—	—	250% of FY2022
Precious Earth							
Addressing Climate Change	Reducing total amount of CO <sub>2</sub> emissions	Scope 1 [Aviation] Emissions	9.09 million tons	4.39 million tons	6.19 million tons	8.19 million tons	Less than 9.09 million tons
		CO <sub>2</sub> emissions per paid ton kilometer (RTK)	1.0648 kg-CO <sub>2</sub> /ton kilometers	1.3763 kg-CO <sub>2</sub> /ton kilometers	1.2751 kg-CO <sub>2</sub> /ton kilometers	1.0829 kg-CO <sub>2</sub> /ton kilometers	0.8187 kg-CO <sub>2</sub> /ton kilometers
		Scope 2 [Ground facilities] Emissions	57,000 tons	51,000 tons	53,000 tons	56,000 tons	54,000 tons
		Percentage of fuel-efficient aircraft	82%	84%	85%	86%	86%
		Ratio of SAF to total fuel	Loaded in all five A350 delivery flights	Domestically produced SAF loaded on domestic scheduled flights	•Loaded on four A350 delivery flights •Loaded simultaneously on two types of domestically produced SAF for domestic scheduled flights	0.004%	1% of all loaded fuel
		Reduction through JAL Green Operations promotion (CO <sub>2</sub> reduction through operational ingenuity)	157,000 tons (1.7% of emissions)	82,000 tons (1.8% of emissions)	142,000 tons (2.3% of emissions)	195,000 tons (2.4% of emissions)	Reduction equivalent to 2.5% of CO <sub>2</sub> emissions from aircraft
		Number of JAL Carbon Offset website visitors	—	—	Tracked from FY2021	13,122 people (1.5 times v.s. FY2021)	30,000 people (3.4 times v.s. FY2021)
		Number of Carbon Offset users	—	—	Tracked from FY2022	385 people	2,000 people (5.2 times v.s. FY2022)
Effective Use of Limited Resources	Reduction of plastic	Reduction ratio of new petroleum-derived single-use plastic items in in-house standard products used inflight and in lounges	2.5%	10.4%	25%	45%	100%
		Use of environmentally friendly materials in single-use plastics used in airports and cargo transportation	*Starting from FY2020	87.6%	90%	91%	
	Reduction of inflight meal waste	Yield improvement	—	—	—	—	Less than 4.5%
	Paper reduction	Electronic AWB (Air Waybill)	—	—	25%	62.5%	Finalized JAL flight e-AWB



Precious Earth							
	Action Items	Performance indicators	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2025 Targets
Precaution of Environmental Pollution	Industrial waste reduction	Final disposal ratio	0.3%	0.6%	0.3%	0.6%	Keep below 1%
Noise Reduction	Low-noise aircraft operations	ICAO Chapter 14 standard compliant aircraft ratio	45%	40%	41%	42%	46%
Tourism Nation Regional Revitalization Biodiversity Conservation	Conserving and expanding tourism resources	[Okinawa] Proliferating and regenerating sexually reproducing corals	—	—	—	—	1,000 clusters by 2026
	Utilization of certified commercial materials	Ratio of paper items with international certification in consideration with forest resources	15.9%	66.5%	66.5%	87.8%	100%
	Preventing illegal wildlife trade	Number of illegal wildlife transports	0	0	0	0	0
	Consideration biodiversity in foodstuffs and commodity products	Number of violations of in-house guidelines for ESG risks in foodstuffs and products	—	—	—	0	0
	Reducing ecosystem impact around the airport	[Tokyo] Number of incidents of inappropriate management of water containing hazardous substances	—	—	—	—	0
Human Capital							
Human Resources Portfolios	Forming dynamic human resources portfolios	Manpower allocation to growing business areas	—	—	+2,000 people	+2,200 people	+3,500 people v.s. FY2019
DEI	Promoting divers human resources	Ratio of women in management	18.4%	19.5%	21.9%	22.8%	30% <div>Management targets</div>
		Employment ratio for persons with disabilities*1	2.62%	2.67%	2.64%	2.75%	3.2%
		Percentage of men taking childcare leave*2*3	81.8%	106.3%	99.3%	87.2%	100%
Careers/Reskilling	Providing opportunities for growth and learning	Internal relocation through open recruitment	—	—	—	30 people/year	100 people/year
		Training cost per person	¥449,480/person	¥109,321/person	¥84,469/person	¥138,651/person	¥338,000/person
Engagement	Increasing engagement	Percentage of highly engaged employees	54.4%	54.4% (no survey)	51.7%	51.7% (no survey)	64.4%
	Improving labor productivity	Sales per capita	—	—	-50%	-2%	+15% v.s. FY2019
		Total work hours*2	1,862 hours/person	1,878 hours/person	1,890 hours/person	1,884 hours/person	1,850 hours/person
		Percentage of usage of annual paid leave*2	79.0%	71.5%	74.5%	81.0%	100%
		Average number of hours of overtime and holiday work per month*2	9.5 hours/person	8.0 hours/person	9.9 hours/person	10.5 hours/person	4 hours/person (linked to 1,850 hours of total annual labor)
	Improving the ratio of health check-up	Employee consultation ratio	100%	100%	100%	100%	Maintaining 100%
		Family consultation ratio*5	37.5%	36.0%	40.7%	Disclosed during FY2023	75%
		Ratio of mammography*2	36.7%	43.4%	64.6%	65.5%	70%
		Uterine cancer screening*2	30.7%	38.6%	58.4%	60.5%	60%
Respect for Human Rights Resilience through Diversity	Conducting human rights due diligence	Implementation ratio of human rights due diligence	—	—	—	100%	100%
	Respect for human rights of suppliers	Completion of human rights investigations of new key suppliers	—	—	—	—	100%
	Respect for human rights of customers	Attendance ratio of education related to respect for human rights	—	—	—	81.9%	100%
	Respect for human rights of employees	Ratio of employees who work long hours	—	—	—	1.98%	0%
Disclosure and Dialogue	Strengthening the dissemination of information on corporate website sustainability pages	Number of views	765,912	786,229	893,469	840,170	1 million or more
	Strengthening the dissemination of information to individual shareholders and investors	Number of registered individual shareholders on the email newsletter list	—	—	1,805 people	7,464 people	15,000 people
Promoting Fair Business Activities	Preventing information leakage	Number of incidents	0	2*4	0	2	0
	Number of Incidents to Prevent Corruption and Bribery	Number of incidents	0	0	0	0	0
Promoting Responsible Procurement Activities	Supply Chain Management	Confirmation ratio of integrity of critical suppliers	18%	37%	62%	81%	100%
		Number of aviation security audits of all caterer factories and machine supply depots	2	2	2	2	2
Enhancement of BCM	Improving the effectiveness of BCP	Number of BCP-based exercises	1	1	4	4	2

\*1 Total value of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd., a subsidiary that hires people with disabilities  
\*2 Japan Airlines Co., Ltd. only  
\*3 Calculated based on the number of people in childcare leave applicants before FY2021  
\*4 Number of information leakage incidents reported to authorities  
\*5 Until FY2020, the data was compiled for family members aged 35 and over. From FY2021, the data is compiled for family members aged 40 and over.

# Environment

Basic Concept (JAL Group Code of Conduct)

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

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

(1) Global environmental preservation initiatives

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

(2) Disclosure of environmental information and stakeholder dialogue

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

JAL Group Code of Conduct "Commitment to Society"

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

Challenges to be solved

▶ Addressing Climate Change pp.90-98

WEB

<https://www.jal.com/en/sustainability/environment/climate-action/>

▶ Biodiversity Conservation pp.99-101

WEB

<https://www.jal.com/en/sustainability/environment/biodiversity/>

▶ Precaution of Environmental Pollution pp.101

WEB

<https://www.jal.com/en/sustainability/environment/pollution-prevention/>

▶ Noise Reduction pp.101

WEB

<https://www.jal.com/en/sustainability/environment/noise-reduction/>

▶ Effective Use of Limited Resources pp.101-102

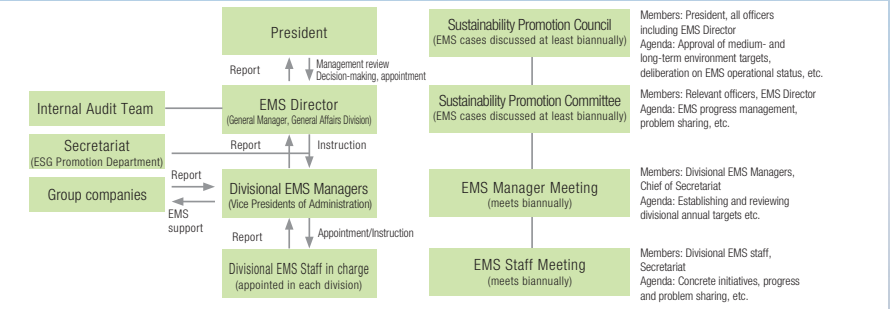
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<https://www.jal.com/en/sustainability/environment/limited-resources/>

# Environmental Management

Based on the JAL Group Environmental Policy, the Environmental Management System (EMS) is being constructed to accurately promote environmental conservation activities while making continuous improvements. Targets and action plans are set for each company and division based on management targets, such as reducing CO<sub>2</sub> emissions and single-use plastics emissions. Quarterly reviews and annual internal audits are also conducted to confirm compliance, system conformity, and achievement of targets.

If a nonconformity is detected, corrective action, cause analysis, and an effectiveness review of the action are performed. In addition, urgent matters are dealt with within the framework of risk management programs. In 2021, JAL Royal Catering Co., Ltd., which provides in-flight meals, acquired ISO14001:2015, an international standard that specifies the requirements for an effective environmental management system.



Topic EMS Internal Audit Functions

In accordance with ISO14001, EMS internal audits confirm the status of the organization, target management, environmental laws and regulations, education and training, communication, document information, and preparedness and response to environmental emergencies. The contents of these audits are reported to the President at the management review. It also functions as a mutual communication between the environmental division, which serves as an internal auditor, and the division to be audited, leading to continuous improvement.

# Addressing Climate Change

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

## Basic Concept

The JAL Group recognizes that an action to climate change is a particularly important issue for the sustainability of the society. In June 2020, we announced our commitment to achieve Net Zero CO<sub>2</sub> Emissions by 2050 in order to steadily promote various initiatives including CO<sub>2</sub> emissions reduction as an air transport operator's responsibility. Also, we announced our support for the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD) in February 2021, and for the Science Based Target (SBT) initiative in March 2022.



In accordance with the Medium-Term Management Plan Rolling Plan announced in May 2023, the JAL Group will work to achieve JAL Vision 2030 and sustainably improve corporate value by positioning ESG strategy as the topmost strategy in order to realize value creation and growth and by achieving medium to long-term growth through the management of risks and opportunities.

The JAL Group has established the JAL Group Environmental Policy based on this concept and a promotion system under this policy. As a corporate citizen, we are working to preserve the environment and remove impediments to our progress.

\* Net Zero Emissions: To balance actual carbon emissions from business activities and carbon reductions through initiatives (including the use of emissions trading and Carbon dioxide Capture and Storage [CCS], the technology for capturing CO<sub>2</sub> for long-term storage).

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

WEB <https://www.jal.com/en/sustainability/environment-management/policy/>

## Progress towards achieving FY2025 target

Important issue  
Reduction of CO<sub>2</sub> emissions

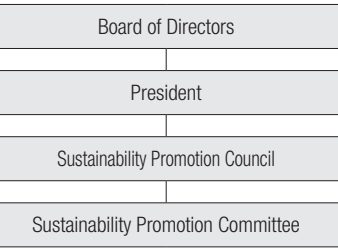
FY2025 management target  
Total CO<sub>2</sub> emissions below 9.09 million tons

FY2022 Result  
8.19 million tons

## Governance

The JAL Group's Board of Directors demonstrates a strong supervisory function through the periodic reporting (four times in FY2022) on the execution of initiatives concerning climate change and biodiversity. In the execution, the Sustainability Promotion Council, chaired by the President, formulates basic policies, sets important targets, and manages progress, and deliberates and decides on policies to deal with issues. The Sustainability Promotion Committee, chaired by the Senior Vice President of the General Affairs Division, deliberates on individual issues identified through the environmental management system (EMS) and reports to the Sustainability Promotion Council. The Medium-Term Management Plan incorporates responses to climate change into its management strategy and defines the eight materiality issues for sustainability in general to address social issues through business. With a strong commitment to achieve sustainable business operations and corporate value improvement through steady efforts to address these issues, we reflect external ESG ratings and CO<sub>2</sub> reduction targets in executive remuneration as indicators.

### Governance System



## Issues Presented and Reported at the Board of Directors and the Sustainability Promotion Council in FY2022

- Progress in efforts to address climate change (Formulation of targets and annual results)
- Information disclosure in line with TCFD recommendations
- GX Strategy to achieve Net Zero CO<sub>2</sub> Emissions by 2050

For more information about officer remuneration, please refer to p.36.



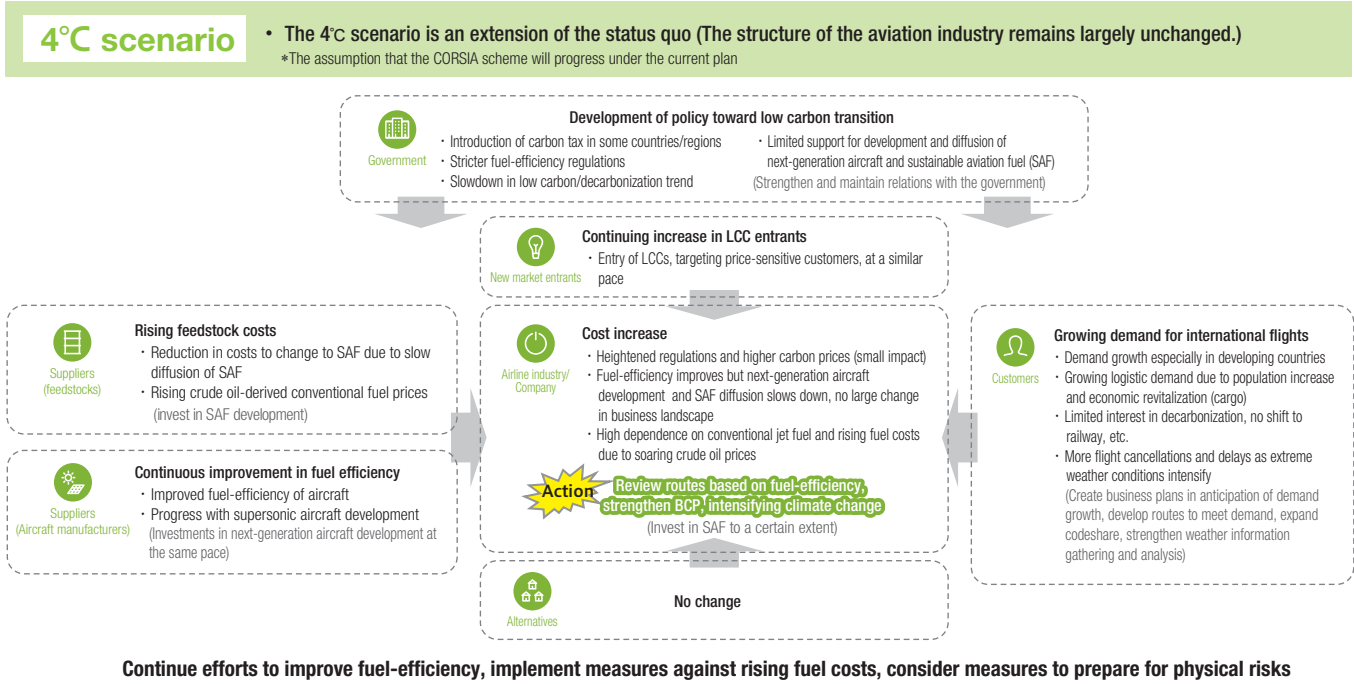
Special Feature	Sustainability Initiatives		Environment	Respect for Human Rights	
Addressing Climate Change	Biodiversity Conservation	Precaution of Environmental Pollution	Noise Reduction	Effective Use of Limited Resources	Special Feature

Strategy

■ Scenario Analysis

The international community is rapidly moving toward a 1.5°C scenario as the benchmark for climate change action, with tighter environmental laws and regulations in Europe, the return of the United States to the Paris Agreement, Japan's Carbon Neutral Declaration and major reviews of Nationally Determined Contributions (NDC), and the de facto 1.5°C target agreement at COP26. In 2018, the JAL Group participated in the Project to Support Analysis of Scenarios of Climate Risks and Opportunities in line with TCFD Recommendations organized by the Ministry of the Environment of Japan and predicted the society in 2030 based on two scenarios (RCP8.5\*1, RCP2.6\*2) of the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC), that is, keeping global warming to below 4°C and below 2°C by the end of the century.

\*1 RCP8.5 Scenario: High-level reference scenario in the IPCC Fifth Report (equivalent to the maximum greenhouse gas emissions in 2100)  
\*2 RCP2.6 Scenario: Low-Level Stabilization Scenario in the IPCC Fifth Report (Lowest emissions scenario developed with the goal of keeping future temperature increases below 2°C)



Special Feature	Sustainability Initiatives		Envionment	Respect for Human Rights	
Addressing Climate Change	Biodiversity Conservation	Precaution of Environmental Pollution	Noise Reduction	Effective Use of Limited Resources	Special Feature

Risks and Opportunities

Climate change will have a negative impact on the air transport business, which is based on the premise of operating in a "safe and secure society," and as a result, it may pose an enormous risk to business continuity. In addition, the response to climate change, including the reduction of CO<sub>2</sub> emissions by airlines, may have various financial impacts, such as upgrading to fuel-efficient aircraft and responding to carbon pricing. The JAL Group organizes and examines these factors that affect its business in accordance with the TCFD classification of risks and opportunities related to climate change and lists them in the table below. The categories of "timing" and "impact at the time of event" are as specified right. The following was reviewed at the Board of Directors meeting on August 1<sup>st.</sup>, 2023.

Classification	Time of Impact
Short-term	FY2023 to FY2025 (the period covered by the current medium-term management plan)
Medium-term	FY2026 to FY2030 (the period up to JAL Vision 2030)
Long-term	FY2031 to FY2050 (the period to achieve Net Zero CO <sub>2</sub> Emissions)

Classification	Revenue or Cost Impact at the Time of Event (Annual)
Small	Less than 3 billion yen
Medium	3 billion yen to less than 30 billion yen
Large	30 billion yen or more

Risk

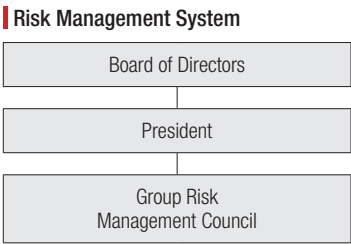
Types of Risk	Risks		Period of Event	Impact of Risk	Rsik Mitigation Actions
Transition Risks  ✓ Policies and regulations ✓ Technology ✓ Market ✓ Evaluation	Emissions Trading	Increase in credit cost by stronger national CO <sub>2</sub> emission regulations	Short to Long	Small to Medium	<ul style="list-style-type: none"><li>• Procuring credits meeting CORSIA eligibility criteria at a stable and reasonable price</li><li>• &lt;Overseas&gt; Participation in rulemaking (ICAO, IATA)</li><li>• &lt;Japan&gt; Public-Private Partnership for Rulemaking through the Scheduled Airlines Association of Japan</li></ul>
	SAF	Shortages in supply due to delays in the development, manufacture and dissemination of SAF and bias in supply areas	Medium	Medium	<ul style="list-style-type: none"><li>• Long-term, price-advantaged SAF procurement from manufactures in individual companies or alliances</li><li>• Active involvement in domestic SAF production and expansion to SAF procurement sites</li><li>• Request for support related to the supply and manufacture of SAF to the government and energy industries (At the Public-Private Councils for the promotion of SAF deployment, JAL participated in discussions on stable production and sharing of SAF, as well as on making it less expensive, and a "draft regulatory and support package" was presented.)</li></ul>
		Impact of high SAF and hydrogen fuel prices on earnings	Medium to Long	Medium to Large	
	Aircraft	Delay in the development of aircraft using new technologies such as hydrogen and electric power and in the development of airport infrastructure1	Long	Medium	<ul style="list-style-type: none"><li>• Cooperation with aircraft and engine manufacturers</li><li>• Participated in the "Public and Private Sector Consultation on New Technologies for Decarbonization of Aircraft" with the government and other relevant parties to formulate the "New Technology Roadmap for Decarbonization of Aircraft (draft)"</li></ul>
	Demand	Declining in customer preference due to delayed response to climate change and slowdown in domestic demand for air transport due to a modal shift	Medium to Long	Small to Medium	<ul style="list-style-type: none"><li>• Advocating the Value of Aircraft Mobility after Thorough Efforts to Reduce CO<sub>2</sub></li><li>• Building momentum by disseminating the progress of sustainable flights and SAF procurement in a planned manner, participating in symposiums, and strengthening the dissemination of environment-friendly measures</li></ul>
Physical Risks  ✓ Acute ✓ Chronic	Operation	Impacts of the decrease in the number of passengers and the increase in flight cancellations caused by climate disasters due to the intensification of extreme weather events and changes in precipitation and climate patterns	Short to Long	Medium	<ul style="list-style-type: none"><li>• Strengthen crisis management capabilities and enhance BCP in response to disasters</li></ul>
	Demand	Impact of the outbreak of a pandemic of infectious diseases caused by ecosystem changes due to the increase in average temperature on air transport	Short to Long	Large	<ul style="list-style-type: none"><li>• Providing a Safe and Secure Air Transport Environment through Infectious Disease Control</li><li>• Development of flight plans based on passenger demand</li></ul>

Opportunities

Types of Opportunity	Opportunities		Period of Opportunities	Impact of Opportunities	Actions to Expand the Opportunities
Opportunities  ✓ Resource efficiency ✓ Energy source ✓ Resilience ✓ Market ✓ Products and services	Aircraft Operated	Improvements in flight operations, technical improvements in equipment. Reduction of fuel consumption by improving fuel efficiency and CO <sub>2</sub> Reduction through improvement of infrastructure, including upgrading of air traffic control. (Reduction of Credit Purchase Costs)	Short to Long	Medium	<ul style="list-style-type: none"><li>• CO<sub>2</sub> reduction of operational ingenuity and aircraft modification.</li><li>• Steady renewal of fuel-efficient equipment (Implementation of various types of financing, such as the implementation of specific use of funds transition-link loans, selection of new small aircraft, and acceleration of the introduction of fuel-efficient equipment)</li><li>• Cooperation with manufacturers, countries, and related organizations to improve air traffic control and introduce aircraft using new technology</li><li>• Request for support based on GX transition bonds</li></ul>
	SAF	Stable supply of aircraft fuel and reduction of cost through diversification of fuel supply sources	Medium to Long	Medium to Large	<ul style="list-style-type: none"><li>• Procurement of SAF consisting of multiple manufacturing methods</li><li>• All Japan SAF dissemination activities such as ACT FOR SKY</li><li>• Cooperation among the public and private sectors, including public and private sector councils for the promotion of SAF deployment, to resolve technical and economic issues in domestic SAF manufacturing, and supply side through GX transition bonds, support for business operation costs including SAF feedstock procurement, and incentive support</li></ul>
	Ground Vehicle	CO <sub>2</sub> reduction through the use of special airport vehicles combining various power sources, and labor-saving airport operations through the use of new technologies such as autonomous driving	Short to Medium	Small	<ul style="list-style-type: none"><li>• Procurement of biodiesel fuel and use of special electric vehicles</li><li>• Promoting airport decarbonization through public-private partnerships</li></ul>
	Demand	Enhancing preferences and expanding aviation demand through appropriate responses to diversifying customer needs	Short to Long	Medium	<ul style="list-style-type: none"><li>• Providing low-carbon, environmentally-friendly products and services</li><li>• Expansion of information disclosure on measures to address climate change, including reduction of CO<sub>2</sub> emissions</li><li>• Building momentum by disseminating the progress of sustainable flights and SAF procurement in a planned manner, participating in symposiums, and strengthening the dissemination of environment-friendly measures</li></ul>
		Creation of new businesses based on the premise of low carbon Securing new revenue sources through (Nest Generation Air Mobility, Freightier Business with Ymato HD, LCC Business)	Short to Long	Large	<ul style="list-style-type: none"><li>• Creating new businesses utilizing JAL Group assets</li><li>• Promotion of investment that contributes to reduction of CO<sub>2</sub> using internal carbon pricing (ICP)</li></ul>

Risk Management

The JAL Group defines risk as any event or action that may impede the achievement of the organization's mission, objectives, or goals, and conducts semiannual risk surveys and assessments. Those assessed as of particular importance are positioned as priority risks, and the status of risk management is reviewed at the Group Risk Management Council chaired by the President, where countermeasures are discussed and decided. With regards to environmental issues such as climate change and biodiversity, which are priority issues in our management strategy, we implement risk management through the PDCA cycle based on the Environmental Management System (EMS), while considering relevant laws, regulations, and policy trends in the international community.



Risk Management System

Risks related to climate change, both transition risks and physical risks, are managed in the risk management system of the entire JAL Group.

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

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

Metrics and Targets

In order to pass on our precious Earth to the next generation, the JAL Group sets targets for environmental data such as CO<sub>2</sub> emissions, waste and water consumption, and discloses the results.

For more information on Metrics and Targets, please visit ESG Data Book.

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

Due to the nature of the air transport business, direct emissions from aircraft account for about 99 percent of CO<sub>2</sub> emissions. Based on this fact, we will first address the reduction of CO<sub>2</sub> emissions from aircraft as our top priority, but we are also earnestly working to reduce CO<sub>2</sub> emissions from indirect emissions from ground facilities with similarly high targets. Achieving our goals is by no means easy, but we will continue to lead the industry in cutting-edge initiatives in line with the Japanese government's Clean Energy Strategy, while strengthening cooperation and collaboration with various stakeholders in Japan and abroad, in line with the international framework for reducing CO<sub>2</sub> emissions.

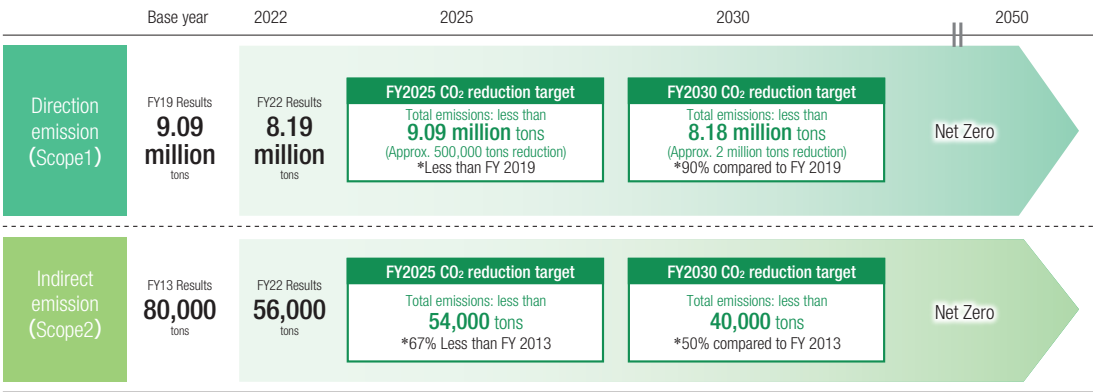
For more information on Performance and Targets for Reducing CO<sub>2</sub> Emissions, please visit the JAL website.

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

Targets and Initiatives for CO<sub>2</sub> Reduction by 2030

The JAL Group has set specific targets for 2030 (a 10 percent reduction in total emissions from 2019 levels) in May 2021 as the first Japanese airline and has taken the lead in promoting decarbonization of the global aviation industry through joint procurement of SAF in alliances and the use of ESG finance when renewing aircraft. Going forward, JAL will continue to accelerate our existing initiatives, such as the steady renewal of fuel-efficient aircraft based on a stable financial base, steady implementation of JAL Green Operations, and strategic procurement based on specific SAF loading targets, and by implementing the utilization of emissions trading and consideration of the use of negative emission technologies as additional responses to the revised CORSIA baseline. We will boldly take on the challenge of achieving our targets. Regarding SAF, while overseas manufacturing and supply chain construction activities are accelerating, it was clearly stated that SAF manufacturing and distribution will be promoted in Japan in the Basic Policy for Economic and Fiscal Management and Reform 2023, Grand Design and the Implementation Plan for New Capitalism, Clean Energy Strategy, and Basic Policy for Realizing GX. In order to realize its ambitious goal of replacing 10 percent of all installed fuel with SAF by 2030, the JAL Group will actively work toward commercializing SAF through public-private partnerships and cooperation with domestic and international stakeholders.

CO<sub>2</sub> Reduction Targets and Achievements



\*Voluntarily digging deeper, taking into account the Paris Agreement, etc.



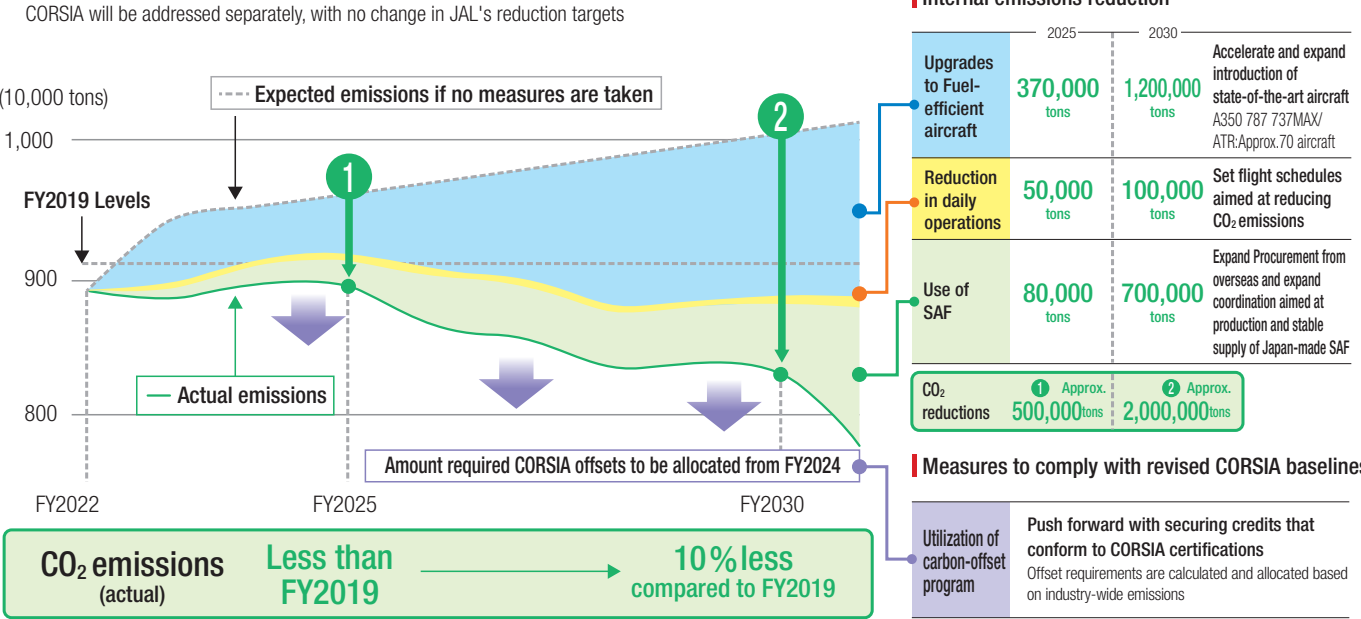
Special Feature	Sustainability Initiatives		Environment	Respect for Human Rights	
Addressing Climate Change	Biodiversity Conservation	Precaution of Environmental Pollution	Noise Reduction	Effective Use of Limited Resources	Special Feature

■ Actions to be Taken by FY2030 Responding to Changes in the Business Environment

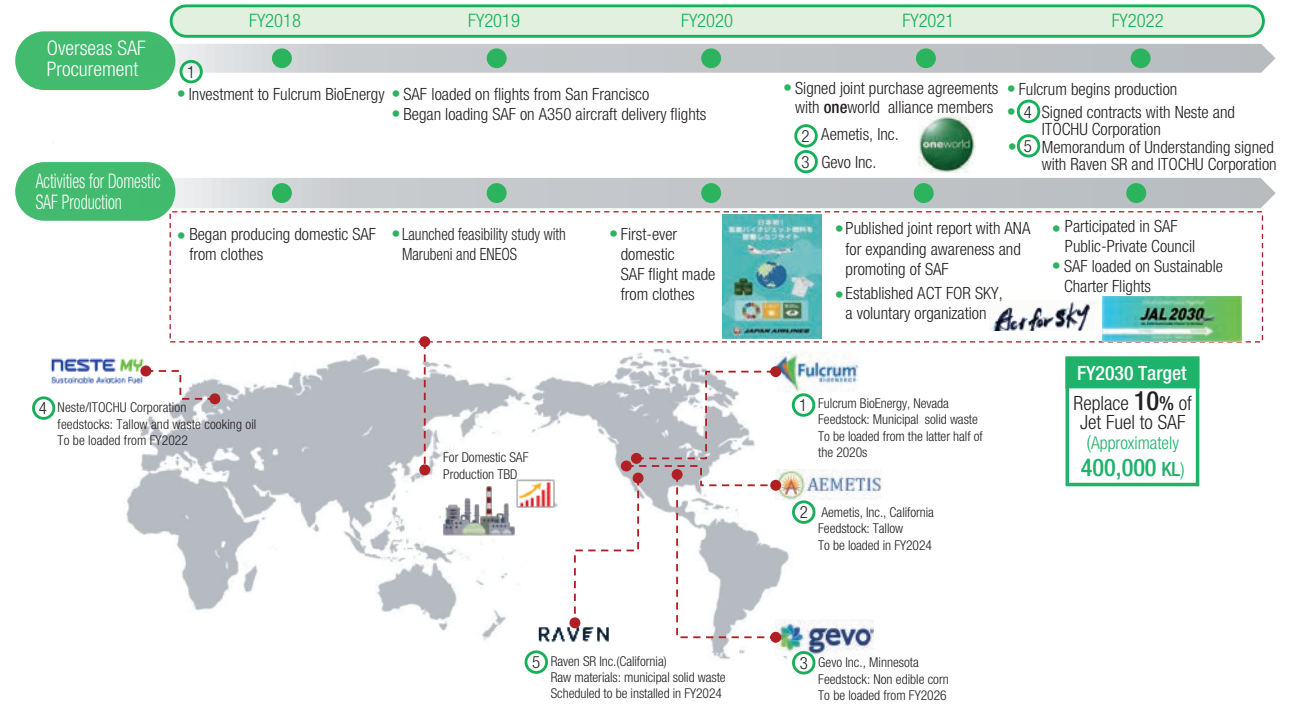
At the 41st ICAO General Assembly held at ICAO Headquarters (Montreal, Canada) from September 27 to October 7, 2022, the ICAO announced the long-term goals for decarbonization in the international aviation sector and adopted to achieve Net Zero CO<sub>2</sub> Emissions by 2050, as well as a framework (the calculation standards for reductions to be imposed on each airline) for reducing CO<sub>2</sub> emissions.

This is a major change in the framework, which revises the baseline for calculating the excess CO<sub>2</sub> emissions of the international aviation sector to 85 percent of the 2019 level for the period 2024 to 2035. The JAL Group will respond to the changes in the business environment surrounding the CORSIA baseline review by utilizing emissions trading and other measures.

■ Roadmap for Reducing CO<sub>2</sub> Emissions up till FY2030



■ SAF Initiatives at JAL



► Procurement of SAF Overseas

In FY2021, we signed a joint agreement with oneworld alliance member airlines to purchase SAF from the United States, where SAF is already produced. SAF will be purchased from Aemetis Inc., which produces SAF from tallow, and Gevo Inc., which produces SAF from non edible corn. This is the first initiative of the alliance, and by showing the need for SAF by multiple airlines, we will contribute to the diffusion and market expansion of SAF and promote carbon neutrality in the airline industry.

In FY2022, we worked with SAF producers and suppliers to establish a system to supply SAF in Singapore, Los Angeles, and Chubu Centrair International Airport.

We also signed a memorandum of understanding to procure SAF from Raven SR in the United States, which uses municipal solid waste as feedstock.

► Accelerating Efforts to Produce and Stably Secure SAF in Japan

**① Collaboration in the aviation industry**

To achieve carbon neutrality in 2050, the development and diffusion of SAF is essential. In October 2021, JAL and All Nippon Airways Co., Ltd. (ANA) published a joint report "Toward Virtually Zero CO<sub>2</sub> Emissions from Air Transport in 2050" to build a stable supply system for SAF. The report aims to raise awareness and promote understanding of SAF in Japan and provides a wide range of information on mass production and utilization including estimates of SAF requirements in Japan. To pass on air transportation to the next generation as an important social infrastructure that connects Japan with the world, JAL and ANA will continue to work together to promote SAF diffusion and other environmental measures, in collaboration with the government and related parties.



Joint report was published with ANA

**② Cross-industry collaboration**

In March 2022, JAL, together with JGC HOLDINGS CORPORATION, ANA and REVO International Inc., launched ACT FOR SKY, a voluntary organization with the aim of promoting SAF, carbon neutrality, and the importance of resource recycling, while changing the attitudes of citizens and companies, which will hopefully lead to behavioral changes.

We started with 16 companies, and as of April 2023, we have expanded to 27 companies. ACT FOR SKY promotes and expands domestic SAF through information exchange and discussion among its members, as well as activities to raise awareness of society by disseminating information and holding events aimed at realizing a decarbonized and recycling-based society.

JAL, as one of the managing companies, will continue to carry out concrete initiatives aimed at the development of aviation and the entire industry in Japan and the realization of a sustainable society.



ACT FOR SKY logo and 27 participating companies

**③ Collaboration with the government**


At the FY2021 Study Group on CO<sub>2</sub> Reduction 5.6 in the Aviation Sector, the target of replacing 10 percent of the fuel consumed by Japanese airlines with SAF was set up as a common target of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and Japanese airlines. To introduce SAF, it was recommended that the development and production of internationally competitive domestic 40,000 SAF should be promoted and that coordination among wholesalers on the supply side and airlines on the user side should be strengthened in order to build future supply chains.

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



■Upgrading to Fuel-Efficient Aircraft

In September 2019, we began introducing Airbus A350-900 on domestic routes and currently we have 16 aircraft. From 2023, we will begin to introduce Airbus A350-1000 on international routes, and we will introduce the new Boeing 737-8 in 2026 as a replacement for the currently operating Boeing 737-800. These aircraft are fuel efficient, have low noise, and can reduce CO<sub>2</sub> emissions by 15 percent to 25 percent compared to previous models. The newly introduced aircraft will use funds raised through a public offering in FY2020. It will also be funded by the SDGs Bonds, the world's first transition bond issued by the airline industry in March 2022, and will be utilized to steadily upgrade to fuel-efficient aircraft. As the development of next-generation aircraft equipped with new technologies powered by electricity and hydrogen increases, we will



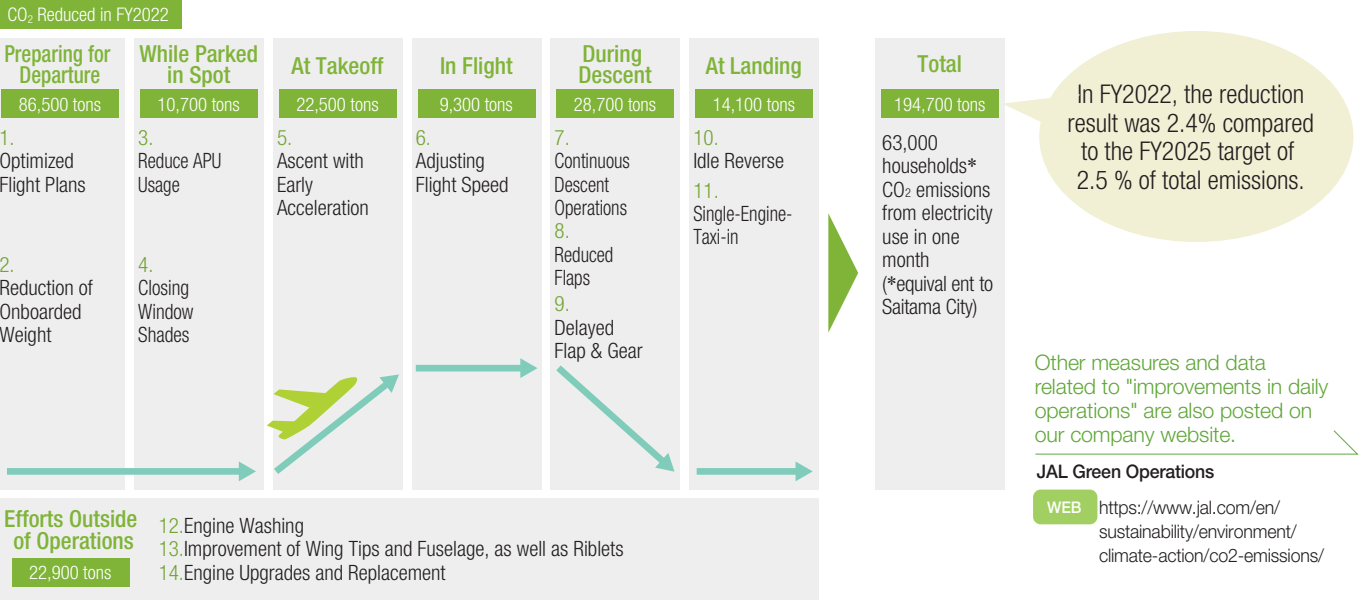
SDG Bonds

cooperate with aircraft and engine manufacturers to promote technological reforms. Since the development of infrastructure, including airports, is also essential for the next generation of aircraft, we will work with stakeholders such as the national government and airport companies to improve the environment.

■Reducing CO<sub>2</sub> Emissions in Daily Operations

In order to reduce CO<sub>2</sub> emissions, various efforts are taken in our daily operations, such as eco-friendly flights by arranging the timing of operations and steering, reducing the weight of the aircraft and shortening the flight route. These efforts are collectively called “JAL Green Operations”. We monitor the actual flight routes on a daily basis, and even at the flight planning stage, we create a flight route plan that matches the actual situation, and so on, in order to optimize the loaded fuel on board (FOB). In addition, the implementation rate of the early acceleration ascent method, which has been actively promoted for some time, has increased significantly because the speed limit stipulated in the Civil Aviation Act was changed after discussions with the Civil Aviation Bureau, making it easier to implement.

▶JAL Green Operations



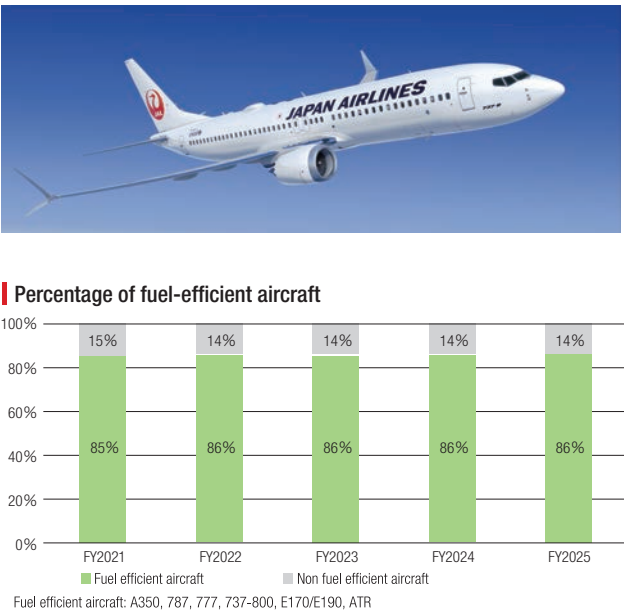
Voice



ISHIBE Satoshi  
System Engineering Group, Aircraft Maintenance Center, Osaka

A Fuel Efficiency Flight Test was Conducted for the First Time in the World by Applying Riblets on Aircraft Coating Surfaces.

In FY2022, JALEC applied a shark skin inspired riblet surface with a groove depth of only 50 microns (about the thickness of a human hair) to the aircraft coating surface to reduce friction. By applying this riblet over the aircraft coating surface, it can reduce the skin friction. It is expected to improve fuel efficiency by up to 2 percent. During the preparations, it was difficult to find the optimal method such as paint, additives, coating thickness and drying time because the riblet coating of the paint is very sensitive. Through trial and error, by utilizing the extensive knowledge and experience of our painting technology experts, we were able to successfully execute this technology for the first time in the world. In the future, we plan to expand the riblet areas on the aircraft coating surface to establish more optimal methods to further reducing CO<sub>2</sub> emissions. By improving fuel efficiency we plan to gradually expand the aircraft with riblet coating to international flights, where the reduction of fuel consumption is more effective.



■Measures to Reduce CO<sub>2</sub> Emissions from Ground Equipment

With regard to ground equipments, initiatives to reduce unit energy consumption by one percent or more on average are in progress. Under the “operator classification evaluation system” of the Act on the Rational Use of Energy (Energy Conservation Act) implemented by the Ministry of Economy, Trade and Industry, the JAL Group has been certified as “S Class,” an excellent business operator, for eight consecutive years since 2015. To reduce CO<sub>2</sub> emissions from airport vehicles, Tokyo International Airport (Haneda) is introducing electric-powered vehicles. At Narita International Airport, used cooking oil, in the Dining Port Goryo Kaku restaurant operated by the JAL Group, was collected and processed into biodiesel fuel. This fuel, a local production and consumption project, is then used in ground support equipments at Narita International Airport.



Electric-powered towing tractors

Providing Carbon Offset Programs

In addition to responding to ICAO CORSIA which is an international emissions reduction and offset scheme, we offer "JAL Carbon Offset" to our customers.

▶JAL Carbon Offset

In cooperation with CHOOOSE, a Norwegian company, we offer JAL Carbon Offset. This program for individual and corporation customers enables to offset the CO<sub>2</sub> emissions from their flights. At the Sustainable Charter Flight held in November 2022, we worked to achieve Net Zero CO<sub>2</sub> Emissions using the individual program by supporting projects that absorb CO<sub>2</sub>. In addition, the corporate program allows companies to provide reports on CO<sub>2</sub> emissions visualization, select credit programs, implement carbon offsets, and issue certificates. We will continue to work with our customers to reduce CO<sub>2</sub> emissions.

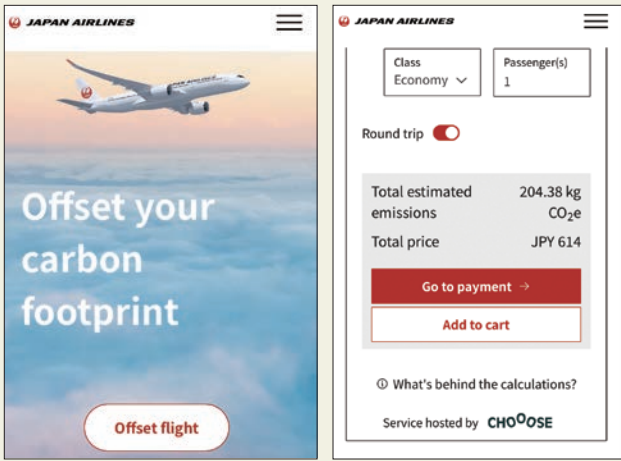


Image when using a smartphone

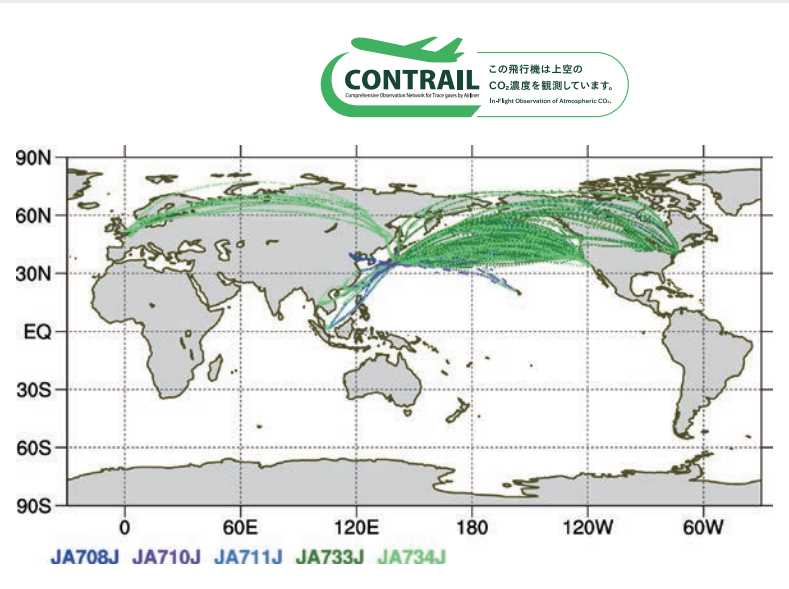
JAL Carbon Offset (for Individual Customers)

WEB [https://www.jal.com/en/sustainability/environment/climate-action/emission\\_trading/#carbon](https://www.jal.com/en/sustainability/environment/climate-action/emission_trading/#carbon)

Topic

CONTRAIL Project

In order to accurately predict climate change, it is essential to observe the CO<sub>2</sub> concentration and understand its circulation at multiple locations, including the sky. The JAL Group has been using aircraft to conduct atmospheric observations since 1993, and in 2005, a public-private CONTRAIL project was launched by five organizations (National Institute of Environmental Studies, Meteorological Research Institute, Jamco Corporation, JAL Foundation, Japan Airlines) to expand the observations. This project, the first of its kind in the world to continue global observations of greenhouse gases (such as CO<sub>2</sub>) in scheduled flight, involves the installation of an observation equipment on a commercial aircraft to conduct frequent, long-term observations in the sky. The data is being used by researchers around the world.



CO<sub>2</sub> concentration stations in 2021  
[https://cger.nies.go.jp/contrail/cme/fstatist\\_2021.html](https://cger.nies.go.jp/contrail/cme/fstatist_2021.html)



Special Feature	Sustainability Initiatives	Envionment	Respect for Human Rights
Addressing Climate Change	Biodiversity Conservation	Precaution of Environmental Pollution	Noise Reduction
		Effective Use of Limited Resources	Special Feature

Biodiversity Conservation

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

Basic Concept

The JAL Group recognizes that the preservation and restoration of nature is a particularly important issue for a sustainable society, as it strengthens the social infrastructure, and commits to comprehensive solutions to biodiversity and climate change. To date, the JAL Group has actively promoted the conservation of biodiversity, including the conservation of species through the prevention of illegal wildlife trade, the preservation of ecosystems through plant quarantine, and the conservation of natural resources at World Natural Heritage sites. In addition, to address climate change, we have been working on upgrading to fuel-efficient aircraft, implementing JAL Green Operations regularly, and utilizing SAF in order to achieve Net Zero CO<sub>2</sub> Emissions by 2050, while taking into consideration the impact of CO<sub>2</sub> reduction efforts on the ecosystem. (Disclosure of information on climate change based on the TCFD) The JAL Group aims to build a society in which nature and people coexist in harmony through its business activities. Based on the premise of reducing our impact on nature, we will create the flow of people through the preservation and experience of nature, and the flow of goods and logistics through foods and merchandise that are products of rich ecosystems. In this way, we will create relationships and connections through mobility, and through the realization of "Nature Positive," and will create a future in which everyone can feel affluence and hopeful, thereby enhancing our corporate value. To realize these goals, we will work under our "Commitment to Nature"



Based on the Task Force on Nature-related Financial Disclosures (TNFD) information disclosure framework, the following discloses information from the four perspectives recommended by the TNFD: governance, strategy, risk and impact management, and Metrics and Targets.

Governance

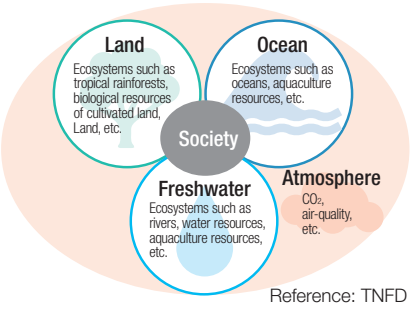
The JAL Group's Board of Directors demonstrates a strong supervisory function through the periodic reporting (four times in FY2022) on the execution of initiatives concerning climate change and biodiversity. In the execution, the Sustainability Promotion Council, chaired by the President, formulates basic policies, sets important targets, manages progress, and deliberates and decides on policies to deal with issues. The Sustainability Promotion Committee, chaired by the Senior Vice President of the General Affairs Division, deliberates on individual issues identified through the environmental management system (EMS) and reports to the Sustainability Promotion Council. The content of this disclosure based on TNFD's recommendations was reported to and approved by the Board of Directors in August 2023. \*See "TNFD Beta Framework (v0.4)"

Strategy

The JAL Group follows the LEAP approach proposed by the TNFD, identifying natural dependencies and impacts as well as priority areas, to systematically assess nature-related risks and opportunities on a scientific basis. \*LEAP approach: "LEAP" is an acronym for the four phases of Locate, Evaluate, Assess, and Prepare. It is an information disclosure guidance that consists of "Locate," which identifies the nature interface throughout the supply chain and identifies priority locations; "Evaluate," which diagnoses the dependencies and impacts between the business activities and nature; "Assess," which evaluates the key risks and opportunities based on the results of the diagnosis; and "Prepare," which prepares a response to nature-related risks and opportunities and reports back to investors.

Nature-related Dependencies & Impacts

Nature, consisting of freshwater, ocean, land and atmosphere, provides various benefits (ecosystem services) to the JAL Group's business. For example, a stable climate maintains a suitable operating environment for aircraft (regulating services) and provides places and opportunities for tourism (cultural services), leading to the creation of human flows. In addition, blessings such as food (supply services) lead to the creation of commercial and logistics flows. In March 2023, the JAL Group held an internal workshop to explore contacts with nature, inviting a lecturer from the World Wide Fund for Nature Japan (WWF Japan) to identify the dependencies and impacts of the JAL Group's air transportation business on nature. The dependence was identified as "flights to natural heritage sites, beach resorts, and other nature-rich tourist destinations" and "sales of local food products," while the impact was identified as "possible environmental pollution around airports" and "concerns about the impact on the ecosystem during the production of SAF".



Priority Location Identification

Water Related Risks

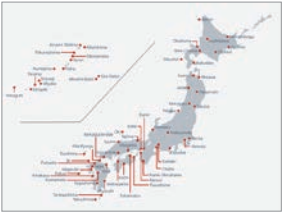
The JAL Group recognizes water as an important resource that affects climate change and biodiversity and commits to its sustainable use. The JAL Group's water intake areas are mainly in Japan, where water stress levels are considered low (analysed using Aqueduct\*), and we recognize that its risks are low. We will continue our efforts to conserve water resources such as the recycling of water for washing aircraft parts, to name a few. Additionally, the analysis will be reviewed annually. \*Aqueduct: Water risk analysis tool provided by the World Resources Institute

Our efforts and data on water resources issues are also posted on our company website.

WEB ESG DATA https://www.jal.com/en/sustainability/esg/pdf/esg.pdf WEB Conservation of water resources https://www.jal.com/en/sustainability/environment/limited-resources/#anc08

Biodiversity Risks

The JAL Group identified priority areas by focusing not only on water, but also on biodiversity itself, including ecosystems such as forests and oceans, and the various species that inhabit them. JAL Group's destinations were matched with areas of significant biodiversity in WWF's Biodiversity Risk Filter, and it was found that many areas in Japan are at high biodiversity risk. Hokkaido, Kagoshima (Amami), and Okinawa, which have high demand for nature tourism, were identified as areas where our businesses are dependent on nature. Also, Tokyo was identified as an area with high priority for biodiversity conservation, where operations have an impact on nature because it is a major airport.



Risks and Opportunities on the Organization's Businesses

The loss of biodiversity can be a significant risk to the continuance of our air transportation business, and managing it can also lead to opportunities. The workshop also assessed nature-related risks and opportunities based on the identified dependencies and impacts, which are summarized in the table below. In the future, we will deepen the assessment of risks and opportunities by analyzing financial impacts as well.

	Classification	Outline of Risks	Risk Mitigation Actions
Risks	Physical Risks ✓Acute risk ✓Chronic risk	Impact on air transportation operations by pandemic outbreaks of infectious diseases caused by the change of ecosystems.	• Provide a "safe and secure" air transportation environment through measures to prevent infectious diseases. • Develop flight plans based on passenger demand.
		Loss of natural tourism resources and reduced passenger volume due to changes in the ecosystem.	Promote efforts to restore natural tourism resources in cooperation with local communities.
	Transition Risks ✓Policy and Law ✓Market ✓Reputation	Ecological impacts in securing raw materials and manufacturing processes associated with the use of SAF.	Use of SAFs (such as ICAO CORSIA-eligible fuels) that take into account raw materials, land use and ecosystem conservation in the production areas, etc.
		Restrictions on foods and merchandise used due to more strict regulations on the use of wildlife to protect rare species.	• Compliance with internal guidelines with reference to the IUCN Red List, etc. • Use of food and merchandise produced with sustainability taken into account.
		Over tourism in nature-rich tourism destinations.	Realization of tourism based on sufficient management of human flows.
		Complicity in illegal wildlife trafficking.	Educate employees and collaborate with airport authorities to prevent illegal wildlife trafficking.
Opportunities		Environmental contamination to the surroundings of the airport (e.g., if improper water treatment occurs).	Thorough prevention procedures and post occurrence response procedures.
	Classification	Outline of Opportunities	Actions to Expand the Opportunities
	Opportunities based on business performance ✓Products and services ✓Market ✓Reputation	Creating demand for nature tourism.	Balancing tourism and nature conservation by encouraging appropriate tourism through the training of tourism guides, etc.
		Creation of commercial distribution and logistics through the transportation of foods and merchandise that are products of a rich ecosystem.	Contribution to regional economic revitalization through high-speed fresh transportation of foods and merchandise.
	Sustainability Performance Opportunities ✓Protection, restoration and rehabilitation of ecosystems ✓Sustainable use of natural resources	Securing tourism resources through protection, restoration, and rehabilitation of ecosystem.	Implementation of measures such as the coral sexual reproduction project.
		Securing a stable supply of commercial materials.	Use of sustainable commercial products (e.g. certified commercial products) in collaboration with suppliers.

Risk and Impact Management

The JAL Group defines risks as any event or action that may impede the achievement of the organization's mission, objectives, or goals, and conducts semiannual risk surveys and assessments. Those assessed as of particular importance are positioned as priority risks, and the status of risk management is reviewed at the Group Risk Management Council chaired by the President, where countermeasures are discussed and decided. With regards to environmental issues such as climate change and biodiversity, which are priority issues in our management strategy, we implement risk management through the PDCA cycle based on the EMS, while considering relevant laws, regulations, and policy trends in the international community.

Risk Management System

WEB https://www.jal.com/en/sustainability/governance/riskmanagement/#risk

Metrics and Targets

The JAL Group recognizes that biodiversity is affected by various environmental issues, including climate change, resources, and environmental pollution, and commits to comprehensive solutions. In addition to targets related to biodiversity conservation, we disclose environmental data such as CO<sub>2</sub> emissions, waste and water consumption.

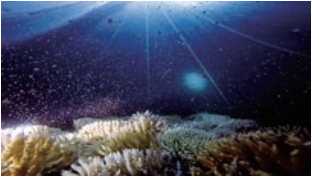
For targets and KPIs, visit our company Web site.

WEB	ESG DATA <a href="https://www.jal.com/en/sustainability/esg/pdf/esg.pdf">https://www.jal.com/en/sustainability/esg/pdf/esg.pdf</a>		
Main topics	Subtopic	Metrics	FY25 Targets
Biodiversity Conservation	Collaboration with external stakeholders to help expand the area of protected areas such as national parks and OECMs by 2030	[Okinawa] Number of sexually reproduced corals grown	1,000 seedlings by 2026
	Use of certified commercial products	Percentage of in-flight items using certified paper	100%
	Prevention of illegal wildlife trade	Number of illegal wildlife transports	0
	Consideration for biodiversity in the foods and merchandise we handle	Number of violations of internal guidelines for ESG risk food ingredients and commercial products	0
	Reducing the impact on the ecosystems surrounding the airport	[Tokyo] Number of incidents of improper management of water containing hazardous substances	0

Focused and Strategic Measures

Sexual Reproduction and Coral Regeneration Project

One of the attractions of Okinawa are coral reefs. Coral reefs are not only beautiful but also have many roles, such as being a place where living organisms coexist and live. However, in recent years, the number of coral reefs has been decreasing due to the rising sea temperatures and the occurrence of large numbers of hazardous crown-of-thorns starfish. Japan Transocean Air (JTA) has formed a council with local companies that support its efforts to regenerate coral reefs in Ishigaki and Kume Islands using a new method called the Sexual Reproduction Method.



Special Feature	Sustainability Initiatives	Environment	Respect for Human Rights
Addressing Climate Change	Biodiversity Conservation	Precaution of Environmental Pollution	Noise Reduction
		Effective Use of Limited Resources	Special Feature

■Prevention of Illegal Wildlife Trade

In June 2018, the JAL Group signed the Buckingham Palace Declaration, promoted by the International Air Transport Association (IATA), to promote the prevention of illegal wildlife trade. In the Amami-Okinawa region, where many rare wildlife live, we are working with the Ministry of the Environment and local governments to participate in training sessions to prevent poaching and smuggling, to test the use of applications to identify rare wildlife, and to establish a cooperative system in cases where it is difficult to identify species.



■Considering Biodiversity in Foodstuffs and Commercial Products

In July 2022, the JAL Group established in-house guidelines for foodstuffs and commercial materials to be handled to consider biodiversity from the viewpoint of protecting endangered animals. We are promoting the guidelines within the company to properly understand the importance of biodiversity conservation and to recognize the relationship between foodstuffs and commercial products.

Voice

Mangrove Planting Activities



On November 28, 2022, JALJKT marked Indonesia's tree planting day by planting mangroves in the PIK Mangroves Ecotourism Area as part of their SDGs initiative. The purpose of planting mangroves is to restore and maintain the quality, functions, and benefits of the mangrove forests. This initiative is a concrete action taken by JAL to conserve local environmental biodiversity. In total, 250 mangroves were planted. Preparation for the activity included items such as plastic gloves, rubber boots, hats, and personal hygiene tools. The event was attended by almost all staff in the branch as well as the Asia and Oceania region. The founder of mangrove Jakarta, Mr. Paundra Hanoetama, expressed gratitude for Japan Airlines' concern for the environment and hopes that this initiative can be continued in other places. The participants enjoyed this activity and it became a memorable moment for them.

Rudy Tirtanadi Banuarli, General Affairs Section, Jakarta Branch, Senior Vice President Office, Asia & Oceania

Precaution of Environmental Pollution

Particularly relevant areas: Passengers Cargo and Mail

Basic Concept

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

Effective Use of Limited Resources

Particularly relevant areas: Passengers Cargo and Mail

Basic Concept

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

For more on "Reducing Food Waste," see "Sustainability of Restaurants in the Sky" on pp.103-104.

Noise Reduction

Particularly relevant areas: Passengers Cargo and Mail

Basic Concept

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

Single-use Plastics Reduction

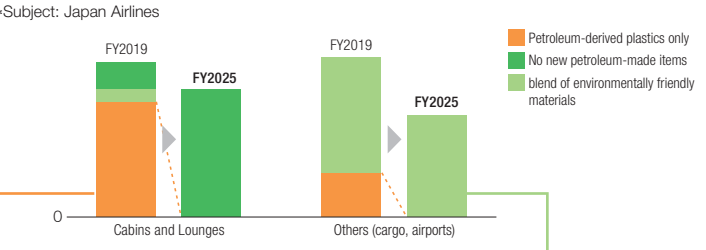
Progress towards achieving FY2025 targets

Important issue	FY2025 management targets	FY2022 Results
Reduction of plastic waste	Cabins and Lounges: Elimination of all new petroleum-based plastics Cargo and Airports: 100% switch to environmentally friendly materials	Discarded <b>45%</b> Replaced <b>91%</b>

Focused and Strategic Measures

In May 2021, the JAL Group formulated a target for FY2025 to solve the problem of reducing single-use plastics, a contributing factor to global warming and ocean pollution. Through the promotion of 3R (Reduce/Reuse/Recycle) + 1R (Redesign) and with the cooperation of our customers, we are attempting to eliminate all new petroleum-based products in all single-use plastic products provided to our customers at cabins and lounges, and to replace the items thoroughly to environmentally friendly materials in airports and cargo.

Image of Reduction of Single-use Plastics Consumption Toward FY2025 Targets



►Examples of Single-use Plastics Reduction

Passenger cabins and lounges  
Elimination of petroleum-derived plastics FY22 result : 45%

Reuse	Recycle	Reduce	Redesign
• Wash and use repeatedly • Lid made from 100% recycled plastic	Containers made from recycled plastic bottles	100% recycled plastic bottles	Containers and tray mats that have acquired international certification

Recycle: Replaced the lids of paper cups with paper products that have acquired international certification  
• Recycling of paper cups started on some domestic flights

Cargo, airports  
Change 100% to environmentally-friendly materials FY22 result : 91%

Redesign	Recycle
50% biomass of plastic bags for baggage covers for delivery service	Plastic sheets for packing cargo made from recycled materials, recycled from 40 years ago

Topic Recycling of Inflight Paper Cups

The JAL Group has been recycling paper cups (lids, cups, muddlers) on some domestic routes since December 2022 in cooperation with Nippon Paper Industries Co., Ltd. In the past, used beverage paper products were incinerated as general waste from a technical and sanitary standpoint. However, the JAL Group has made it possible to recycle used paper cups by creating a unique recycle chain whereby paper cups used for inflight services are properly sorted and collected by the JAL Group, and then transported, accumulated, baled, and recycled by the Nippon Paper Group using advanced technology. Customer cooperation is essential for sorting the items. We will continue to work with stakeholders to accelerate the promotion of resource recycling.



Sorted collection of paper cups



Video of paper cup recycling

Voice



Recycling of Domestic Boeing 777 Aircraft Achieved a Recycling Rate of 96 Percent

We have been selling Boeing 777 aircraft, which operated domestic flights until the end of FY2021, to overseas markets. We have also taken the first initiatives in Japan to recycle some of the materials used in the aircraft. In addition to recycling metals such as aluminum and iron, we also recycled plastics and carbon fiber composite materials (CFRP) as materials resulting in a 96 percent recycling rate. We are also working on manufacturing and selling upcycled products to familiarize air travel by utilizing discarded parts. We will continue to take on new initiatives to realize a more sustainable society.

KAMEDA Hirofumi, Head of New Business Development Team, Japan Airlines Co., Ltd. Engineering and Maintenance Division Business Promotion Division





Special Feature

Sustainability of Restaurants in the Sky

We must keep our focus on the various challenges of food that support life. Greenhouse gas emission accompanied by food is 21 percent to 37 percent of all emissions, but one third of the food is discarded. There are a variety of issues surrounding food, including overfishing and the impact of pesticides on biodiversity, worker's rights, and nutritional bias. Our efforts will continue to provide customers with safe, sustainable, and delicious meals that are friendly to ecosystems and labor, and to recycle them into resources without waste.



Implement a Food Waste Reduction Program that Includes the Supply Chain

Post-Harvest Loss

- Utilization of disposable crops
- Reuse of non-standard crops



Lounge "Farmer's soup"

The soup which we made only with the stem of the broccoli discarded at a stage of the production. We are planning our next soup that utilizes the peel of onion.

Processing Loss

- Composting all food loss including supply chain
- Recycling-oriented vegetable



A plate from the "The Future 50 Foods" list

The spinach which grew with compost which are composted by Residues of the JAL inflight meal processing process.

Purchasing/Storage Loss

- Reservation analysis
- Stock/buying control



JAL Royal Catering inflight meal catering facility

Factories that have acquired environmental certification (ISO14001) and set an environmental goal of reducing food Loss.

Cooking Loss

- Composting all food loss
- Prevention of excessive removal of edible parts and reuse of edge materials
- Loss analysis by category



Compost device for cooking loss

JAL Royal Catering makes compost daily from its cooking residues and recycles unused food materials.

Food Waste

- Campaigns to prevent leftover food
- JAL Meal Skip Option
- Donations to welfare councils



JAL Meal Skip Option Service

This service is designed to meet the needs of customers who wish to rest in the cabin without inflight meal.



Providing "Safe," "Secure," and "Sustainable" and Tasty Food

Procurement of certified ingredients

We use foodstuffs that have obtained global third-party certifications that takes into consideration food safety, environmental impact, biodiversity, worker's rights, and local communities.



The JAL Group has acquired MSC/ASC distribution certification, ASIAGAP certification, and ISO14001 certification.



Uses MSC certified ingredients



Uses ASIAGAP and ASC certified ingredients



Rainforest Alliance Certified Coffee

Continuous use of foodstuffs

We offer meals based on the "The Future 50 Foods" advocated by Unilever & UK-WWF, which is characterized by high nutritional value, low susceptibility to global warming, and soil recovery.



Supervised by KONO Fumiko  
"A dish from the list of "The Future 50 Foods"

Pursuit of food safety

The hygiene auditors of JAL are well versed in FSSC22000, an international standard for food safety, and conduct annual in-house and lounge hygiene audits of inflight meals, in accordance with the internal regulations for food safety.



How hygiene auditing is done. JAL auditors check for food safety quality

Voice



KONO Fumiko  
Cooking Producer, On-the-go Chef,  
Supervisor of JAL inflight meals

Delicious and Sustainable Meals

When planning tasty and sustainable inflight meals, our first consideration is the needs of our customers. While we value communication with our cooks, including exchanging opinions with our crew, we aim to prepare inflight meals that customers would want to talk about.



# Respect for Human Rights

## Basic Concept

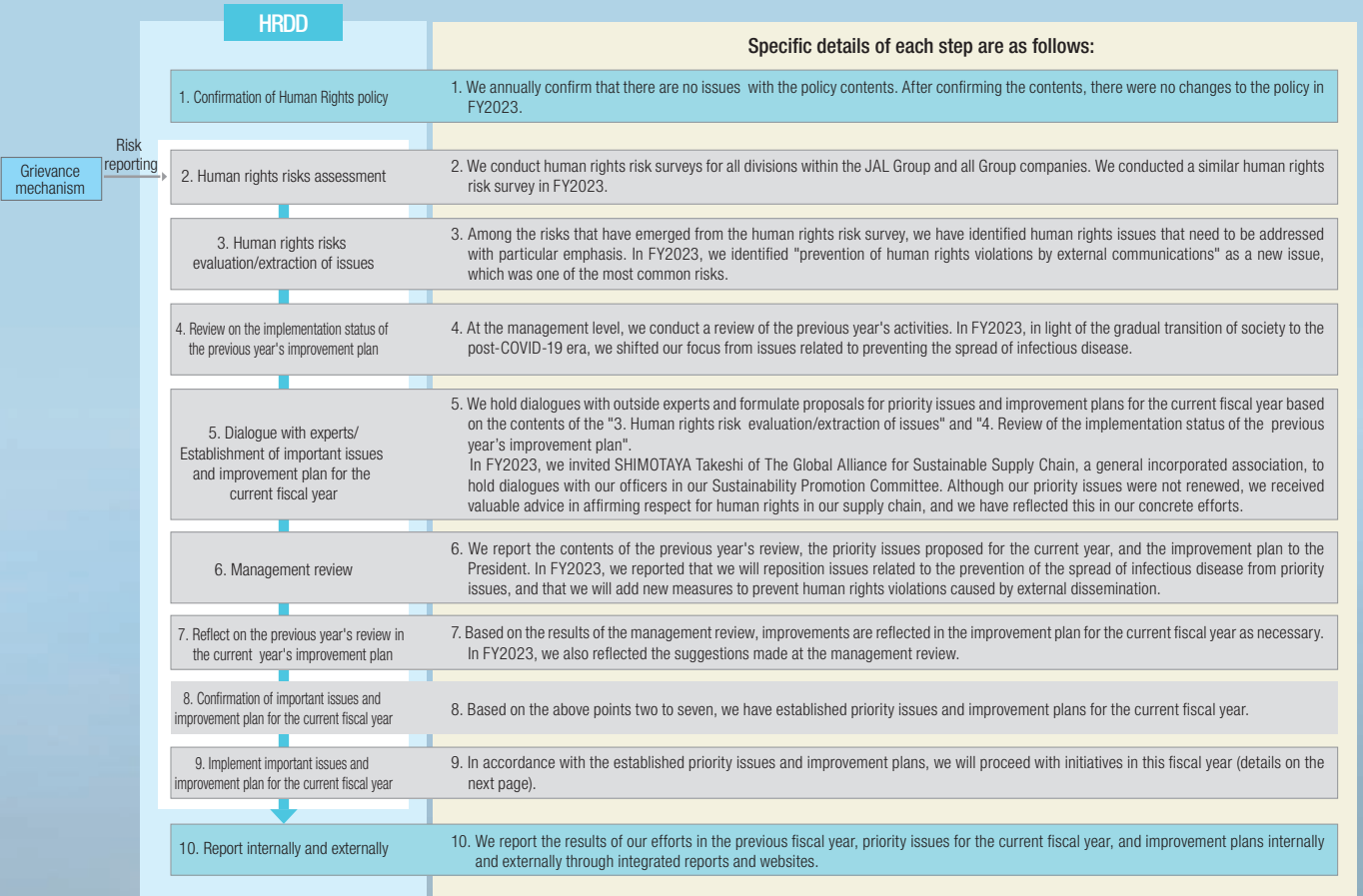
- All officers and employees of the JAL Group fulfill their responsibility to respect the human rights of all people.
- In accordance with the JAL Group Human Rights Policy, we respect all stakeholders including our customers and every employee of the JAL Group. We strictly prohibit discrimination on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

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

**WEB** [https://www.jal.com/en/sustainability/codeofconduct/pdf/human-rights\\_en1908.pdf](https://www.jal.com/en/sustainability/codeofconduct/pdf/human-rights_en1908.pdf)

## Framework for Respecting Human Rights

The JAL Group promotes efforts to respect human rights based on its human rights policy and internal rules governing the mechanism and operation of human rights due diligence (hereinafter “Human Rights DD”). Aiming to respect the human rights of all stakeholders, including suppliers, customers, and employees, we set ten priority issues in FY2022 from the following three perspectives: supply chain management, provision of products and services, and improvement of the internal environment.



Flow for Human Rights DD initiatives (Promote efforts to respect human rights in line with this flow every fiscal year)

### JAL Group Accessibility Service Policy

Based on the JAL Philosophy, which defines the basic attitude of employees, we will:

1. Provide stress-free travel for all customers:
2. Offer a variety of travel options to all our customers; and
3. Co-create enjoyment and delight through travel with customers and society.

## JAL Group's Efforts to Respect Human Rights

Through its business activities, the JAL Group aims to realize a society in which all human rights are respected, and people can play an active role with peace of mind. To this end, we strive to respect the human rights of all stakeholders, including suppliers, customers, and employees, in accordance with the JAL Group Human Rights Policy. Our basic approach to each stakeholder is as follows.

### Suppliers

We will work together with our business partners to build a sustainable supply chain that includes respect for human rights and appropriate labor practices. We also conduct risk assessments and monitoring to confirm the soundness of our supply chain. In addition, we will continue to procure products and meals that take human rights into consideration, such as service supplies and meals provided on flights and in lounges.

### Customers

We will work to make all customers feel comfortable and secure. We will focus on three areas: improving accessibility, which aims at stress-free travel and provides a variety of travel options; the prevention of human trafficking, which aims to prevent complicity in human trafficking through air transportation; and the prevention of human rights violations through external communications so as not to cause unintentional human rights violations through external dissemination.

### Employees

In addition to improving the working environment by preventing harassment, reducing long working hours, and preventing personal information leakage, we will promote initiatives to respect diversity by promoting DEI, such as women's advancement in the workplace and supporting the active participation of people with disabilities.

### List of Initiatives to Respect Human Rights

Stakeholders	Challenges	Scheduled to be implemented in FY2023
Suppliers	Confirmation of respect for human rights in the supply chain	Continued
	Procurement of products with consideration for human rights	Continued
Customers	Improvement of accessibility	Continued
	Initiatives towards safety and comfort (Prevent the spread of infectious diseases)	Repositioning
	Prevention of human trafficking	Continued
Employees	Prevention of human rights violations by external dissemination	New implementation
	Prevention of harassment	Continued
	Prevention of long working hours	Continued
	Fair and impartial hiring and promotion	Continued
	Prevention of discrimination against race and culture	Continued
	Prevention of personal information leakage	Continued

Please refer to the special issue "Eleven priority issues, indicators and targets related to respect for human rights" on pp.107-108 for specific initiatives.



Special Feature	Sustainability Initiatives	Environment	Respect for Human Rights
Framework for respecting human rights		Special Feature	

Special Feature

# Eleven Priority Issues, Indicators and Targets Related to Respect for Human Rights

## 1 Confirmation of Respect for Human Rights in the Supply Chain

**Relevant indicators** Confirmation rate of primary supplier soundness 100 percent, Completion of human rights investigations of new key suppliers 100 percent

We strive to establish a sustainable supply chain that includes respect for human rights, compliance with laws and regulations, global environmental protection, and proper labor practices. In FY2022, we distributed and collected self-assessment questionnaires to all 461 main suppliers, to identify risks, explain the results to suppliers who were able to identify risks, requested corrective measures, and completed soundness checks. We have also started the operation of a hotline for domestic and overseas suppliers. In FY2023, based on the advice we received in dialogue with experts, we will identify suppliers that are closely tied to our company and highly important from an ESG perspective, and will conduct on-site audits.

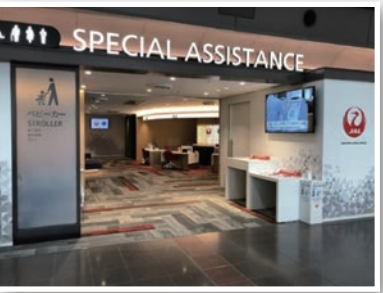


Inflight meals using ingredients certified by ASC and GAP (For details, see the special issue "Sustainability of Restaurants in the Sky" on pp.103-104.)

## 2 Procurement of Products with Consideration for Human Rights

**Relevant indicators** Percentage of inflight items using international certified paper that takes forest resources into consideration 100 percent

As for the service supplies and meals provided to our customers at the cabin and lounge, we adopt certified products that take into consideration the worker's rights involved in forestry, agriculture, and fishing. We strive not to be complicit in human rights violations such as poor working conditions, child labor, and land rights violations of indigenous peoples. In FY2022, 87.8 percent of paper products were replaced with certified products, and ten kinds of certified fishery and agricultural products were used. In FY2023, we aim to increase the usage rate of certified paper products to 95 percent.



Special Assistance Counter

## 3 Improving Accessibility

**Relevant indicators** Percentage of customers who find it difficult to travel compared to FY2019 results 2.5 times

In accordance with the JAL Group Accessibility Service Policy, we are working to create fun and entertaining travel by providing stress-free travel options to all customers. We promoted initiatives based on four pillars (employee education, environmental improvement, information dissemination, and accessible tourism), including training and lectures to enhance empathy through interaction with para-athletes, pre-flight workshop to relieve various concerns about flying, and tours for customers with developmental disabilities. In FY2023, we will continue to strive to improve accessibility based on the four pillars.



Touchless computers at the airport

## 4 Prevention of Infectious Disease Expansion

**End** **Relevant indicators** Bottom three answers to questions that is concerned about DVS infectious disease measures

We are working to ensure that all customers can enjoy a safe and secure air travel. In FY2022, we promoted initiatives based on three pillars (improve hygiene and cleanliness, use digital technology to make touchless automatic and self-service, and support travel), including employee education on hygiene and infectious disease and the implementation of "hospitality service utilizing facial recognition trial" at Amami Airport. We will continue to provide airport and inflight services that allow customers to travel with a peace of mind. In the light of the gradual shift to the post-coronavirus era, we will change the position of these issues from priority issues in FY2023.



Exchange of views on human trafficking with airport companies

## 5 Prevention of Human Trafficking

**Relevant indicators** Attendance rate of education related to respect for human rights 100 percent

The JAL Group regards unintentional complicity in human trafficking by air transport as a particularly important human rights issue. In FY2022, continuing from the previous year, all employees were provided with education on the respect for human rights, including information on the prevention of human trafficking. In addition, as part of our efforts with external stakeholders, we invited officers from the National Police Agency to tell us about the current situation in human trafficking in Japan. We held panel discussions with staff from airports and cabins in the company. In FY2023, we will continue to educate all employees on the prevention of human trafficking, expand the scope of our external stakeholders, and take on prevention measures.

## 6 Prevention of Human Rights Violations by External Dissemination

**NEW** **Relevant indicators** Attendance rate of education related to respect for human rights 100 percent

Amid the increasing complexity of the environment surrounding the JAL Group, we will establish a checking system to ensure that there are no human rights violations committed unintentionally through external dissemination. This issue was newly added in FY2023. In FY2023, we will strengthen the checking system so that the main department can make effective confirmations. To raise awareness among employees, we will also incorporate this content into training programs related to the respect for human rights and work to prevent violations of human rights caused by external dissemination.



Training for managers, including harassment prevention

## 7 Prevention of Harassment

**Relevant indicators** Number of violations of the Code of Conduct 0 cases

We have established the Regulations on the Prevention of Harassment in the Workplace, explaining in detail the various definitions of harassment, the prohibition and clearly stating that violations will be subject to disciplinary action. In addition to the Harassment Consultation Service, we have established a 24-hour compliance consultation service (Group Hotline) and a sexual harassment consultation service dedicated to cabin attendants. In FY2022, in addition to employee education, we also provided training on the emotional care of employees for managers, who have been subjected to customer harassment. In FY2023, we will conduct additional compliance education for all JAL Group employees and conduct workplace visits to ensure compliance. We will also deepen our efforts against customer harassment.

## 8 Prevention of Long Working Hours

**Relevant indicators** Total working hours 1,850 hours/person, Ratio of employees who work long hours 0 percent, Annual paid leave usage ratio 100 percent, Average number of hours per month for overtime and holiday work 4 hours/person (Linked to 1,850 hours of total working hours)

With the aim of curbing overtime and holiday work, we are developing a system to support flexible workstyles, such as a system to change working hours, a superflex system, and a system that allows employees to take paid leaves on an hourly basis. In addition, we are making efforts to create an environment in which employees can easily take time off, including workcation that allows employees to work remotely during vacation periods, and bleisures that allows employees to take time off during business trips. In FY2022, we conducted a seminar on working hours management for managers and reviewed internal rules for telework. We promoted a hybrid work system that combines office attendance and telework, enabling employees to choose where to work while being conscious of productivity and communication. In FY2023, we will continue to hold seminars on working hour management for managers. We will also reduce the number of working hours by improving the efficiency of our business processes and changing our decision-making processes.



Workcation promotion activities with outside parties



work with Pride "Pride Indicator 2022"

## 9 Fair and Impartial Hiring and Promotion

**Relevant indicators** Proportion of women in management 30 percent, Employment rate for persons with disabilities 3.2 percent, Percentage of men taking childcare leave 100 percent

The JAL Group strives to be a company where everyone can play an active role regardless of gender, age, nationality, race, ethnicity, religion, social status, disability status, sexual orientation, gender identity, or company of origin. In FY2022, for the seventh consecutive year, the company was awarded the highest "Gold" award in the "PRIDE Index\*" developed by the voluntary organization "work with Pride". In addition, employees with disabilities attended an autonomous career development training, an internal intern system. To further encourage the success of diverse human resources, we took advantage of diverse perspectives to operate booths at LGBTQ-related events (local pride events) held across Japan. To promote the understanding of disabilities, we collaborated with other companies in the planning and management of events. In FY2023, we will promote the expansion of opportunities for people with disabilities to play an active role and to achieve the target number of employment for people with disabilities set forth in the JAL Group Medium Term Management Plan Rolling Plan 2023. \*Indicators for evaluation of LGBTQ+ and other sexual minority initiatives by companies and organizations

## 10 Prevention of Discrimination Against Race and Culture

**Relevant indicators** Number of facilities developed in consideration of DEI

As the number of foreign employees has increased in the global environment, we are working to develop human resources that can respect diverse cultures and create new values. In FY2022, we conducted a survey to group companies that employ a large number of non-Japanese employees dialogues with employees who work abroad, to identify human rights issues arising from the increase in the number of non-Japanese employees. Based on what we have identified, we will work to make further improvements. In FY2023, we will establish rules to support non-Japanese employees, which is expected to increase in the future, and will endeavor to prevent cases of human rights violations. We will also conduct internal events to promote understanding of unconscious bias and work to prevent discrimination.



Internal events to promote understanding of unconscious bias



Information security education materials for all employees

## 11 Prevention of Personal Information Leakage

**Relevant indicators** Number of incidents 0 cases

The JAL Group provides information security education and targeted email attack training for all employees to raise their awareness of information security. In FY2022, we continued similar efforts to raise employees' awareness of information security. We also strengthened information security through stocktaking of unnecessary IDs and other measures to prevent personal information leakage by customers and employees. In FY2023, we will continue to raise employees' awareness of information security and prevent personal information leakage of customers and employees.



Build better relationships with stakeholders

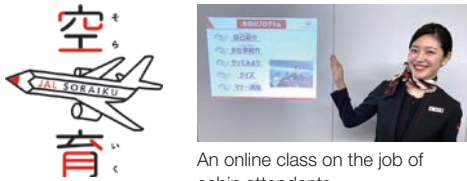
# Efforts by Corporate Citizenship Activities

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

### Topic 1

#### JAL SORAIKU®

JAL SORAIKU® aims to provide students with the opportunity to think about their future and the future of the global environment by exploring the wonders of the sky and the joy of flying. We have held online classes, SORA-ECO Classes, origami plane classes, and virtual JAL Factory tours as activities that can be done during COVID-19. In addition, we have also resumed face-to-face activities. We encourage people to think about the future through online programs and face-to-face interactions.




An online class on the job of cabin attendants

Fiscal Year	FY2019	FY2020	FY2021	FY2022
Number of people	191,840	20,435	50,147	52,586

### Topic 2

#### Education Content Delivery

We offer JAL STEAM SCHOOL, a class in which pilots explain the world of aircraft and aviation from the perspectives of STEAM<sup>\*1</sup>. In addition, JAL STEAM SCHOOL Portable, an interactive program that summarizes the contents of the class in an easy-to-understand manner, is exhibited in science museums and other venues throughout Japan to provide opportunities for more people to develop their creative thinking skills. Furthermore, in collaboration with DOCOMO gacco, we introduced "People who Work in Airline Industry"<sup>\*2</sup> presented by JAL Group employees in gacco®, a video learning service.




Experiencing JAL STEAM SCHOOL Portable

### Topic 3

#### Culture and Sports Support

In support of a D&I society that recognizes individual differences and promotes active participation, we have expanded our support and sponsorship from the "the School of Challenge for Tomorrow" program<sup>\*3</sup> to encompass all five programs under "the School of Challenge for Tomorrow" initiative<sup>\*4</sup> and are working to further promote a barrier-free mindset through parasports so that everyone can feel the importance of challenging themselves to something new.



Elementary school students experiencing Wheelchair Basketball (Credit: the Nippon Foundation Para Supports Support Center)

Fiscal Year	FY2020	FY2021	FY2022
Participating school	129 schools	277 schools	797 schools
Number of people	(12,559)	(23,960)	(73,246)

### Topic 4

#### Ensuring Air Transport and Supporting Affected Areas

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

	Employee donations (to UNICEF)	JAL Charity miles
Earthquakes in Turkey and Syria	399,894 yen	2,875,500 yen

	Employee fundraising	JAL Charity miles
Torrential rains in August 2022 in Japan	305,622 yen	1,736,000 yen


For information on Charity Miles, visit the JAL website. <https://www.jal.co.jp/jp/en/jalmile/use/charity/>

\*1 A universal teaching method that combines the comprehensive study of science, technology, engineering, art, and mathematics. It is an educational philosophy that adds creativity education to science and mathematics education, aimed at cross-disciplinary learning to create a cycle of learning (seeking) and making (creating).  
\*2 Already closed.  
\*3 Hands-on para-sports classes for elementary, junior high and high schools hosted by the Nippon Foundation Para Sports Support Center  
\*4 Education and training programs conducted by para-athlete instructors are not limited to students but also targeted towards corporations, local governments, and all generations throughout Japan.

# Major External Evaluations (2022 to 2023)

Major ratings and awards are also posted on the JAL website.  
<https://www.jal.com/en/outline/awards.html>  
<https://press.jal.co.jp/en/awards/>


#### Comprehensive evaluation of service quality, safety well-being initiatives, and sustainability initiatives



APEX[WORLD CLASS]  
First Japanese airline

APEX[FIVE STAR]  
First Japanese airline


#### Evaluation of airport and in-flight products and services



SKYTRAX[World Airline Star Rating]  
From 2018

SKYTRAX[World's Best Economy Class]  
(Third time)  
SKYTRAX[Best Economy Class Airline Seat]  
Six consecutive terms (seventh)

#### Evaluation of sustainability



Member of  
**Dow Jones Sustainability Indices**  
Powered by the S&P Global CSA  
Dow Jones Sustainability Asia Pacific Index  
Selected for the first time


FTSE4Good

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

CDP  
DISCLOSURE INSIGHT ACTION  
Climate Change "A-" Assessment

#### Evaluation of DEI initiatives




work with Pride  
**Gold 2022**  
work with Pride "Pride Indicator 2022"  
Top "Gold" for seven consecutive years since 2016

2023 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)


D&I AWARD  
BEST WORKPLACE  
for diversity inclusion  
2022  
JobRainbow[D&I Award 2022]  
Best Rating "Best Workplace"

#### Evaluation of workstyle innovation



The Ministry of Internal Affairs and Communications' 100 Best Telework Pioneers


#### Evaluation of health and productivity management



2023  
健康経営銘柄  
Health and Productivity  
Selected by METI and the Tokyo Stock Exchange as health and productivity management for the fifth time in two consecutive years


2023  
健康経営優良法人  
ホワイト500  
Twenty-four JAL Group companies were certified as "Certified Health & Productivity Management Outstanding Organizations Recognition Program" by METI and the Japan Health Council

#### Evaluation of DX initiatives



DX銘柄2023  
Digital Transformation


#### Evaluation of disclosure



2022 Award for Excellence in Corporate Disclosure  
"Inclusion"  
Japan Securities Analysts Association "Award for Excellence in Corporate Disclosure"  
No. 1 in transportation for the fourth time in five years

ESG  
FINANCE AWARDS JAPAN  
Selected as an Environmental Sustainable Company at the 4th ESG Finance Awards Japan

#### Evaluation of Wellness Promotion



SPORTS  
YELL COMPANY  
2023  
Accreditation of Sports Ale Company Bronze by the Sports Agency for the sixth year, and the second accreditation of Sports Ale Company 2023 Bronze for two consecutive years.

\*Our company's inclusion in the MSCI Index and use of the MSCI logo, trademark, service mark or index name is not intended to sponsor, promote or promote our company by MSCI or its affiliates. MSCI's services and data are the exclusive property of MSCI, and the names and logos of MSCI and the MSCI Index are trademarks or service marks of MSCI or its affiliates.

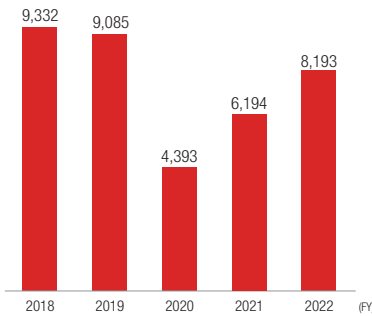


1. Data Highlights

ESG

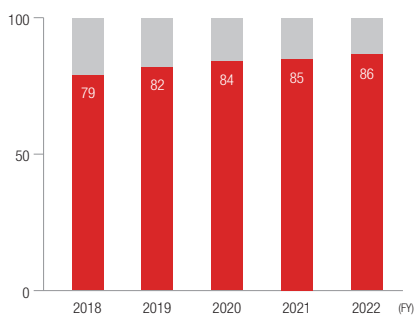
CO<sub>2</sub> emission reductions

CO<sub>2</sub> emissions from aircrafts (1000 tons)



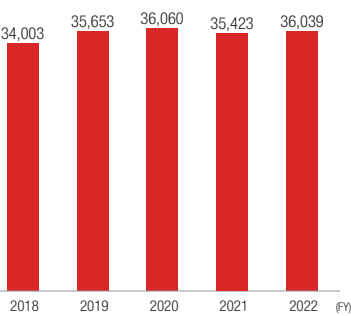
Percentage of fuel-efficient aircrafts

Non-fuel-efficient aircrafts (%)  
Fuel-efficient aircrafts (%)



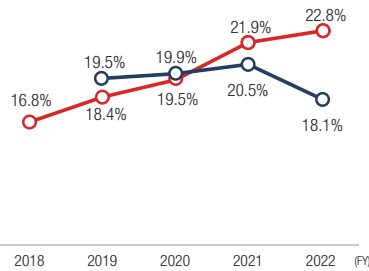
Employees

Number of employees (people)



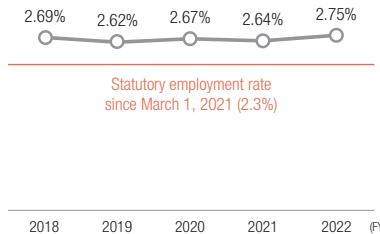
Ratio of female managers/Ratio of non-Japanese managers<sup>\*1</sup>

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



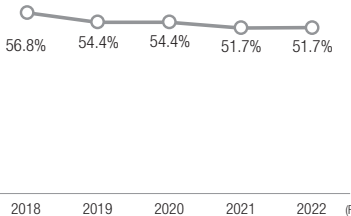
Employment rate of people with disabilities<sup>\*2</sup>

Employment rate of people with disabilities (%)



Highly engaged employee percentage<sup>\*3</sup>

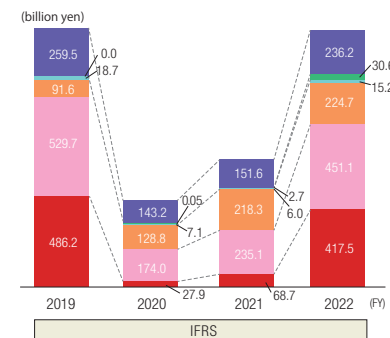
Highly engaged employee percentage (%)



Business

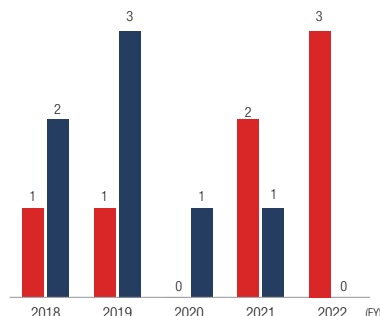
Transition and composition of revenue in each business area<sup>\*1</sup>

Mileage, Lifestyle and Infrastructure  
LCC passenger  
Other  
International passengers  
Domestic passengers  
Total cargo and mail



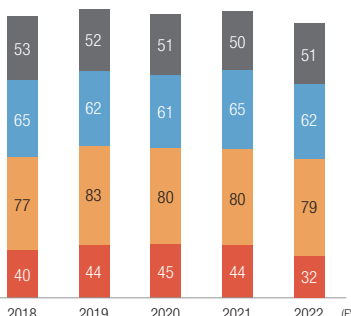
Aircraft accident/Serious incident

Aircraft accident  
Serious incident



Number of aircraft

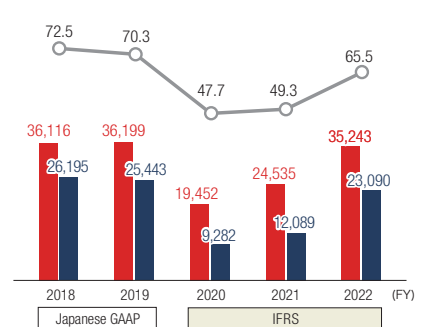
Large  
Medium  
Small  
Regional jets



\*1 In Japan Airlines Co., Ltd. (Locally hired managers overseas + Non-Japanese managers hired in Japan in business planning and maintenance engineering jobs) / Total managers  
\*2 Sum of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd. a special subsidiary, as of June 1 of the following fiscal year  
\*3 The survey is conducted every two years, and the percentage of employees who chose four or five out of five ratings  
\*4 Compared to results in early FY2017  
\*5 IFRS is adopted from FY2020. Accordingly, figures for FY2019 are also calculated under IFRS for comparison.  
\*6 EBIT = Profit or Loss before Financing and Income tax (Profit/Loss before Tax - Finance Income/Expenses)  
\*7 [Japanese GAAP] Net profit or Loss attributable to owners of parent [IFRS] Profit or Loss attributable to owners of parent

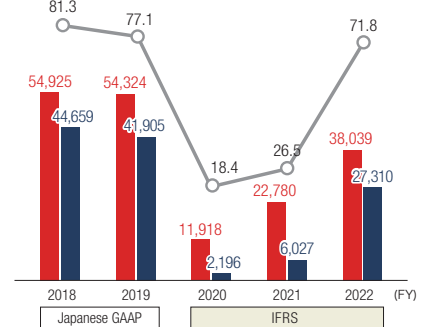
Revenue Passenger Kilometers/Available Seat Kilometers (domestic flights)

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



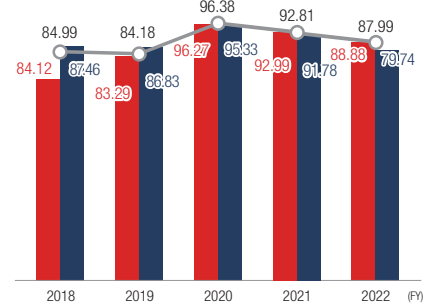
Revenue Passenger Kilometers/Available Seat Kilometers<sup>\*9</sup>(international flights)

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



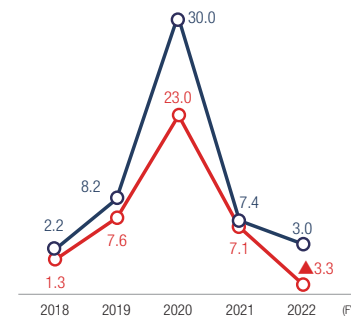
On-time arrival rate

Domestic (%)  
International (%)  
Total (%)



Net Promoter Score (NPS)<sup>\*4</sup>

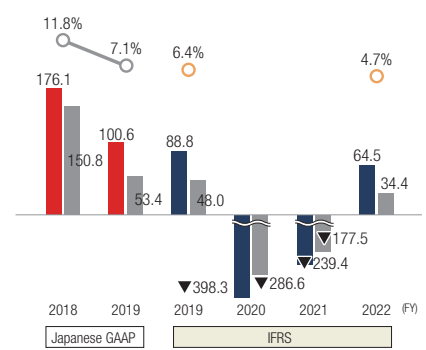
Domestic (points)  
International (points)



Finance<sup>\*5</sup>

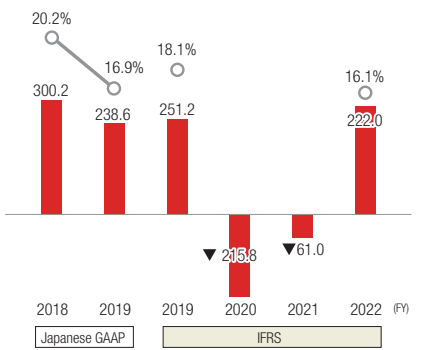
EBIT<sup>\*6</sup>/Profit or Loss<sup>\*7</sup>/EBIT Margin<sup>\*8</sup>

Operating Profit (billion yen)  
Profit or Loss (billion yen)  
Operating Profit Margin (%)  
EBIT (billion yen)  
EBIT Margin (%)



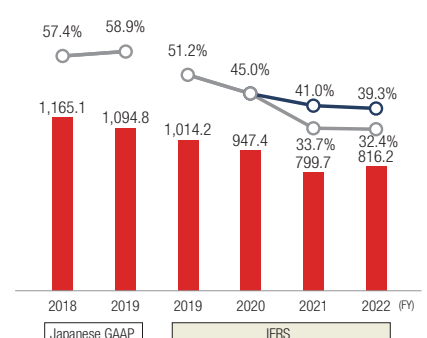
EBITDA<sup>\*9</sup>/EBITDA Margin<sup>\*8</sup> <sup>\*10</sup>

EBITDA (billion yen)  
EBITDA Margin (%)



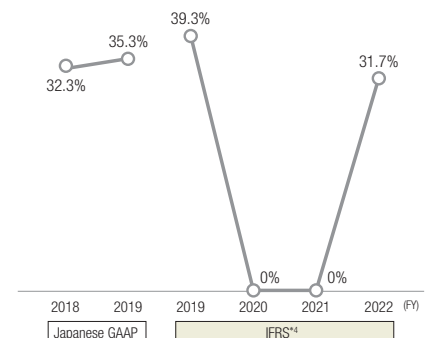
Shareholder's Equity Ratio

Shareholder's Equity (billion yen)  
Shareholder's Equity Ratio (%)  
Shareholder's Equity Ratio based on credit rating evaluation<sup>\*11</sup> (%)



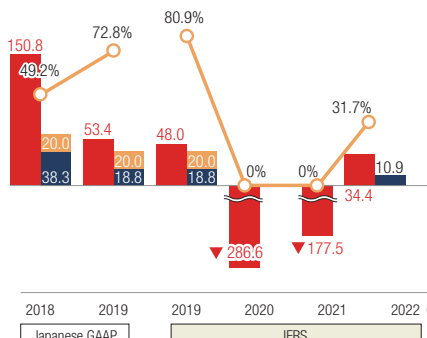
Dividend payout ratio<sup>\*12</sup>

Dividend payout ratio (%)



Total return ratio<sup>\*13</sup>

Profit or Loss (billion yen)  
Repurchase amount (billion yen)  
Total return ratio (%)



\*8 EBIT Margin and EBITDA Margin for FY2020 and FY2021 are not shown as they are negative figures.  
\*9 [Japanese GAAP] EBITDA = Operating profit + Depreciation [IFRS] EBITDA = EBIT + Depreciation  
\*10 Japanese GAAP EBITDA Margin = EBITDA/Operating Revenue [IFRS] EBITDA Margin = EBITDA/Revenue  
\*11 Shareholder's Equity Ratio based on credit rating evaluation considering Hybrid Finance  
\*12 Payout Ratio = Total Dividends/Profit or Loss<sup>\*\*14</sup>  
\*13 Total Return Ratio = (Total Dividends + Share Repurchases)/Profit or Loss<sup>\*\*14</sup>  
\*14 Profit attributable to owners of parent for FY2018 excludes the effects of income taxes deferred

2. ESG Data

Environment (E)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Addressing Climate Change						
CO <sub>2</sub> emissions						
GHG Scope 1						
Total emissions	1,000 tons	9,345	9,121	4,421	6,214	8,222
CO <sub>2</sub> emissions from aircraft	1,000 tons	9,332	9,085	4,393	6,194	8,193
Proportion of CO <sub>2</sub> emissions from aircraft of GHG Scope1	%	99.9	99.6	99.3	99.5	99.6
CO <sub>2</sub> emissions from ground equipment*1	1,000 tons	13	15	14	14	10
CO <sub>2</sub> emissions from vehicle	1,000 tons	—	21	15	17	19
CO <sub>2</sub> emissions per Revenue Ton Kilometer (RTK)	kg-CO <sub>2</sub> /RTK	1.0323	1.0648	1.3763	1.2751	1.0829
SAF use among entire air fleet fuel use	%	—	1x10 <sup>-4</sup>	0.009x10 <sup>-4</sup>	2x10 <sup>-4</sup>	47x10 <sup>-4</sup>
CO <sub>2</sub> reduction from JAL Green Operations	1,000 tons	146 (1.6% of emissions)	157 (1.7% of emissions)	82 (1.8% of emissions)	142 (2.3% of emissions)	195 (2.4% of emissions)
GHG Scope 2*1	1,000 tons	50	57	51	53	56
GHG Scope 3						
Total emissions	1,000 tons	478.5	1,402.7 (2,176.9)*2	1,046.2	1,534.6	1,765.3
Category 1: Purchased goods and services	1,000 tons	—	215	166	198	287
Category 2: Capital goods	1,000 tons	—	721	264	481	350
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	1,000 tons	468	455(1,227)*2	603	842	1,111
Category 5: Waste generated in operations	1,000 tons	—	1.0	0.8	1.3	1.2
Category 6: Business travel	1,000 tons	4.4	4.6	4.7	4.6	4.7
Category 7: Employee commuting	1,000 tons	6.1	6.1(8.3)*2	7.7	7.7	8.1
Category 8: Upstream leased assets	1,000 tons	—	—	—	—	2.7
GHG Scope 1+2	1,000 tons	9,395.0	9,178.0	4,472.0	6,267.0	8,278.0
GHG Scope 1+2+3	1,000 tons	9,873.5	10,580.7	5,518.2	7,801.6	10,043.3
Provision of carbon offset programs						
JAL Carbon Offset website visitors	Number of people	—	—	—	—	13,122
Number of JAL Carbon Offset users	Number of people	—	—	—	—	385
Energy consumption (aircraft)						
Jet fuel	1,000 kl	3,784	3,684	1,781	2,507	3,331
Crude oil equivalent	1,000 kl	3,583	3,488	1,687	2,357	3,154
Energy consumption (ground)*3						
Kerosene	1,000 GJ	0.3	0.3	1.2	1.2	1.0
Heavy fuel oil A	1,000 GJ	2.5	2.0	2.7	2.2	2.2
Town gas, LPG	1,000 GJ	267	257	245	241	193
Electricity	1,000 MWh	102	98	89	92	95
Steam, heat, cooling	1,000 GJ	340	332	317	337	296
Crude oil equivalent	1,000 kl	42	40	35	39	37
Electricity equivalent						
Energy consumption (fuel total)	1,000 MWh	38,651	37,630	18,229	25,633	34,084
Energy consumption (steam, heat, cooling)	1,000 MWh	96	92	88	94	61
Energy consumption (total)	1,000 MWh	38,849	37,820	18,406	25,819	34,240
Total renewable energy consumption	1,000 MWh	—	—	—	—	1.7
Number of fuel-efficient aircrafts						
Airbus A350	aircrafts	—	5	8	15	16
Boeing 787	aircrafts	42	49	49	51	52
Boeing 777	aircrafts	40	39	37	18	16
Boeing 737-800	aircrafts	62	62	61	64	62
Embraer 170	aircrafts	18	18	18	18	18
Embraer 190	aircrafts	14	14	14	14	14
ATR42-600	aircrafts	6	8	9	11	12
ATR72-600	aircrafts	1	2	2	2	2
Number of fuel-efficient aircrafts (total)	aircrafts	183	197	198	193	192
Ratio of fuel-efficient aircrafts	%	79	82	84	85	86
Environmental investments						
Investments	billion yen	175.4	181.3	55.3	132.0	86.1
Vehicles						
Motor vehicle	vehicles	—	3,609	3,604	3,537	3,649
Gasoline consumption	kl	—	691	495	539	636
Diesel consumption	kl	—	7,430	5,125	5,964	6,772
Biodiesel blended fuel consumption	kl	—	—	—	—	10
Biodiversity Conservation						
Water consumption						
Withdrawal						
Tap water consumption	1,000 m <sup>3</sup>	485	447	335	316	381
Groundwater, sea, river, lake, industrial water consumption	1,000 m <sup>3</sup>	0	0	0	0	0
Total consumption	1,000 m <sup>3</sup>	485	447	335	316	381
Utilization of certified commercial materials						
Percentage of in-flight items using internationally certified paper that takes forest resources into consideration	%	8.3	15.9	66.5	66.5	87.8
Prevention of illegal wildlife trade						
Number of illegal wildlife transports	Number of times	0	0	0	0	0
Consideration of biodiversity in foodstuffs and commercial products						
Number of violations of internal guidelines for ESG risk foodstuffs and products	cases	—	—	—	—	0

Environment (E)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Effective Use of Limited Resources						
Plastic						
Reduction ratio of new petroleum derived single plastic use items in in-house standard products used in-flight and in lounges	%	—	2.5	10.4	25	45
Ratio of environmentally friendly material in single-use plastics used in airports and cargo transport	%	—	—	87.6	90	91
Food loss & waste						
Total weight of food loss & waste at JAL Royal Catering Narita and Haneda factories	tons	151.4	153.5	22.5	24.3	62.1
Total weight of compost from food loss & waste at JAL Royal Catering Narita and Haneda factories	tons	0.0	11.8	6.3	11.7	46.5
Total waste	tons	151.4	141.7	16.2	12.6	15.5
Wood/Paper/Fiber packaging						
Coverage (% of cost of goods sold)	%	—	—	43.6	30.8	100.0
Total weight	tons	—	—	369.0	77.9	249.8
Percentage of total weight of recycled and/or certified raw materials	%	—	—	99.5	99.7	100.0
Percentage of electronic AWB (Air Waybill)	%	—	—	—	25	62.5
Precaution of Environmental Pollution						
Nitrogen oxide (NOx) emissions						
Emissions in LTO cycle*4	1,000 tons	5.10	5.54	2.43	3.06	4.66
Hydrocabon (HC)						
Emissions in LTO cycle*4	1,000 tons	0.63	0.66	0.13	0.15	0.25
Carbon monoxide (CO)						
Emissions in LTO cycle*4	1,000 tons	3.95	4.35	1.71	2.40	3.47
VOC emissions	tons	26.3	27.7	23.7	24.3	32.3
CFC substitute (aircraft)	kg	7.40	3.94	1.96	14.27	13.02
Industrial waste						
Total waste generated	tons	3,912	3,330	2,834	3,998	3,148
Total waste recycled	tons	3,873	3,320	2,817	3,985	3,130
Total waste disposed	tons	39	10	17	13	18
PCB waste	tons	0.07	0	0	0	0
Final disposal rate	%	1.0	0.3	0.6	0.3	0.6
Noise Reduction						
Low-noise aircraft						
Ratio of ICAO Chapter 4 standard compliant aircraft	%	—	100	100	100	100
Ratio of ICAO Chapter 14 standard compliant aircraft	%	—	45	40	41	42
Others						
Environmental violations						
Number of violation cases of legal obligations/regulations	cases	0	0	0	0	0
Amount of fines/penalties related to above violations	yen	0	0	0	0	0

\*1 In-flight catering facilities have been added to Head Office, Airport, Maintenance Center and Branch Offices from FY2019.  
\*2 The basic units in FY2019 apply to figures after FY2020.  
\*3 Head Office, Airport, Maintenance Center, and Branch Offices  
\*4 ICAO standard of counting take-off and landing as "one cycle"

Acquisition of Independent Assurance Statement	
Greenhouse Gas Verification Statement: <a href="https://www.jal.com/en/sustainability/environment/environment-management/pdf/ias_jal2023_en_230809.pdf">https://www.jal.com/en/sustainability/environment/environment-management/pdf/ias_jal2023_en_230809.pdf</a>	
NOx/Water Assurance Statement: <a href="https://www.jal.com/en/sustainability/environment/environment-management/pdf/nox_jal2023_en_230809.pdf">https://www.jal.com/en/sustainability/environment/environment-management/pdf/nox_jal2023_en_230809.pdf</a>	

Social (S) Human Resources\*1

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Human Resources Portfolio						
Create a dynamic human resources portfolio						
Assign human resources to growing business areas*2	people	—	—	—	+2,000	+2,200
Employees						
Number of consolidated employees						
Total	people	34,003	35,653	36,060	35,423	36,039
By Job Type						
Number of ground staff	people	24,295	25,278	25,244	25,191	25,638
Number of cockpit crew	people	2,690	2,766	2,876	3,082	3,196
Number of cabin crew	people	7,018	7,609	7,940	7,150	7,205
Ratio of managers	%	15.5	14.8	15.0	15.9	15.9
Ratio of general staff	%	84.5	85.1	85.0	84.1	84.1
Qualifications						
Cockpit crew (PIC + FO)	people	2,447	2,519	2,620	2,632	2,782
Maintenance engineer (Persons with national qualifications)	people	1,827	1,859	1,856	1,867	1,929
Employment, turnover						
Number of new employees	people	2,422	3,711	2,352	718	1,776
Number of new employees (men)*3	people	131	186	156	115	118
Number of new employees (women)*3	people	615	855	567	18	36
Number of mid-career employees hired (business planning staff hired in Japan)*3	people	14	50	6	0	53

\*1 Japan Airlines Co., Ltd. and 56 consolidated subsidiaries  
\*2 Compared to FY 2019  
\*3 Japan Airlines Co., Ltd. only



Social (S) Human Resources\*1

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Total turnover rate*3	%	3.4	3.9	2.4	3.7	4.4
Total turnover rate (male)*3	%	—	—	—	2.2	1.8
Total turnover rate (female)*3	%	—	—	—	1.5	2.6
Voluntary turnover rate*3	%	2.0	1.9	1.1	1.6	2.6
Number of employees reemployed after retirement*3	people	506	622	735	837	926
Average cost of hiring*3	ten thousand yen	—	8.1	15.9	20.6	16.4
Average age						
Total	year	39.1	39.4	38.6	39.4	39.6
By Job Type						
Average age of ground staff	year	39.5	40.2	39.1	40.0	40.1
Average age of cockpit crew	year	44.0	43.8	44.0	43.8	43.6
Average age of cabin crew	year	35.4	35.0	35.0	35.8	36.4
DEI						
Employees						
Ratio of female employees	%	49.8	50.6	51.7	50.1	50.6
Ratio of female managers	%	16.8	18.4	19.5	21.9	22.8
Ratio of non-Japanese managers*3-4	%	—	19.5	19.9	20.5	18.1
Ratio of locally hired staff in overseas offices*3	%	89.8	88.4	84.0	90.1	89.0
Number of managers hired overseas*3	people	218	216	218	226	222
Ratio of locally hired managers in overseas offices	%	64.0	56.3	53.0	57.4	55.9
Ratio of employees with disabilities*5	%	2.69	2.62	2.67	2.64	2.75
Average years worked						
Total	year	14.7	14.4	14.4	14.8	14.5
Job Type/Gender						
Cockpit crew (Consolidated) Male	year	18.7	18.4	16.6	15.9	15.7
Female	year	5.0	4.7	3.5	3.5	3.7
Cabin crew (Consolidated) Male	year	12.3	7.8	6.2	5.2	4.0
Female	year	9.9	9.5	8.7	9.3	9.6
Ground staff (Consolidated) Male	year	20.2	19.6	19.2	19.5	19.9
Female	year	11.0	9.6	9.6	10.6	11.1
Cockpit Crew (Non-consolidated*3) Male	year	21.0	21.0	21.2	21.0	20.9
Female	year	6.5	5.4	5.9	6.1	5.5
Cabin crew (Non-consolidated*3) Male	year	9.7	6.8	6.8	8.3	9.0
Female	year	10.6	10.2	10.3	11.6	12.3
Ground staff (Non-consolidated*3) Male	year	22.3	22.1	22.0	22.2	22.2
Female	year	14.8	13.7	13.2	13.1	13.9
Annual remuneration						
Average annual remuneration						
All employees	1,000 yen	7,126	6,684	5,638	5,521	6,670
Cockpit crew (Consolidated)	1,000 yen	21,096	20,225	17,695	17,420	18,797
Cabin crew (Consolidated)	1,000 yen	5,603	5,151	3,769	3,886	5,079
Ground staff (Consolidated)	1,000 yen	6,031	5,667	4,883	4,558	5,617
Cockpit Crew (Non-consolidated*3-6) Male	1,000 yen	—	—	—	—	18,166
Female	1,000 yen	—	—	—	—	6,528
Cabin crew (Non-consolidated*3) Male	1,000 yen	—	—	—	—	4,823
Female	1,000 yen	—	—	—	—	5,189
Ground staff (Non-consolidated*3) Male	1,000 yen	—	—	—	—	7,442
Female	1,000 yen	—	—	—	—	5,686
Payment difference between male and female employees						
Cockpit Crew (Non-consolidated*3-6)	%	—	—	—	—	35.9
Cabin crew (Non-consolidated*3)	%	—	—	—	—	107.6
Ground staff (Non-consolidated*3)	%	—	—	—	—	76.4
Balancing Life Events and Work						
Percentage of men taking childcare leave*3-7	%	79.9	81.8	106.3	99.3	87.2
Nursing care leave applicants*3	people	68	53	40	20	42
Careers & Reskilling						
Provide a workplace that enables employees to grow and learn						
Transfers inside the company through open recruitment	people	—	—	—	—	30
Training hours per person	hours/people	70.8	72.3	277.1	162.3	259.4
Training cost per person*8	yen/people	470,698	449,480	109,321	84,469	138,651
Engagement						
Increase of engagement						
Ratio of highly engaged employees*9	%	56.8(No investigation)	54.4	54.4(No investigation)	51.7	51.7(No investigation)
Health management*10						
Health checkup ratio						
All employees	%	100	100	100	100	100
Families*11	%	—	37.5	36.0	40.7	Deceased during fiscal 23
Breast cancer screening ratio						
Employees and families aged 18 or older	%	28.3	36.7	43.4	—	—
Employees	%	—	—	—	58.9	62.5
Families aged 35 or older	%	—	—	—	30.2	32.3
Uterine cancer screening ratio						
Employees and families aged 18 or older	%	24.1	30.7	38.6	—	—
Employees	%	—	—	—	54.1	58.3

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Families aged 18 or older	%	—	—	—	25.4	27.9
Obesity ratio (BMI 25 or higher)	%	—	—	—	19.1	19.3
Percentage of people with high stress	%	—	—	—	8.7	10.8
Smoking ratio						
Male	%	28.9	27.9	26.3	25.9	25.4
Female	%	5.5	5.0	4.2	4.2	4.3
Improvement of labor productivity						
Total actual working hours*3	hours/people	1,874	1,862	1,878	1,890	1,884
Paid leave usage ratio*3	%	86.0	79.0	71.5	74.5	81.0
Average monthly overtime hours worked per person*3	hours/people	8.5	9.5	8.0	9.9	10.5
Industrial accidents*3	case	54	28	13	11	47
Number of teleworkers*3	people	—	36,105	336,287	346,167	277,028
Number of cases using the workcation/bleisure system*3	case	—	247	918	1,533	1,521
Per capita sales	1,000 yen/person	—	38,872	13,345	19,273	38,169

Governance (G)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Respect for Human Rights						
Preventing adverse HR impacts (Establishment of PDCA and appropriate operation)	%	—	—	—	—	100
Attendance rate of education related to respect for human rights	%	—	—	—	—	81.9
Ratio of employees who work long hours	%	—	—	—	—	1.98
Disclosure and Compliance						
Disclosure and Dialogue						
Number of institutional investors						
Interviews with domestic investors	times	—	167	209	188	162
Interviews with overseas investors (total)	times	—	219	262	164	230
Total	times	—	386	471	352	392
Interviews by management	times	—	63	173	91	112
Individual shareholder						
Number of IR mail subscribers	people	—	—	1,805	7,464	15,000
Compliance						
Number of whistleblowing cases	times	—	—	—	—	170
Responsible Procurement						
Health confirmation rate of major suppliers	%	—	18.0	37.0	62.0	81.0
Number of aviation security audits of all caterer factories and aircraft supply depots	times	—	2	2	2	2
Risk management						
Information security and personal information protection						
Number of data breaches	times	0	0	2	0	2
Secondary usage ratio of personal data	%	0.0	0.0	0.0	0.0	0.0
Number of substantiated complaints received from outside parties regarding privacy protection	times	0	0	0	0	0
Number of privacy regulatory complaints	times	0	0	0	0	0
Strengthening BCM						
Number of BCP-based exercises	times	1	1	1	4	4
Corporate governance						
Compliance rate of Corporate Governance Code*3	%	—	100	100	100	100
Board meeting attendance rate of Outside Directors and Auditors*3	%	—	98.3	100	100	99.6
Number of Directors on the Board*3	people	10	10	10	9	9
Ratio of Outside Directors*3	%	30	30	30	33	33
Number of female Directors*3	people	1	1	1	1	1
Number of female officers (Directors, Executive Officers)*3	people	4	5	5	5	6
Ratio of female officers (Directors, Executive Officers)*3	%	—	—	13.2	13.9	16.7

Others

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Community Relations						
Donations through Charity Miles	yen	61,032,500	9,208,500	11,328,500	0	4,611,500
The number of volunteers	people	8,140	7,745	9,772	6,125	5,198
Total hours of volunteerism	hour	68,288	51,734	33,600	27,952	21,361
Miles donated to Children's Dream Support Project (Mile)	Mile	—	—	—	—	3,843,000
Number of SORAIKU® participants	people	197,469	191,840	20,435	50,147	52,586

\*1 Japan Airlines Co., Ltd. and 56 consolidated subsidiaries  
\*2 Compared to FY2019  
\*3 Japan Airlines Co., Ltd. only  
\*4 (Locally hired managers overseas + Non-Japanese managers hired in Japan in business planning and maintenance engineering positions/Total managers  
\*5 Sum of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd. a special subsidiary, as of June 1 of the following fiscal year  
\*6 Including trainees (69.4% wage difference between men and women excluding trainees)  
\*7 Calculated based on the total number of employees using the childcare leave system before FY2021  
\*8 Subject to external training  
\*9 The percentage of employees who chose four or five out of a five-point scale in a biennial survey. FY2018, FY2020 and FY2022 show results for the previous year  
\*10 Calculation based on data from Japan Airlines Health Insurance Association  
\*11 Until FY2020, the figures were compiled for families aged 35 or older. Data for families aged 40 or older from FY2021

Acquisition of Independent Assurance Statement
Social data: <a href="https://www.jal.com/ja/sustainability/human/human_rights/pdf/social_assurance.pdf">https://www.jal.com/ja/sustainability/human/human_rights/pdf/social_assurance.pdf</a>



3. Business Data

Aviation Business Area (FSC, LCC, Freight Post)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Safety						
Aircraft accidents (cases)	case	1	1	0	2	3
Serious incidents (cases)	case	2	3	1	1	0
Irregular operations*1	case	48	33	39	47	48
Safety event*2						
System problems (Engine)	case	19	9	6	6	10
Parts departing from Aircraft	case	4	4	1	1	3
Aircraft						
Airbus A350-900	aircraft	0	5	8	15	16
Boeing 777-300ER	aircraft	13	13	13	13	13
Boeing 777-300	aircraft	4	4	4	4	0
Boeing 777-200ER	aircraft	11	11	11	8	3
Boeing 777-200	aircraft	12	11	9	4	0
Boeing 787-9	aircraft	17	20	20	22	22
Boeing 787-8	aircraft	25	29	29	29	30
Boeing 767-300ER	aircraft	29	29	29	29	27
Boeing 767-300	aircraft	6	5	2	0	0
Boeing 737-800	aircraft	62	62	61	65	62
Boeing 737-400	aircraft	3	0	0	0	0
Embraer 170/Embraer 190	aircraft	32	32	32	32	32
ATR42-600/ATR72-600	aircraft	7	10	11	13	14
De Havilland DHC-8-400CC	aircraft	5	5	5	5	5
De Havilland DHC-8-400	aircraft	1	0	0	0	0
SAAB340B	aircraft	8	5	3	0	0
Flight Data						
Airports served						
Domestic flights	destination	60	62	61	61	64
International flights	destination	348	378	368	380	376
Number of flights						
Domestic flights	flight	244,467	242,603	134,325	244,022	263,585
International flights	flight	54,747	51,129	8,138	17,127	28,688
Total	flight	299,214	293,732	142,463	261,149	292,273
Percentage of flights operated						
Domestic flights	%	98.12	98.12	97.12	98.06	98.46
International flights	%	99.54	99.36	99.04	99.24	99.82
On-time departure rate						
Domestic flights	%	88.33	86.71	96.74	94.15	91.33
International flights	%	87.47	86.35	93.17	88.98	74.05
Total	%	88.10	86.62	96.02	93.38	89.63
On-time arrival rate						
Domestic flights	%	84.12	83.29	96.27	92.99	88.88
International flights	%	87.46	86.83	95.33	91.78	79.74
Total	%	84.99	84.18	96.38	92.81	87.99
Number of partner airlines						
Domestic flights*3	Company	3	3	3	3	4
International flights	Company	30	36	35	35	34
Traffic Data						
Domestic flights (FSC)						
Total passengers	people	34,859,576	33,783,710	12,212,131	16,238,833	30,109,920
Increase in domestic passenger traffic*4	%	—	—	▲74.2	▲59	▲15 *Including LCCs
Number of inbound travelers to Japan	people	730,669	701,240	49,188	121,844	582,180
Dokokani miles	people	—	—	—	—	540,000
Revenue Passenger Kilometers*5	1,000 passenger-km	26,195,658	25,443,520	9,282,122	12,089,054	23,090,624
Available Seat Kilometers*6	seat-km	36,116,930	36,199,539	19,452,985	24,535,597	35,243,210
Passenger Load Factor	%	72.5	70.3	47.7	49.3	65.5
International flights (FSC)						
Total passengers*6	people	9,128,236	8,277,987	357,519	892,471	4,348,562
Revenue Passenger Kilometers*5 *7	1,000 passenger-km	44,659,463	41,905,628	2,196,423	6,027,871	27,310,618
Available Seat Kilometers*6 *7	1,000 seat-km	54,925,904	54,324,546	11,918,047	22,780,657	38,039,283
Passenger Load Factor*7	%	81.3	77.1	18.4	26.5	71.8
Cargo and Mail						
Domestic revenue cargo ton-km	1,000 ton-km	343,529	328,182	237,874	231,515	280,599
International revenue cargo ton-km	1,000 ton-km	2,429,268	2,407,691	1,948,205	3,113,671	2,795,737

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Increase in domestic freight traffic*4	%	—	—	▲30	▲34	▲17
Results of pharmaceutical transportation*4	tons	443	610	+18%	+92%	+123%
Customer Satisfaction						
Net Promoter Score (NPS)*8						
Domestic flights	point	+1.3	+7.6	+23.0	+7.1	+3.0
International flights	point	+2.2	+8.2	+30.0	+7.4	▲3.3
Voice of customers	case	37,524	37,621	19,712	21,095	30,795
Accessibility						
Number of customers who find it difficult to travel						
Ratio of these passengers on board	%	0.35	0.36	0.29	0.64	0.71
Number of wooden wheelchairs, which go through metal detectors	vehicle	323	478	478	508	508

Figures in the table are based on Japanese GAAP for fiscal years 2018 and 2019, and International Financial Reporting Standards (IFRS) for fiscal years 2020 and later.

- \*1 A situation in which partial malfunction of multiple aircraft systems occurs, for example, and the pilots respond according to the manual and return to the airport to ensure safety, resulting in a schedule change including the destination (excluding bird strike, lightning strike, etc.). In general, it is not a situation that immediately affects the safety of operations.
- \*2 Article 111-4 of the Civil Aeronautics Act and Article 221-2-3 and 4 of the Ordinance for Enforcement of the Civil Aeronautics Act mandate reporting to the MLIT, and the following situations are applicable. Accidents specified in each item of Article 76 (1) of the Civil Aeronautics Act and situations (serious incident) in Article 76 (2) of the Act do not fall under this category. Generally speaking, they do not immediately lead to an aircraft accident.
- \*3 Partnership with Jetstar Japan on international connection routes only
- \*4 Compared to FY2019
- \*5 Revenue Passenger Kilometers: The total distance flown by revenue paying passengers. Number of revenue passengers x distance flown (kilometers)
- \*6 Available Seat Kilometers: Measures passenger carrying capacity. Total seats x Distance flown (kilometers).
- \*7 Calculation of figures for Revenue Passengers Carried, Revenue Passenger Kilometers, Available Seat Kilometers, and Load Factor for international flights include codesharing of JAL-operated flights sold by other airlines.
- \*8 Compared to results in early FY2017

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

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

Non-Aviation Area (Mileage, Lifestyle and Infrastructure)

	Unit	FY2018	FY2019	FY2020	FY2021	FY2022
Mileage and Card						
Total number of JMB members	1 million	approx. 34.0	approx. 35.0	approx. 35.5	approx. 36.0	approx. 37.0
Issuance mile index*1	FY18=100	100	104.3	81.7	87.6	101.4
JAL CARD, INC.*2						
Operating revenue	billion yen	19.4	20.1	—	—	—
Sales revenue	billion yen	—	19.6	18.6	18.5	17.1
Travel						
Number of people who handle JALPAC Travel Co., Ltd.						
Overseas travel	people	2,942,203	2,789,979	1,141,342	1,004,500	2,149,697
Domestic travel	people	222,830	183,202	45	68	17,447
Inbound travel to Japan	people	2,718,875	2,606,388	1,141,293	1,004,450	2,131,981
foreign visitors to Japan	people	498	389	4	32	269
JALPAK Co., Ltd.*2						
Operating revenue	billion yen	182.0	169.6	—	—	—
Sales revenue	billion yen	—	170.1	55.5	45.8	108.8
Retail						
JALUX Co., Ltd.*2						
Revenue	billion yen	—	—	—	—	27.9
Contracted Services						
Number of flights entrusted to foreign airlines						
Passenger service	10,000 flight	8.3	8.2	0.3	1.1	2.3
Cargo flights	10,000 flight	0.5	0.5	0.6	0.6	0.6
Total	10,000 flight	8.8	8.7	0.9	1.7	2.9
Collaboration with External Parties						
Promotion of JAL Wellness & Travel	number of affiliated municipalities	—	—	—	—	4
Number of city partnerships*3	city	18	20	25	41	47
Number of school partnerships*4	school	20	25	30	32	33
Number of Lab Alliances	Company	7	11	12	12	11
Promoting workstyle research with outside stakeholders	Number of Research Group Member Organizations	—	—	—	—	52

Figures in the table are based on Japanese GAAP FY2018 and FY2019, and International Financial Reporting Standards (IFRS) for fiscal years 2020 and later.

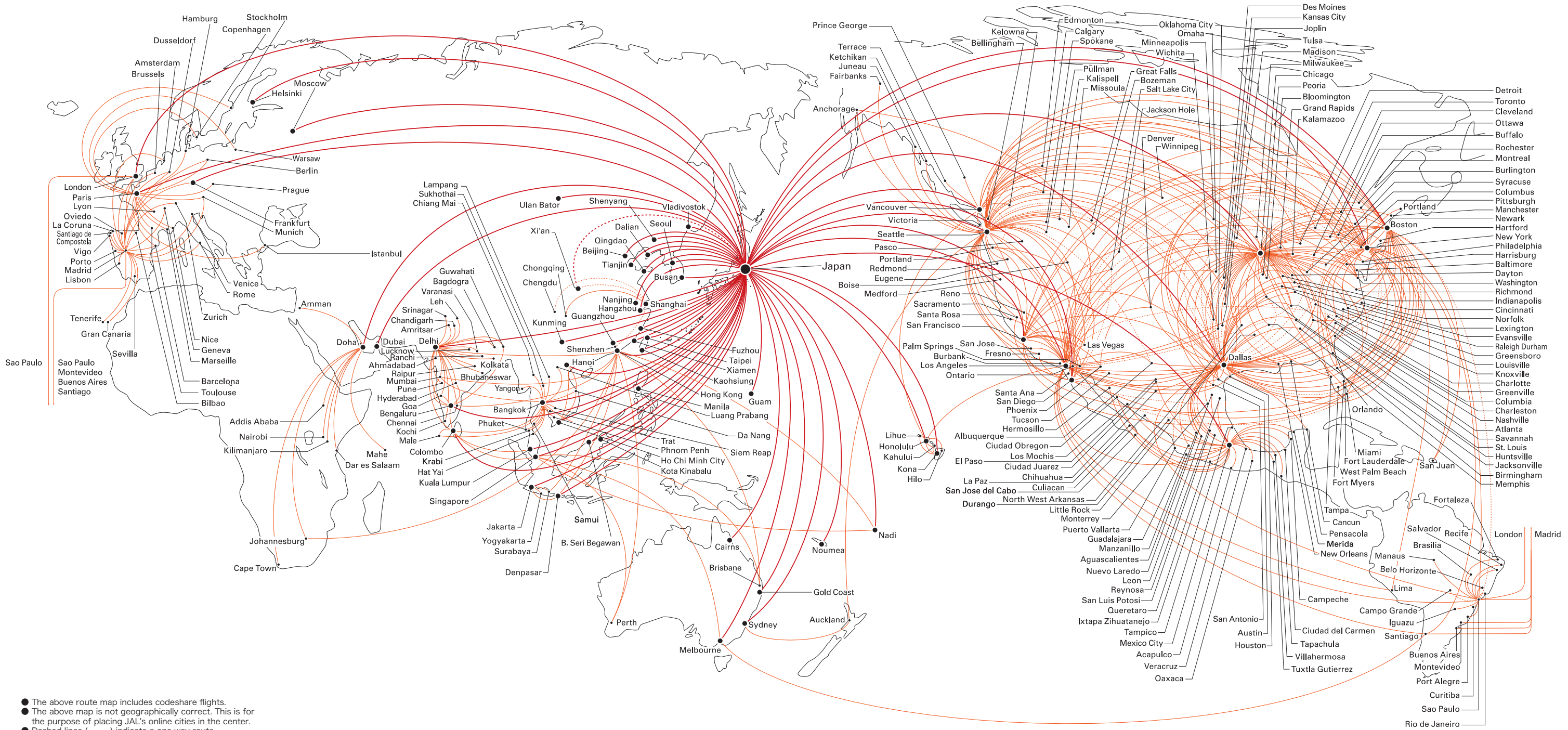
- \*1 Number of miles issued excluding air boarding
- \*2 Each figure is for before the elimination of consolidated transactions. In addition, the company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, issued on March 31, 2020) and the Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, issued on March 31, 2020) since FY2020. Accordingly, sales revenue figures for FY2019 are the figures after retroactive application of the accounting standard.
- \*3 Some of these include cooperation agreements with councils rather than municipalities.
- \*4 Japan Airlines Co., Ltd. only





International Route Map

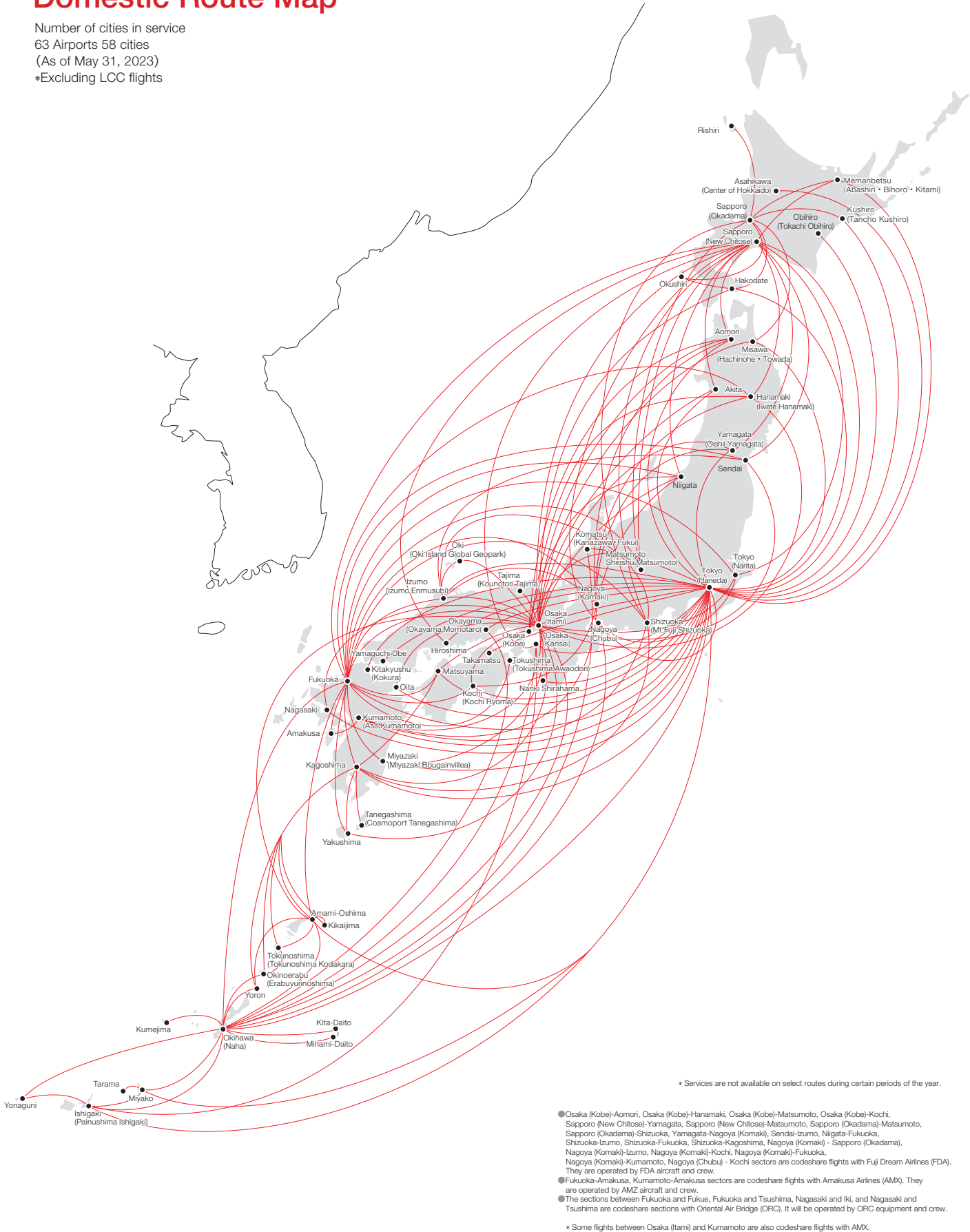
Number of cities in service  
376 Airports 367 cities  
(as of May 31, 2023)



● The above route map includes codeshare flights.  
● The above map is not geographically correct. This is for the purpose of placing JAL's online cities in the center.  
● Dashed lines ( - - - ) indicate a one-way route.

Domestic Route Map

Number of cities in service  
63 Airports 58 cities  
(As of May 31, 2023)  
\*Excluding LCC flights



Consolidated Subsidiaries

(as of March 31, 2023)

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

Corporate Name	Paid-in Capital (Millions of yen)	Ratio of Voting Rights		
		Direct (%)	Indirect (%)	Total (%)
Other Segments				
Other Segments				
JAL AIRTECH CO., LTD.	100	66.6	3.4	70.0
Cargo				
JUPITER GLOBAL, LTD.	HKD1,000 1,960	46.4	4.6	51.0
Passenger Sales				
JALPAK CO., LTD.	80	96.7	1.1	97.8
JAL JTA SALES CO., LTD.	30	16.7	83.3	100.0
JALPAK INTERNATIONAL HAWAII, INC.	USD1,000 1,000	—	100.0	100.0
JALPAK INTERNATIONAL (EUROPE) B.V.	EUR1,000 1,600	—	100.0	100.0
JALPAK INTERNATIONAL (FRANCE) S.A.S.	EUR1,000 160	—	100.0	100.0
EURO-CREATIVE TOURS (U.K.) LTD.	GBP1,000 100	—	100.0	100.0
JAL SATELLITE TRAVEL CO., LTD.	HKD1,000 750	—	100.0	100.0
PT. TAURINA TRAVEL DJAYA`	IDR1,000 500,000	—	49.0	49.0
Airport-Related Business				
JAL ABC, INC.	100	51.0	—	51.0
Others				
JALUX INC.	2,558	21.6	48.1	69.7
JAL INFORMATION TECHNOLOGY CO., LTD.	702	100.0	—	100.0
JAL PAYMENT PORT CO., LTD.	390	16.5	68.5	84.9
JAL CARD, INC.	360	50.6	—	50.6
JAL-DFS CO., LTD.	300	—	60.0	60.0
JAL FACILITIES CO., LTD.	180	85.0	6.0	91.0
SJ Future Holdings Corporation	100	50.5	—	50.5
JAL AGRIPORT CO., LTD*	100	49.0	—	49.0
JAL BUSINESS AVIATION CO., LTD.	100	51.0	—	51.0
JAL BRAND COMMUNICATIONS CO., LTD.	100	100.0	—	100.0
JTA INFORMATION & COMMUNICATION CO., LTD.	50	—	100.0	100.0
JAL SBI FINTECH CO., LTD.	45	51.0	—	51.0
JAL SUNLIGHT CO., LTD.	20	100.0	—	100.0
JALUX AIRPORT INC.	15	—	100.0	100.0
OFFICIAL FILING CO., LTD.	10	50.0	40.0	90.0
JPRO CO., LTD.	10	—	100.0	100.0
JLC INSURANCE COMPANY LIMITED	USD 1,000 2,000	100.0	—	100.0

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



4. Financial Data

(Billion yen)								
Japanese GAAP	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Years ended March 31								
Operating revenue	1,238.8	1,309.3	1,344.7	1,336.6	1,288.9	1,383.2	1,487.2	1,411.2
Operating expenses	1,043.5	1,142.5	1,165.0	1,127.4	1,118.6	1,208.6	1,311.1	1,310.5
Operating income	195.2	166.7	179.6	209.1	170.3	174.5	176.1	100.6
Ordinary income	185.8	157.6	175.2	209.2	165.0	163.1	165.3	102.5
Net profit attributable to owners of parent	171.6	166.2	149.0	174.4	164.1	135.4	150.8	53.4
Cash flow from operating activities	264.8	247.9	261.1	312.3	253.1	281.5	296.7	60.0
Cash flow from investing activities	▼129.0	▼166.7	▼199.2	▼207.2	▼215.5	▼180.1	▼186.3	▼221.5
Cash flow from financing activities	▼60.6	▼61.9	▼67.3	▼49.6	▼53.5	▼55.8	▼37.0	▼30.1
Free cash flow <sup>*3</sup>	135.8	81.2	61.8	105.1	37.5	101.3	110.3	▼161.5
Depreciation and amortization	81.0	82.7	85.8	88.5	95.7	110.8	124.1	138.0
EBITDA <sup>*4</sup>	276.2	249.5	265.5	297.7	266.1	285.4	300.2	238.6
EBITDAR <sup>*5</sup>	307.1	281.0	320.1	292.7	286.2	305.4	320.1	260.2
Capital investment (Purchase of non-current assets)	121.8	164.5	198.6	210.6	233.1	208.0	222.1	239.6
As of fiscal year-end								
Total assets	1,216.6	1,340.1	1,473.3	1,578.9	1,728.7	1,853.9	2,030.3	1,859.3
Net assets	583.1	711.0	800.7	870.5	1,003.3	1,094.1	1,200.1	1,131.8
Interest-bearing debt	160.1	134.2	100.5	92.6	116.0	125.7	142.3	191.7
Shareholders' equity	565.0	690.2	776.4	843.0	972.0	1,060.3	1,165.1	1,094.8
Stock								
Number of shareholders	99,616	89,411	94,289	105,163	127,583	123,474	144,308	236,234
Outstanding Shares Issued	181,352,000	181,352,000	362,704,000	362,704,000	353,715,800	353,715,800	349,028,700	337,143,500
Per share data (yen, U.S. dollars) <sup>*6</sup>								
Profit attributable to owners of parent	473.36	458.45	411.06	481.29	456.56	383.23	432.10	155.66
Net assets	1,558.15	1,903.53	2,142.00	2,325.79	2,749.71	3,019.52	3,340.15	3,249.27
Dividends	95.00	80.00	104.00	120.00	94.00	110.00	110.00	55.00
Average number of shares during the fiscal year (thousands of shares)	362,671	362,639	362,584	362,500	359,594	353,334	349,006	343,101
Key Performance Indices								
Operating margin (%)	15.8	12.7	13.4	15.7	13.2	12.6	11.8	7.1
ROE (%)	36.0	26.5	20.3	21.5	18.1	13.3	13.6	4.7
ROA (%) <sup>*7</sup>	16.9	13.0	12.8	13.7	10.3	9.7	9.1	5.2
Shareholder's equity ratio (%)	46.4	51.5	52.7	53.4	56.2	57.2	57.4	58.9
D/E ratio (Times)	0.3x	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x	0.2x
EBITDA margin(%)	22.3	19.1	19.8	22.3	20.6	20.6	20.2	16.9
EBITDAR margin(%)	24.8	21.5	21.8	24.0	22.2	22.1	21.5	18.4
Unit cost (yen) <sup>*11</sup>	8.4	8.6	8.7	9.1	9.4	10.1	10.4	10.6
Unit cost (yen) (Including fuel cost)	11.5	12.2	12.3	11.7	11.7	12.5	13.1	13.2
Dividend payout ratio (%)	20.1	17.5	25.3	24.9	20.6	29.4	32.3	35.3
Business Data								
International passenger operations								
Passenger revenues	406.6	437.5	454.8	448.7	415.2	462.9	530.6	476.2
ASK (million seat kms) <sup>*12*13</sup>	44,745	46,235	47,696	50,563	50,621	51,836	54,925	54,324
RPK (million passenger kms) <sup>*12*14</sup>	34,036	35,390	36,109	40,305	40,633	42,013	44,659	41,905
Revenue passengers carried (1,000) <sup>*12</sup>	7,525	7,723	7,793	8,460	8,394	8,585	9,128	8,277
Revenue passenger load factor (%) <sup>*12</sup>	76.1	76.5	75.7	79.7	80.3	81.0	81.3	77.1
Yield (yen) <sup>*12</sup>	11.9	12.4	12.6	11.1	10.2	11.0	11.9	11.4
Unit revenue (yen) <sup>*12</sup>	9.1	9.5	9.5	8.9	8.2	8.9	9.7	8.8
Domestic passenger operations								
Passenger revenues	485.2	487.4	487.5	501.2	498.6	518.2	528.0	514.6
ASK (million seat kms) <sup>*13</sup>	36,443	37,084	36,306	35,869	35,423	35,714	36,116	36,199
RPK (million passenger kms) <sup>*14</sup>	23,012	23,745	23,993	24,341	24,550	25,643	26,195	25,443
Revenue passengers carried (1,000)	30,020	31,218	31,644	32,114	32,570	34,033	34,859	33,783
Revenue passenger load factor (%)	63.1	64.0	66.1	67.9	69.3	71.8	72.5	70.3
Yield (yen)	21.1	20.5	20.3	20.6	20.3	20.2	20.2	20.2
Unit revenue (yen)	13.3	13.1	13.4	14.0	14.1	14.5	14.6	14.2
International cargo operations								
Cargo revenue	50.4	54.2	60.3	54.2	43.3	56.0	65.4	59.7
Revenue cargo ton-km (million ton kms)	1,378	1,512	1,754	1,724	1,887	2,233	2,429	2,407
Domestic cargo operations								
Cargo revenue	25.0	25.4	24.2	23.3	22.2	22.4	21.8	20.7
Revenue cargo ton-km (million ton kms)	360	366	356	363	357	364	343	328

	(Billion yen)				Thousands of U.S. dollars <sup>*2</sup>
IFRS <sup>*1</sup>	FY2019	FY2020	FY2021	FY2022	FY2022
Years ended March 31					
Revenue	1,385.9	481.2	682.7	1,375.5	10,301,722
Operating Expense	1,308.8	885.0	940.2	1,344.6	10,070,291
EBIT	88.8	▼398.3	▼239.4	64.5	483,509
Profit before tax	88.1	▼404.0	▼246.6	52.4	392,638
Profit attributable to owners of parent	48.0	▼286.6	▼177.5	34.4	257,792
Cash flow from operating activities	80.8	▼219.5	▼103.5	292.9	2,193,574
Cash flow from investing activities	▼233.7	▼91.0	▼173.7	▼112.7	▼844,499
Cash flow from financing activities	▼38.8	388.6	359.2	▼38.4	▼288,062
Free cash flow <sup>*3</sup>	▼152.8	▼310.5	▼277.3	180.1	1,349,075
Depreciation and amortization	162.4	182.4	178.4	157.4	1,179,158
EBITDA <sup>*4</sup>	251.2	▼215.8	▼61.0	222.0	1,662,667
Capital investment (Purchase of non-current assets)	239.6	89.6	161.3	117.4	879,862
As of fiscal year-end					
Total assets	1,982.2	2,107.2	2,371.6	2,520.6	18,876,679
Total equity	1,049.6	981.5	844.1	856.9	6,417,711
Interest-bearing debt	277.4	515.1	928.4	925.5	6,931,049
Shareholders' equity	1,014.2	947.4	799.7	816.2	6,113,143
Stock					
Number of shareholders	236,234	389,848	481,161	488,003	—
Outstanding Shares Issued	337,143,500	437,143,500	437,143,500	437,143,500	—
Per share data (yen, U.S. dollars)					
Profit attributable to owners of parent	140.04	▼764.99	▼406.29	78.77	0.58
Shareholders' Equity	3,009.71	2,168.06	1,830.03	1,867.91	13.98
Dividends	55.00	0.00	0.00	25.00	0.18
Average number of shares during the fiscal year (thousands of shares)	343,167	374,766	437,007	437,007	—
Key Performance Indices					
EBIT margin (%)	6.4	—	—	4.7	—
ROE (%)	4.6	—	—	4.3	—
ROA (%) <sup>*7</sup>	4.3	—	—	2.6	—
ROIC (%) <sup>*8</sup>	4.7	—	—	3.3	—
Shareholder's Equity Ratio (%)	51.2	45.0	33.7	32.4	—
Shareholder's Equity Ratio based on credit rating <sup>*10</sup>	—	—	41.1	39.3	—
D/E ratio (Times)	0.3x	0.5x	1.2x	1.1x	—
EBITDA margin (%)	18.1	—	—	16.1	—
Dividend payout ratio (%)	39.3	—	—	31.7	—
Business Data(Full Service Carrier)					
International passenger operations					
Passenger revenues	486.2	27.9	68.7	417.5	3,126,832
ASK (million seat kms) <sup>*12*13</sup>	53,910	11,918	22,780	38,039	—
RPK (million passenger kms) <sup>*12*14</sup>	45,551	2,196	6,027	27,310	—
Revenue passengers carried (1,000) <sup>*12</sup>	8,958	357	892	4,348	—
Revenue passenger load factor (%) <sup>*12</sup>	84.5	18.4	26.5	71.8	—
Yield (yen) <sup>*12</sup>	10.7	12.7	11.4	15.3	—
Unit revenue (yen) <sup>*12</sup>	9.0	2.3	3.0	11.0	—
Domestic passenger operations					
Passenger revenues	529.7	174.0	235.1	451.1	3,378,469
ASK (million seat kms) <sup>*13</sup>	36,199	19,452	24,535	35,243	—
RPK (million passenger kms) <sup>*14</sup>	27,496	9,282	12,089	23,090	—
Revenue passengers carried (1,000)	36,411	12,212	16,238	30,109	—
Revenue passenger load factor (%)	76.0	47.7	49.3	65.5	—
Yield (yen)	19.3	18.7	19.4	19.5	—
Unit revenue (yen)	14.6	8.9	9.6	12.8	—
International cargo operations					
Cargo revenue	59.7	96.5	182.8	188.9	1,414,678
Revenue cargo ton-km (million ton kms)	2,407	1,948	3,113	2,795	—
Domestic cargo operations					
Cargo revenue	20.7	21.7	20.7	20.0	149,906
Revenue cargo ton-km (million ton kms)	328	237	231	280	—

\*1 IFRS is adopted from FY2020. Accordingly, figures for FY2019 are also calculated under IFRS for comparison.

\*2 US dollar amounts are provided for convenience only, based on the exchange rate of ¥133.53/USD on March 31, 2023.

\*3 Free cash flow = Cash flow from operating activities + Cash flow from investing activities

\*4 [Japanese GAAP] EBITDA = Operating Profit + Depreciation and Amortization [IFRS] EBITDA = EBIT + Depreciation and Amortization

\*5 [Japanese GAAP] EBITDAR = Operating income + Depreciation expense + Aircraft lease

\*6 Japan Airlines Co., Ltd. conducted a 2-for-1 stock split on October 1, 2014. Figures for profit per share, net assets per share and dividend per share have been calculated assuming the stock split was conducted at the start of FY2012.

\*7 [Japanese GAAP] ROA = Operating profit/Average of total assets at beginning and end of a fiscal year [IFRS] ROA = EBIT/Average of total assets at beginning and end of a fiscal year

\*8 [IFRS] ROIC= EBIT (after tax) / Average of fixed assets<sup>\*9</sup> at the beginning and end of the fiscal year

\*9 Fixed assets = Inventories + non-current assets - deferred tax assets - assets for retirement benefits

\*10 Shareholder's Equity Ratio based on credit rating evaluation considering Hybrid Finance

\*11 Unit cost = Consolidated air transport cost (excluding fuel costs)/ASK

\*12 From FY2015, revenue passengers carried, revenue passenger kilometers, available seat kilometers and load factor include codeshare tickets sold by other companies for JAL operated flights.

\*13 ASK (available seat kilometers): A unit of passenger transport capacity: Total number of seats x Distance flown (kms)

\*14 RPK (revenue passenger kilometers): Total flight distance covered by revenue passengers: Number of revenue passengers x Distance flown (kms).

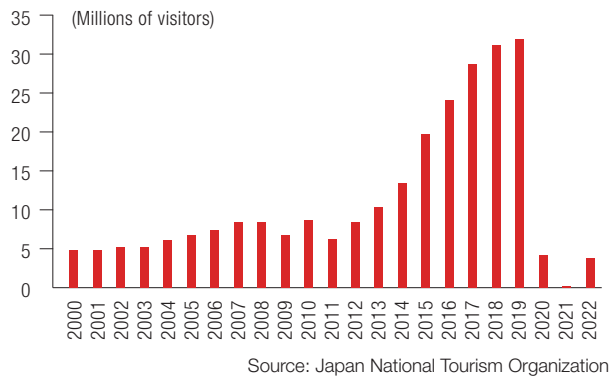
Evaluation and Analysis of Financial Conditions

Outline of Operating Results

In FY2022 (April 1, 2022 to March 31, 2023), air passenger demand recovered steadily as the shift toward balancing the COVID-19 pandemic's prevention and socioeconomic activities gained momentum. The JAL Group flexibly secured its air transportation network both domestically and internationally in accordance with the situation of the COVID-19 pandemic. In addition, despite a recovery in passenger demand that took longer than expected, we made every effort to recover from the COVID-19 pandemic by working to improve earnings through comprehensive cost-cutting efforts and maximizing sales in the cargo business domain.

Toward fiscal year 2023 and beyond, the JAL Group will continue these efforts and fulfill its social mission as a public transport company in order to respond to the post-pandemic air transport demand.

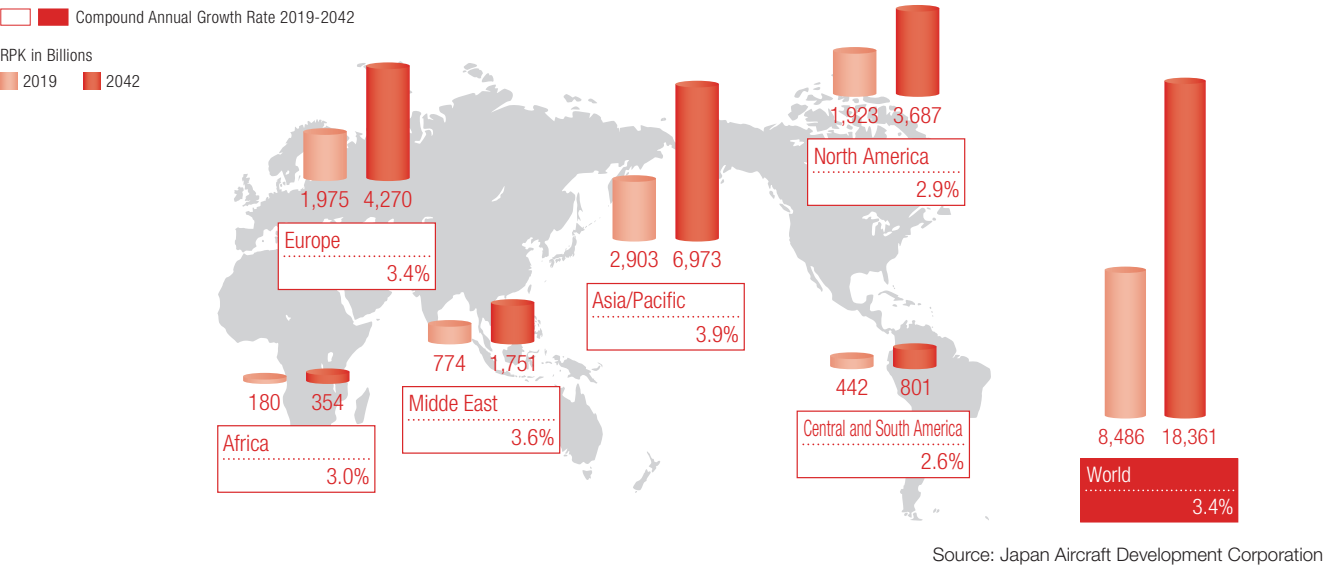
Number of Visitors to Japan



Global Passenger Traffic (scheduled flights)



Air Passenger Traffic Forecast



Outline of Operating Results for FY2022

In FY2022, the revenue increased by 101.5 percent year on year to 1 trillion 375.5 billion yen, the operating expense increased by 43.0 percent year on year to 1 trillion 344.6 billion yen, the loss/earning before financing and income tax (hereinafter referred to as "EBIT") was a gain of 64.5 billion yen (EBIT loss of 239.4 billion yen in the same period in the previous year). The profit attributable to owners of the parent was 34.4 billion yen (the loss attributable to owners of the parent of 177.5 billion yen in the same period in the previous year).

Analysis of Consolidated Financial Results

1. Summary of Operating results

Revenue **1 375.5** trillion billion yen EBIT **64.5** billion yen The profit attributable to owners of the parent **34.4** billion yen

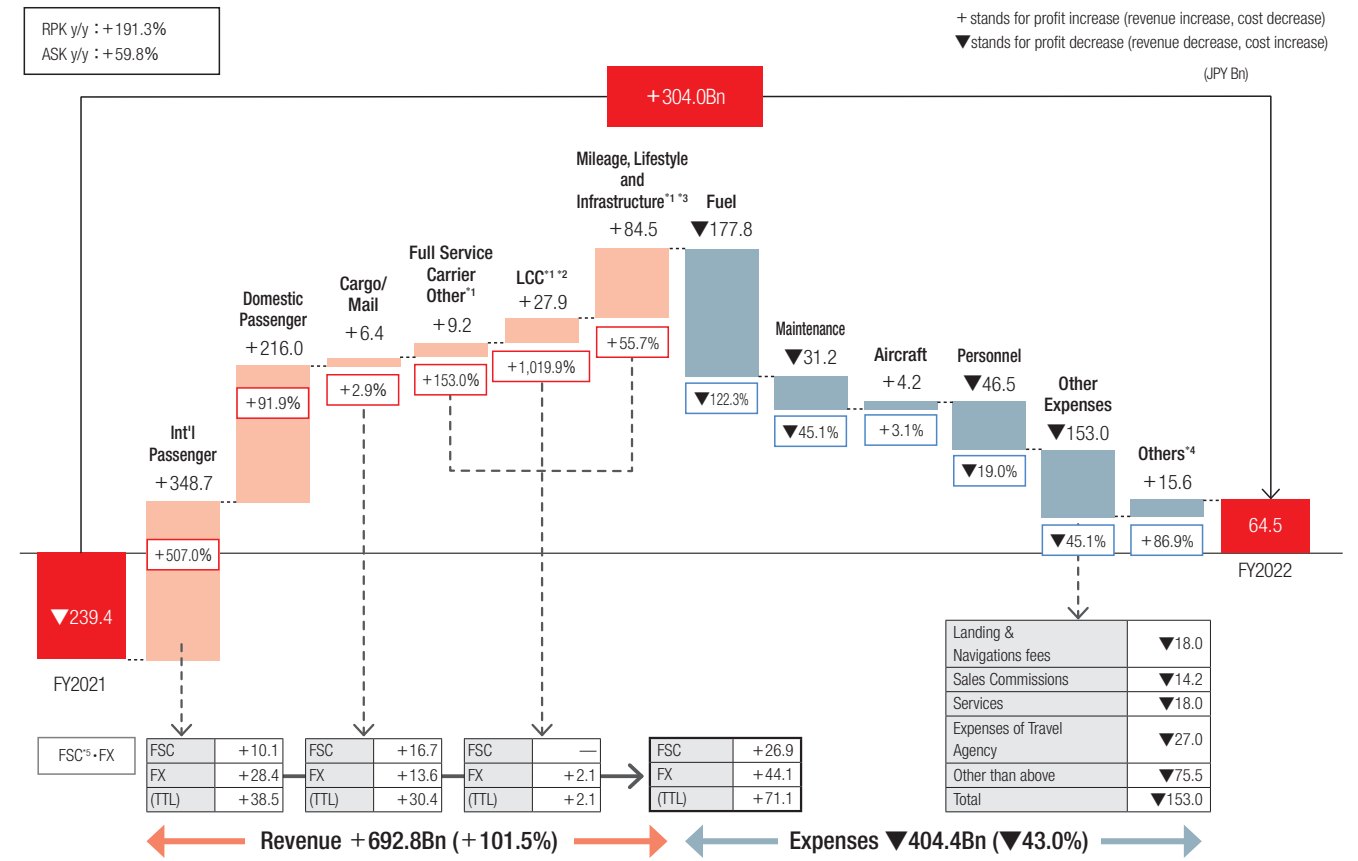
In terms of revenue, international passenger revenue increased by 348.7 billion yen from the previous year due to a recovery in demand mainly from inbound travelers as a result of the easing of restrictions on entry into Japan. Domestic passenger revenue increased by 216.0 billion yen from the previous year due to recovery mainly in tourism demand driven by the government's "Nationwide Travel Support Program", as well as improved customer preference and increased efficiency. As a result, total revenue was 1,375.5 billion yen, or an increase of 101.5 percent from the same period in the previous year.

In terms of expenses, fuel costs increased by 177.8 billion yen due to an increase in fuel consumption resulting from the resumption of flights and an increase in the unit price of fuel due to higher

fuel prices. Personnel costs increased by 46.5 billion yen due to the return of personnel who had been transferred outside the company in response to a recovery in business performance and an increase in performance-linked bonuses. On the other hand, as a result of cost management efforts, total operating expenses were 1,344.6 billion yen, or an increase of 43.0 percent from the same period in the previous year.

As a result of the above, the EBIT was a gain of 64.5 billion yen (EBIT loss of 239.4 billion yen in the same period in the previous year). The profit attributable to owners of the parent was 34.4 billion yen (the loss attributable to owners of the parent of 177.5 billion yen in the same period in the previous year).

FY2022 Changes in EBIT



\*1 Due to a change in the aggregation standard for LCC revenues, the figures for FY2022 have been retroactively adjusted.

\*2 Revenues of the two consolidated subsidiaries, ZIPAIR and SPRING JAPAN. EBIT of the two subsidiaries and any factors related to the affiliated company accounted for by the equity-method, Jetstar Japan

\*3 Mileage, Lifestyle and Infrastructure and others = Travel, mileage alliance, commissioned business income, etc.

\*4 Other income/expenses=Gain on sales of aircraft, other income/expenses, equity in earnings of affiliates, and investment income/expenses

\*5 FSC=Fuel Surcharge

\*6 The revenue and EBIT by each business domain shown above are calculated by a virtual method; Not showing the actual Revenue and EBIT. The criteria shown above does not match Air Transport Business segments or others.



2. Performance by Business Domain

Revenue 1trillion 261.0 billion yen

(1) Performance of Air Transportation Segment

In FY2022, revenue in the Air Transportation Segment increased by 96.3 percent year on year to 1,261.0 billion yen and the profit before investing, financing and income tax (hereinafter referred to as “Segment profit (or loss)”) was 50.7 billion yen (segment loss of 250.1 billion yen in the same period in the previous year). (Revenue and Segment profit (or loss) are before the elimination transactions between segments.)

Components of Revenues from the Air Transportation Segment

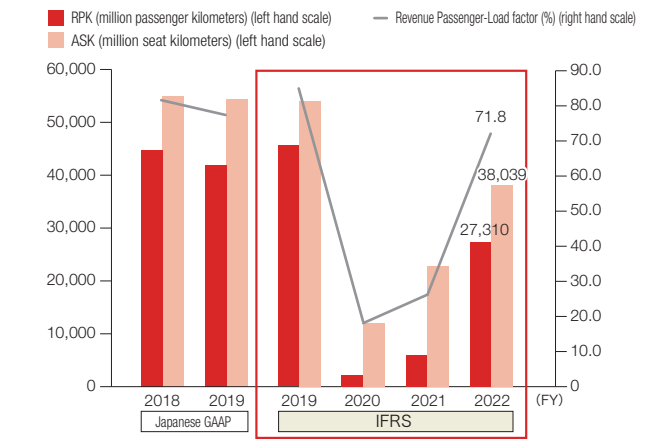
	FY2021	FY2022	y/y (%)
International (Full Service Carrier)			
Passenger operations	68,785	417,526	+507.0
Cargo operations	182,877	188,902	+3.3
Mail-service operations	11,089	12,241	+10.4
Luggage operations	746	1,766	+136.7
Subtotal	263,499	620,437	+135.5
Domestic (Full Service Carrier)			
Passenger operations	235,100	451,127	+91.9
Cargo operations	20,751	20,017	▼3.5
Mail-service operations	3,653	3,631	▼0.6
Luggage operations	312	409	+31.4
Subtotal	259,817	475,187	+82.9
Total revenues from international and domestic operations	523,316	1,095,624	+109.4
Passenger Revenue (LCC)			
ZIPAIR	717	22,449	—
SPRING JAPAN	2,021	8,224	+306.8
Subtotal	2,738	30,674	—
Other Revenues	116,509	134,753	+15.7
Total Revenues	642,565	1,261,052	+96.3

\* For SPRING JAPAN, as the results from the acquisition of the subsidiary on June 28, 2021 until the end of June 2021 are minor, traffic results for this period are not included as traffic results for LCC.  
\* Regarding percentage or ratio compared to the prior year, if changes exceed 1,000 percent, “-” is shown

①International Passenger Operations (Full Service Carrier)

International Passenger	FY2021	FY2022	y/y(%)
Passenger Revenue (JPY Bn)	68.7	417.5	+507.0
Passengers (’000)	892	4,348	+387.2
ASK (MN seat km)	22,780	38,039	+67.0
RPK (MN passenger km)	6,027	27,310	+353.1
L/F (%)	26.5%	71.8%	+45.3pt
Revenue per Passenger (JPY) *1	77,073	96,015	+24.6
Yield (JPY) *2	11.4	15.3	+34.0
Unit Revenue (JPY) *3	3.0	11.0	+263.5

International Passenger



\*1 Revenue per Passenger = Passenger Revenue/Passengers  
\*2 Yield = Passenger Revenue/RPK  
\*3 Unit Revenue = Passenger revenue/ASK

Operation Performance by Geographic Segment

● Passenger Revenue	FY2021	FY2022	y/y(%)
America	46	38	+400.7
Europe	15	18	+620.9
Asia/Oceania	28	34	+633.8
China	8	3	+159.4
Hawaii/Guam	3	7	+1,246.1
Total	100	100	+507.0

● Revenue Passengers Carried	FY2021	FY2022	y/y(%)
America	342	1,291	+276.8
Europe	90	389	+329.5
Asia/Oceania	377	2,247	+495.2
China	52	103	+96.6
Hawaii/Guam	28	315	+1,003.5
Total	892	4,348	+387.2

● ASK	FY2021	FY2022	y/y(%)
America	10,962	16,254	+48.3
Europe	4,467	5,455	+22.1
Asia/Oceania	6,530	12,968	+98.6
China	308	377	+22.3
Hawaii/Guam	511	2,983	+482.9
Total	22,780	38,039	+67.0

● RPK	FY2021	FY2022	y/y(%)
America	3,195	12,015	+276.0
Europe	840	3,640	+333.0
Asia/Oceania	1,711	9,516	+456.0
China	103	203	+97.5
Hawaii/Guam	176	1,934	+994.7
Total	6,027	27,310	+353.1

②Domestic Passenger Operations (Full Service Carrier)

	FY2021	FY2022	y/y(%)
Passenger Revenue (JPY Bn)	235.1	451.1	+91.9
Passengers (’000)	16,238	30,109	+85.4
ASK (MN seat km)	24,535	35,243	+43.6
RPK (MN passenger km)	12,089	23,090	+91.0
L/F (%)	49.3%	65.5%	+16.2pt
Revenue per passenger (JPY) *1	14,478	14,983	+3.5
Yield (JPY) *2	19.4	19.5	+0.5
Unit Revenue (JPY) *3	9.6	12.8	+33.6

\*1 Revenue per Passenger = Passenger Revenue/Passengers  
\*2 Yield = Passenger Revenue/RPK  
\*3 Unit Revenue = Passenger revenue/ASK

③Cargo and Mail

	FY2021	FY2022	y/y(%)
International			
Cargo operations (JPY Bn)	182.8	188.9	+3.3
Mail-service operations (JPY Bn)	11.0	12.2	+10.4
Revenue cargo ton-km (MN ton km)	3,113	2,795	▼10.2
Mail ton-km (MN ton km)	160	125	▼21.5
Domestic			
Cargo operations (JPY Bn)	20.7	20.0	▼3.5
Mail-service operations (JPY Bn)	3.6	3.6	▼0.6
Revenue cargo ton-km (MN ton km)	231	280	+21.2
Mail ton-km (MN ton km)	22	22	▼2.8

(2) Others

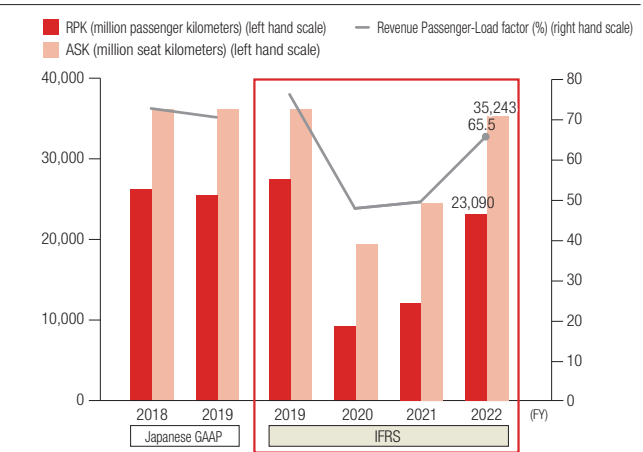
Results of JALPAK Co., Ltd., JALUX Co., Ltd. and JAL Card Co, Ltd. are shown below.

JALPAK Co., Ltd.

	FY2021	FY2022	y/y(%)
Overseas travelers handled (10,000 number of travelers)	0.0	1.7	—
Domestic travelers handled (10,000 number of travelers)	100.4	213.1	+112.3
Revenue (before elimination of consolidated transactions, billions of yen)	45.8	108.8	+137.5

● Load Factor	FY2021	FY2022	y/y(%)
America	29.2	73.9	+44.7
Europe	18.8	66.7	+47.9
Asia/Oceania	26.2	73.4	+47.2
China	33.4	54.0	+20.6
Hawaii/Guam	34.5	64.8	+30.3
Total	26.5	71.8	+45.3

Domestic Passengers



④LCC

For LCC operations, for ZIPAIR the passenger traffic was 488,210 (number of passengers), its revenue passenger kilometers (RPK) was 2,471,419 (1,000 passenger-km), and its available seat kilometers (ASK) was 4,674,955 (thousands). Likewise, for SPRING JAPAN the passenger traffic was 481,206 (number of passengers), its revenue passenger kilometers (RPK) was 409,361 (1,000 passenger-km), and its available seat kilometers (ASK) was 760,306 (thousands).

JALUX Co., Ltd.

	FY2021	FY2022	y/y(%)
Revenue (before elimination of consolidated transactions, billions of yen)	—	27.9	—

JAL Card Co., Ltd.

	FY2021	FY2022	y/y(%)
Memberships (10,000 number of members)	346.1	344.3	▼0.5
Revenue (before elimination of consolidated transactions, billions of yen)	18.5	17.1	▼7.3

Regarding percentage or ratio compared to the prior year, if changes exceed 1,000%, “-” is shown.

3. Analysis of Operating Expenses

Total Operating Expenses

1 trillion 344.6 Billion yen

Actual Fixed Costs

492.5 Billion yen

Major Operating Expense Items				(JPY Bn)
	FY2021	FY2022	Diff.	y/y (%)
Fuel	145.4	323.3	+177.8	+122.3
Landing and Navigation fees	34.5	52.6	+18.0	+52.3
Maintenance	69.1	100.3	+31.2	+45.1
Sales Commissions (Air Transport)	7.7	22.0	+14.2	+184.2
Services*1	14.8	32.9	+18.0	+121.8
Other Variable cost*2	103.0	177.6	+74.6	+72.4
Aircraft*3	140.1	135.8	▼4.2	▼3.1
Personnel*3	245.7	292.3	+46.5	+19.0
Other cost*3	179.5	207.5	+28.0	+15.6
Total Operating Expenses	940.2	1,344.6	+404.4	+43.0
Actual Fixed Costs**	465.7	492.5	+26.7	+5.7

\*1 Services = Expenses regarding inflight services, airport lounges, cargo equipment, etc.  
\*2 Other variable cost = Travel agency, Mileage, Ground handling etc.  
\*3 Includes costs that have variable factors such as the number of flights and passengers, and temporary and additional costs associated with business model reform.  
\*4 Actual Fixed Costs exclude the variable factors such as the number of flights and passengers, and temporary and additional costs associated with business model reform.

4. Cash Flow

Cash Flows from Operating Activities

292.9 Billion yen

Cash Flows from Investing Activities

▼112.7 Billion yen

Cash Flows from Financing Activities

▼38.4 Billion yen

The balance of Cash and Cash equivalents at the end of FY2022 increased by 145.0 billion yen from the end of the previous fiscal year to 639.2 billion yen.

1) Cash Flows from Operating Activities

As a result of adding back or subtracting non-cash items including depreciation and operating receivables and operating payables to/from profit before income tax of 52.4 billion yen, cash flow (inflow) from operating activities was 292.9 billion yen (cash outflow of 103.5 billion yen for the previous year)

2) Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 112.7 billion yen mainly due to the acquisition of fixed assets (cash outflow of 173.7 billion yen for the previous year).

3) Cash Flows from Financing Activities

Cash flow from financing activities (outflow) was 38.4 billion yen due to the repayment of long term debts and lease payments (cash inflow of 359.2 billion yen for the previous year).

Cash Flow

	FY2021	FY2022	Diff.
Cash Flow from Operating Activities	▼103.5	292.9	+396.4
Depreciation and Amortization	178.4	157.4	▼21.0
Cash Flow from Investing Activities	▼173.7	▼112.7	+61.0
Capital Investment	▼189.5	▼128.6	+60.8
Free Cash Flow*1	▼277.3	180.1	+457.4
Cash Flow from Financing Activities	359.2	▼38.4	▼397.7
Total Cash Flow*2	81.9	141.6	+59.7
EBITDA*3	▼61.0	222.0	+283.0

\*1 Free Cash Flow=Cash Flow from Operating Activities + Cash Flow From Investment Activities  
\*2 Total Cash Flow=Cash Flow from Operating Activities + Cash Flow from Investment Activities + Cash Flow from Financial Activities  
\*3 EBITDA=EBIT+Depreciation and Amortization

5. Capital Investments and Fleet Procurement

Capital Investments 117.4 Billion yen

Capital investments for FY2022 totaled 117.4 billion yen (including intangible assets). The JAL Group makes investments for the introduction of new aircraft to improve operational efficiency, for intangible assets including investments to increase competitiveness to meet diverse customer needs, and for system investments to improve convenience and efficiency.  
Capital expenditures made in FY2022 mainly consisted of the purchase of three new aircraft (one Airbus A350-900, one Boeing 787-8, and one ATR42-600) and advance payments for the purchase of aircraft.

Fleet Information

		End of FY21 (March 31, 2022)				End of FY22 (March 31, 2023)			Diff.
		Owned	Leased	Total1	Total 2 Retired Aircraft Excluded	Owned	Leased	Total	Total (End of FY22- Total 2 (End of FY21))
Full Service Carrier	Large								
	Airbus A350-900	11	4	15	15	12	4	16	+1
	Boeing 777-300ER	13	0	13	13	13	0	13	0
	Boeing 777-300	4	0	4	0	0	0	0	0
	Boeing 777-200ER	8	0	8	5	3	0	3	▼2
	Boeing 777-200	4	0	4	0	0	0	0	0
	Large-sized Total	40	4	44	33	28	4	32	▼1
	Middle								
	Boeing 787-9	19	3	22	22	19	3	22	0
	Boeing 787-8	25	0	25	25	25	0	25	0
LCC	Boeing 767-300ER	29	0	29	29	16	11	27	▼2
	Middle-sized Total	73	3	76	76	60	14	74	▼2
	Small								
	Boeing 737-800	47	12	59	58	47	9	56	▼2
	Small-sized Total	47	12	59	58	47	9	56	▼2
Regional	Embraer 170/ Embraer 190	32	0	32	32	32	0	32	0
	De Havilland DHC-8-400CC	5	0	5	5	5	0	5	0
	ATR42-600/ ATR72-600	12	1	13	13	13	1	14	+1
	Regional Total	49	1	50	50	50	1	51	+1
Full Service Carrier Total		209	20	229	217	185	28	213	▼4
LCC	Boeing 787-8	4	0	4	4	5	0	5	+1
	Boeing 737-800	0	6	6	6	0	6	6	0
	LCC Total	4	6	10	10	5	6	11	+1
Full Service Carrier + LCC Total		213	26	239	227	190	34	224	▼3

\*1 The Difference between Total 1 and Total 2 is retired aircraft

6. Financial Position

Shareholders' Equity

816.2 Billion yen

Shareholders' Equity Ratio

32.4% (39.3%)\*2

For FY2022, shareholder's equity ratio was 39.3% and Net D/E ratio was x0.1 both in terms of credit rating evaluation basis, kept at a healthy level.

1) Assets

Assets at the end of FY2022 were 2,520.6 billion yen, which increased by 144.8 billion yen from the end of the previous fiscal year, mainly due to an increase in cash and cash equivalents balance.

2) Liabilities

Liabilities were 1,663.6 billion yen, up 133.9 billion yen from the end of the previous fiscal year, mainly due to the increase of contract liabilities.

3) Equity

Equity increased by 10.8 billion yen from the end of the previous fiscal year to 856.9 billion yen, mainly due to the net profit attributable to owners of the parent.

Balance Sheet

	End of FY21	End of FY22	Diff.
Total Assets	2,375.7	2,520.6	+144.8
Cash and Deposits	494.2	639.2	+145.0
Balance of Interest-bearing Debt	928.4	925.5	▼2.9
Repayment within one year*1	86.7 (14.4)	111.9 (16.6)	+25.1 (+2.1)
Shareholders' Equity*4	799.7	816.2	+16.5
Shareholders' Equity Ratio (%)*2 *5	33.7% (41.0%)	32.4% (39.3%)	▼1.3pt (▼1.7pt)
D/E Ratio (x)*6	1.2x	1.1x	▼0.0x
Net D/E Ratio (x)*3 *7	0.5x (0.3x)	0.4x (0.1x)	▼0.2x (▼0.2x)

\*1 Figures in brackets represent aircraft lease payments within one year  
\*2 Figures in brackets represent Shareholders' Equity Ratio based on credit rating evaluation considering Hybrid Finance  
\*3 Figures in brackets represent Net D/E Ratio based on credit rating evaluation considering Hybrid Finance  
\*4 Equity Attributable to Owners of the Parent  
\*5 Ratio of Equity Attributable to Owners of the Parent to Total Assets  
\*6 Interest-Bearing Debt/Shareholders' Equity  
\*7 (Interest-Bearing Debt - Cash and Deposits)/Shareholders' Equity



7. Rating Information

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

(As of August 2023)		
Rating & Investment Information, Inc. (R&I)	Issuer rating	A- (Stable)
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating	A (Stable)

8. Fuel and FX Hedging

(1) Hedging Policy

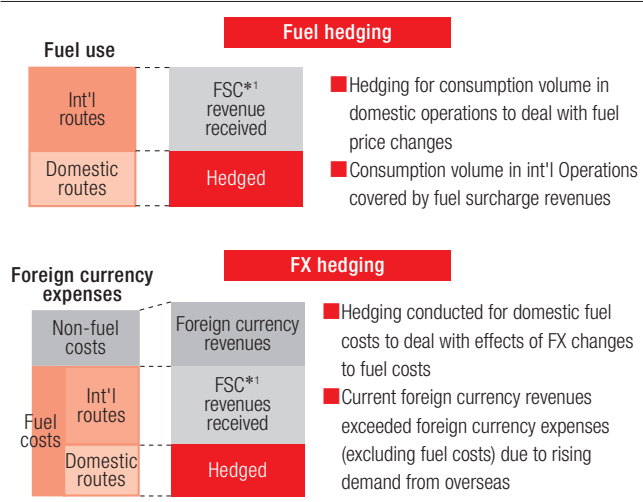
For the fuel market, the amount of fuel used on international flights can be hedged to a certain extent by fuel surcharges. Therefore, the amount of fuel used on domestic flights is hedged.

For the foreign exchange market, the revenue denominated in foreign currency is about the same size as expenses other than fuel that are denominated in foreign currency. Thus, there is a risk in the fuel cost portion. The fuel used on international flights can be hedged by fuel surcharge, so the JAL Group hedges against the fuel used on domestic flights. However, the JAL Group will take flexible actions as there are some situations in which foreign currency revenue exceeds foreign currency expenses excluding fuel costs.

Fuel/FX Markets	FY2021	FY2022	y/y (%)
Singapore Kerosene(USD/bbl)	81.6	128.3	+57.2
Dubai Crude Oil (USD/bbl)	74.3	95.2	+28.1
FX rate (JPY/USD)	111.6	134.6	+20.6

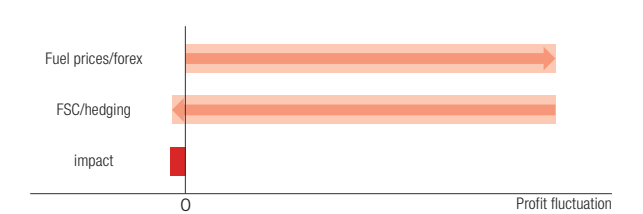
(2) Overcoming Market Risks

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



\*1 FSC...Fuel Surcharge

Illustrative chart of cumulative price impacts



9. Retirement Benefit Obligations

Japan Airlines and its major consolidated subsidiaries have adopted funded and non-funded defined benefit plans and defined contribution plans to fund post-employment benefits for employees, and almost all employees are eligible for these plans. When employees retire, and on other occasions, Japan Airlines and its major consolidated subsidiaries may also provide premium severance packages, which are not included in calculations of the actuarial difference for defined benefit obligations in accordance with IFRS. These pension plans are exposed to general investment risk, interest rate risk, life risk and other risks, but employers deem these risks are insignificant. A pension fund that is legally separate from the JAL Group manages funded defined

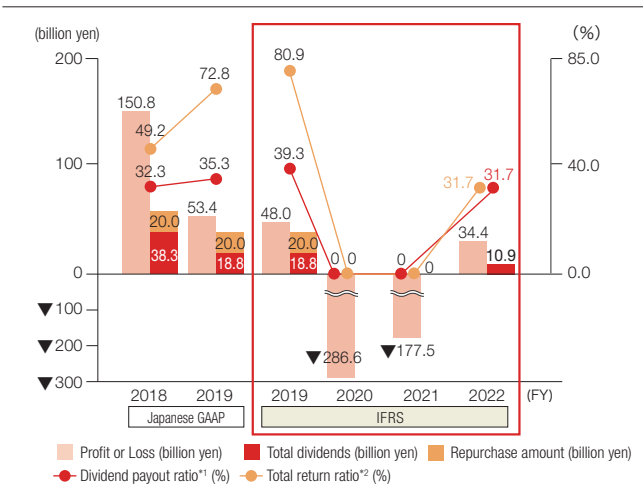
benefit plans. The board and trustee of the pension fund are required by law to act in the best interest of plan participants and are responsible for managing plan assets based on a prescribed policy. As of March 31, 2023, Japan Airlines and 38 consolidated subsidiaries had lump-sum retirement plans. The JAL Group also had three corporate pension funds, including the Japan Airlines Welfare Pension Fund. Certain overseas subsidiaries had defined benefit plans. The Japan Airlines Welfare Pension Fund also introduces an option similar to a cash-balance plan as well as other alternatives. The JAL Group Pension Fund, which is used by some domestic consolidated subsidiaries, uses a cash balance pension plan.

10. Distribution of Profits

The JAL Group regards shareholder returns as one of its most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible acquisition of treasury shares, while securing internal reserves for making investments for corporate growth and to adapt to changes in the business environment, in order to build a strong financial structure. The dividend amount will be determined with an emphasis on continuity, stability, and predictability, with the standard dividend payout ratio at approximately 35%. In addition, the JAL Group will actively and flexibly consider the acquisition of treasury shares upon consideration of the company's financial condition and other factors. As a result, the JAL Group will strive to achieve a range of approximately 35% to 50% for its total payout ratio based on the total amount of dividends and the acquisition of treasury shares, by appropriately allocating periodic profits and management resources to its stakeholders.

The JAL Group also continuously strives to improve capital efficiency through monitoring the total return on equity ratio, which is calculated by dividing the sum of total dividends paid out and purchase of treasury shares by shareholders' equity. The JAL Group makes its efforts to maintain this ratio at approximately 3% or above. Our dividend policy is to pay dividends twice a year, as interim dividends and year-end dividends. The decision body for the year-end dividend and interim dividend is the shareholders' meeting and Board of Directors, respectively. The company's articles of incorporation stipulate that the JAL Group "may pay interim dividends to shareholders with the record date of September 30 each year, upon a resolution by the Board of Directors." Since the spread of the COVID-19 pandemic, the JAL Group has not provided dividends for FY2020 and FY2021 as it was necessary to place the highest priority on securing liquidity on hand and strengthening our financial position. However, the JAL Group has decided to pay its year end dividend at 25 yen per share for FY2022, as cash flow is steadily recovering, positive profitability is achieved for the full fiscal year, and as air transport

Total return ratio (FY2018-FY2022)



\*1 Payout Ratio = Total Dividends / Profit or Loss\*3  
\*2 Total Return Ratio = (Total Dividends + Share Repurchases) / Profit or Loss\*3  
\*3 Profit attributable to owners of parent for FY2018 excludes the effects of income taxes deferred

demand is expected to make a steady recovery toward the next fiscal year. As there were no interim dividends for FY2022, the annual dividend is 25 yen per share. We would like to express our deep appreciation to our shareholders for their continued support during the pandemic. We forecast a dividend of 40 yen per share for FY2023 including an interim dividend of 20 yen per share, as cash flow is steadily recovering, positive profitability is expected for the full fiscal year, and as air transport demand is expected to make a steady recovery toward the next fiscal year. Going forward, we will strive to achieve our basic policy of a continuous and stable shareholder return, that is in line with our business recovery.

11. Business Risks

- (1) Pandemic Risk
  - ①Risks related to short-term impact on business performance
  - ②Risks related to medium- to long-term changes in the business environment
- (2) Natural Disaster Risk and risks related to external factors including Terrorist Attacks
- (3) Climate Change Risk, Global Warming Risk and Risks related to Environmental Regulations
- (4) External Environment Risk such as International Affairs and Economic Trends
  - ①External Environment Risk
  - ②Competitive Risk

- (5) Aircraft Delivery Risk
- (6) Market Fluctuation Risk
  - ①Fuel Price Fluctuation Risk
  - ②Exchange Rate Fluctuation Risk
  - ③Capital Market Risk and Financial Market Risk
- (7) Aviation Safety Risk
- (8) Regulatory Risk, Environmental Compliance Risk and Litigation Risk
  - ①Regulatory Risk
  - ②Litigation Risk
- (9) IT Risk and Customer Data Protection Risk
- (10) HR Risk and Industrial Relations Risk

For more information, please visit the JAL website.  
WEB <https://www.jal.com/en/investor/risk/>

5. Other Data

Stock Information

(as of March 31, 2023)

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

- Contact  
Stock Transfer Agency Department  
Mitsubishi UFJ Trust and Banking Corporation  
1-1, Nikko-cho, Fuchu-shi, Tokyo, Japan  
Mailing address: ShinTokyo Post Office PO Box 29  
Phone: 0120-232-711 (toll free (only within Japan))  
Open: 9:00 am to 5:00 pm except weekends and public holidays (Japan time)  
Website: [www.tr.mufg.jp/daikou/](http://www.tr.mufg.jp/daikou/) (only in Japanese)
- Method of Official Announcement  
Electronic public notice at:  
URL [www.jal.com/en/corporate/publicnotices/](http://www.jal.com/en/corporate/publicnotices/) (only in Japanese)  
Provided, however, that if the electronic notice cannot be made due to an accident or any unavoidable reason, the public notice shall be published in the Nihon Keizai Shimbun.

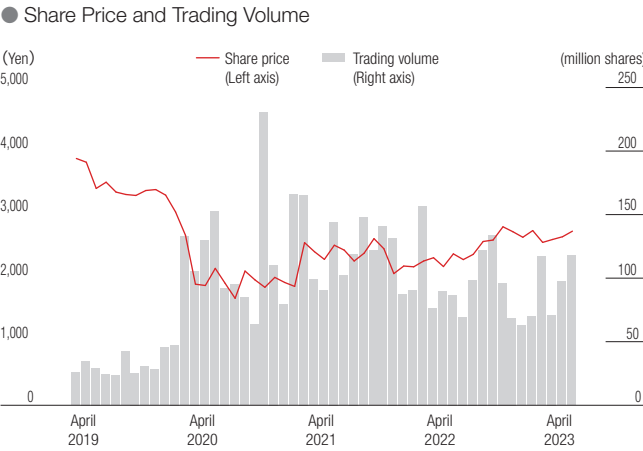
- Limitation on Listing or Recording of Citizens of Foreign Countries and Other Persons in Register of Shareholders and Register of Beneficial Shareholders  
The Articles of Incorporation lay down the following provision concerning the Civil Aeronautics Act, Article 120-2.

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

- Total Shares Issued 750 million  
(Common stock) (700 million)  
(Class 1 Preferred stock) (12.5 million)  
(Class 2 Preferred stock) (12.5 million)  
(Class 3 Preferred stock) (12.5 million)  
(Class 4 Preferred stock) (12.5 million)
  - Outstanding Shares Issued  
Common stock 437,143,500 (Number of shares per unit: 100)  
Number of shareholders 488,003
- \* The total number of shares issued includes 136,291 shares of treasury stock.

Shareholder	Number of shares held (stock)	Voting rights ratio (%)
The Master Trust Bank of Japan, Ltd.(Trust account)	69,809,900	15.97
Custody Bank of Japan, Ltd.(Trust account)	19,064,000	4.36
Kyocera Corporation	7,638,400	1.74
Daiwa Securities Group Inc.	5,000,000	1.14
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	4,395,079	1.00
GOVERNMENT OF NORWAY	3,350,686	0.76
NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	2,445,000	0.55
STATE STREET BANK WEST CLIENT - TREATY 505234	2,376,062	0.54
Nomura Securities Co.,Ltd.	2,320,108	0.53
SSBTC CLIENT OMNIBUS ACCOUNT	2,209,460	0.50
Total	118,608,695	27.14

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



Company Profile

(as of March 31, 2023)

Corporate Name	Japan Airlines Co., Ltd.	Capital	273,200 million yen
Head Office	Nomura Real Estate Bldg., 2-4-1 Higashi-Shinagawa Shinagawa-ku Tokyo 140-8637, Japan Phone: +81 (0)3-5460-3121 Website: <a href="http://www.jal.com/en">www.jal.com/en</a>	Employees	Consolidated Employees 36,039 people Employees 12,969 people
Established	August 1, 1951	Capital and Paid-in Capital	546,831 million yen(Amount is rounded down to the nearest million yen)
Representative Director, President	AKASAKA Yuji	Business	1. Scheduled and non-scheduled air transport 2. Aerial work services 3. Other related business

Other Media

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

JAL corporate website



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

Corporate Policy and Company Profile

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

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

Safety and Quality

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

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

Sustainability

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

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

Investor Relations

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

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

Other Media

- JAL Group Safety Report
  - Corporate Governance Report
  - Consolidated Financial Statements
  - Consolidated Financial Results
- WEB <https://www.jal.com/en/flight/report/>
- WEB <https://www.jal.com/en/outline/governance/>
- WEB <https://www.jal.com/en/investor/library/finance/>
- WEB <https://www.jal.com/en/investor/library/information/>

About front and back covers

The A350, which is specially painted in green, has an image of "eco-friendly" green, which aims for sustainable growth in consideration of the global environment. Now that the three years of COVID-19 have passed, the JAL Group is moving toward a sustainable future by uniting employees who are active in various fields to create relationships and connections through the movement of people and goods.







**Japan Airlines Co., Ltd.**  
Finance Department  
General Affairs Department

22-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo  
Phone: +81-3-5460-3121

The JAL Website	<a href="https://www.jal.com/en/">https://www.jal.com/en/</a>
Corporate Information	<a href="https://www.jal.com/en/company/">https://www.jal.com/en/company/</a>
Sustainability Information	<a href="https://www.jal.com/en/sustainability/">https://www.jal.com/en/sustainability/</a>
Investor Information	<a href="https://www.jal.com/en/investor/">https://www.jal.com/en/investor/</a>

