

# 5 Governance

## What we want to convey in this Chapter

- Perspectives of Outside Directors and the Chair of the Board of Directors
- Structure to support a robust corporate governance
- Constructive engagement with investors
- Constant risk management to enable aggressive management
- Respect for human rights in cooperation with stakeholders



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**MITSUYA Yuko**  
Outside Director

**KOBAYASHI Eizo**  
Outside Director  
Chair, Corporate  
Governance Committee  
Chair, Remuneration Committee

**YANAGI Hiroyuki**  
Outside Director  
Chair, Nominating  
Committee

**AKASAKA Yuji**  
Chair, Board  
of Directors

With the containment of COVID-19, the JAL Group is shifting from a recovery and stable phase to a full-fledged growth phase as can be seen from the transition to a new executive system centered around a new CEO from FY2024.

Thus an outside director, a member of the Corporate Governance Committee, and the Chair of the Board of Directors discussed expectations to the new executive system and issues to improve corporate value.

### Expectations towards the New Executive System

Please tell us your expectation towards President Tottori, who was appointed in April 2024.

**AKASAKA** President Tottori has many years of experience in divisions regarding safety, the core of our airline business. She has profound and strong beliefs and understanding towards safety. Differing from me, an engineer from the Maintenance Department, who gives an impression in the Group and from

other companies to be strongheaded, she is tolerant and soft-spoken. I expect her to be able to bring out new ideas and positivity from each employee.

**MITSUYA** President Tottori is demure, however as she has clear visions and beliefs, she is able to give her frank opinion without being too modest or aligning herself to others. Regardless of her gender, I am sure that she will bring about good results to the management and overall organization.

**YANAGI** At the Nominating Committee, we focused not only on safety and peace of mind, but on being sensitive to creating new JAL-oriented value, specifically being responsive and thoughtful to our customers. I am looking forward for President Tottori to be attentive in nurturing future-minded human resources who can develop new business domains in solution business and Mileage, Lifestyle and Infrastructure.

**MITSUYA** I agree with Mr. Yanagi about the importance in fostering human resources in the JAL Group. I would like to see President Tottori more as a servant leader as she not a person who will pull the organization with strong leads but will walk with the employees and organizations where they will work together and encourage each other.

**KOBAYASHI** After our Group endured and recovered from COVID-19, we are now in the growth stage. From a business structure that was focused on full-service carriers, we will now change our business structure with a balance in air transportation and non-air transport services. Thus, the most suitable person to become the president must be someone who has few constraints and is supported by all. In this sense President Tottori is most suitable to be the president of the JAL Group. I look forward for her to not only respond to safety and peace of mind, the core of the airline business, and customer services, but also show outstanding leadership in a wide range of businesses.

**Please explain the motive behind the two-person system of a president plus vice president.**

**AKASAKA** As the business diversifies and the business environment become complex, it is exceedingly difficult for one

person to lead the whole Group. That is why we took the time to create a management and executive team where everyone supports each other and has a division of labor. You may say that the new executive system for FY2024 is the culmination of our discussions.

**MITSUYA** From the beginning of our discussions, I held the image of this new executive system as the so-called Team Tottori. When selecting the vice president, the Nominating Committee discussed who would be most suitable for this Team Tottori. Lengthy and in-depth discussions were held from both aspects about leadership and being on a team.

#### What do you expect from a JAL leader for the next generation?

**KOBAYASHI** Going forward, it would have been easy to work around the full-service carrier business, our flagship, however, as the Group is expanding as a conglomerate into the non-air transportation domain, we must accurately grasp the changes in society, respond with flexibility, and repeat our challenges in each business to realize growth. In these circumstances, the next generation leader must continue to grow each business by considering what the whole Group should be like and have the attitude in continuing this pursuit.

**MITSUYA** Under Team Tottori, I would like to see more groups with flexibility that questions the status quo with ideas of not how it should be but how we would like to see. If the teams can multiply their functions, then greater abilities can emerge. If those challengers can form a team and become the next generation managers, both the air transportation and non-air transport services can build more new value. I want to see a future where the stakeholders see JAL as an exciting company.

**YANAGI** In the future management environment, companies must find where they stand among the intensifying green environment, complicating social issues, diversifying humans. It is important to respond to all these issues, however, the answer is not easy. Perhaps at times there may not be an answer. Thus, it is important to have human resources in the next generation management, who are not agitated when they cannot find an easy solution. Also, as a specific feature, they must be well-bal-

anced in high levels of logic and sensitivities. Hopefully they can represent JAL as is and be a leader who can realize and is the JAL brand.

**AKASAKA** Speaking about logic and sensitivities, I find myself being stronger in logic.

**YANAGI** You may think so but I thought you were extremely well-balanced in both logic and sensitivities. Mr. Akasaka led the Group during the COVID-19 adversity. What kind of leader do you expect going forward?

**AKASAKA** What is important in a leader is their perspectives in what kind of society they want to create and their drawings of the future. This vision and thought process was sought in each age, however, it is in desperate need in an age where there is no clear answer.

### Improving Company value over the Medium to Long Term

#### How are you monitoring the ESG strategy measures for the sustainable growth for the JAL Group?

**KOBAYASHI** Traditional management was basically forward casting, which makes plans from today to the near future. However, today we must envision the future 20 to 30 years from now. To substantialize this image, it is indispensable to use back casting on what should be done today. This leads us to acknowledge that ESG measures towards social issues are a must. Even when considering sustainability in the JAL Group, ESG strategies including the reduction of CO<sub>2</sub> emissions is critical. That is why the indices and targets of sustainability are reported to the Board of Directors, who check the progress.



Also, the whole Group is oriented in ESG measures such as providing honorariums to directors who act in sustainability items, which are also linked to individual goals of each employee in the frontline.



**AKASAKA** To reiterate Mr. Kobayashi, under the premise that society and JAL must both be sustainable, it is necessary for companies to investigate not only the economic values but what kind of social value they can

create. When acting president, I felt that the executives were more focused on the economic values than the social values. That is when I questioned myself what would happen when involving ESG. Going forward I would like to put importance into social values when monitoring the actual situation in our strategies at the Board meetings.

**MITSUYA** I find that the JAL Group attitude in pursuing social values by placing ESG strategy has the topmost strategy to be wonderful. On the other hand, it is difficult to conduct monitor non-financial issues. KPI are used to monitor progress, however, the purpose is to increase the existing and social values but we tend to pursue KPI figures. For example, the Group aims to have 30 percent female managers. To have a numerical goal seems as if the Group does not promote females in action. Under the perspectives of monitoring, Although KPI is acknowledged as key for employee awareness, we must refrain from following numbers but have each and every employee understand the ESG strategy. It is important to create a culture where the employees voluntarily take on measures as if it were their own.

**YANAGI** I believe that it is indispensable to have an appropriate balanced and good relationship between green environment, social issues and human resources when building social values in the JAL Group. It is preferable that these social values enter into a phase that amplify in the economic values. I feel that we are gradually facing this direction with the recovery in the flow of people and commodities. To do so, we need be focused on creating the relationship and balance in a green environment, social values, and human resources the starting point of the phase.

## The Future of Board of Directors

**Please tell us what you want to improve in the JAL Board of Directors going forward.**

**KOBAYASHI** The Board of Directors functions very well. Animated discussions are held but as I mentioned earlier, as we change our business structure, it is necessary to scrutinize the agenda at the Board of Directors such as discuss the image of the whole Group.

**YANAGI** I agree. I find that the Board of Directors not only submit reports but hold intense discussions. It would be better if the selection of the agenda has more contrast. During FY2023, we focused and had heated discussions on the Medium-Term Management Plan. Going forward, I hope to progress and have candid discussions on the Medium-and Long-Term Growth Strategies. From a Nominating Committee member, I would like to have animated discussions on realizing more diversity such as increasing the number of female directors and introduce non-Japanese directors.

**AKASAKA** From the perspectives of diversity in directors, I would like to introduce younger employees on to the Board.

**YANAGI** Yes, certainly. It is important to introduce a selection process. Ms. Mitsuya, you have been on the Board for approximately one year. What is your impression of the JAL Board of Directors?

**MITSUYA** Compared to other companies, your in-house directors are very vocal and carry out heated discussions. Also, a management meeting is held prior to the Board of Directors, where outside directors, like me, can be an observer. I find this to be very valid in enhancing the discussions at the Board. On the other hand, there is a lack of communication outside the Board. Holding private dinners including the executive directors would help deepen the understanding of the person. It would make easier to hold discus-



sions and could help in forming a succession plan.

**AKASAKA** My opinion regarding outside directors differs that from Ms. Mitsuya. I find that they can contribute more at our Board meetings. Although they do express their opinions, it is slanted towards being the person in charge of enforcement. They are totally dependent on outside directors to give opinions. Going forward, as the Chair of the Board of Directors, I am considering of seeking an executive role from the outside directors regarding their views.

## Mission as a Director

**What is the mission and role of outside directors?**

**KOBAYASHI** As an outside director, I take care that the various decision-making thought process within the JAL Group is closer to the common sense held by society. Simultaneously, when the discussions become active and deeper, I try to express my own views without having different sensitivities or insights as an outside director.

**YANAGI** I believe that outside directors should proactively create an effective atmosphere in the Board meetings. In addition, I believe they should possess four roles, namely (1) to build a trust relationship (2) participate in solving issues (3) a checking function and (4) backup decisive decision-making.

**MITSUYA** When I was a volleyball player, I always flew JAL when I had to play overseas matches. I still have the same peace of mind and trust towards JAL even today. Therefore, I always want to keep my consumer perspectives when attending the Board meetings. For example, I will frankly say what I do not understand or when someone explains the past process, I confirm that it will change in the future. Outside directors are meant not to read between the lines. I hope my message will lead to a reconsidering the fact and deepen discussions.

**AKASAKA** Each outside director has their own opinion, and it is difficult to accept each view, however, I find each message to be precious.

**YANAGI** The structure of the current Board members is known to be well balanced in both logic and sensitivity. I find that it led

to decisive decision making such as making large investments in new aircraft. Going forward as an outside director, I want to backup decisive decisions while checking the facts.

**KOBAYASHI** I agree with Mr. Yanagi. Regarding the policies and measures made at the management meetings, I want to consider the risks from my own perspectives. If there are no problems, then I will support them wholeheartedly.



**Chair Akasaka, please tell us how you expect to run the Board meetings.**

**AKASAKA** My predecessor told me that the Board meetings should push or support more initiatives in the executive side. In

addition, the executives should not only state their yeas and nays but have the directors make proposals to the executives. As our outside directors have various backgrounds, I would like to communicate with them outside the Board meetings and for them to express more ideas. I want to operate the Board meetings so that the outside directors can maximize their abilities. I look forward to your participation and support. Thank you very much for your attention.



## Policies and Structure

The JAL Group has established a corporate governance system that provides strong management oversight under a high level of management transparency in order to achieve sustainable growth and enhance social and economic value.

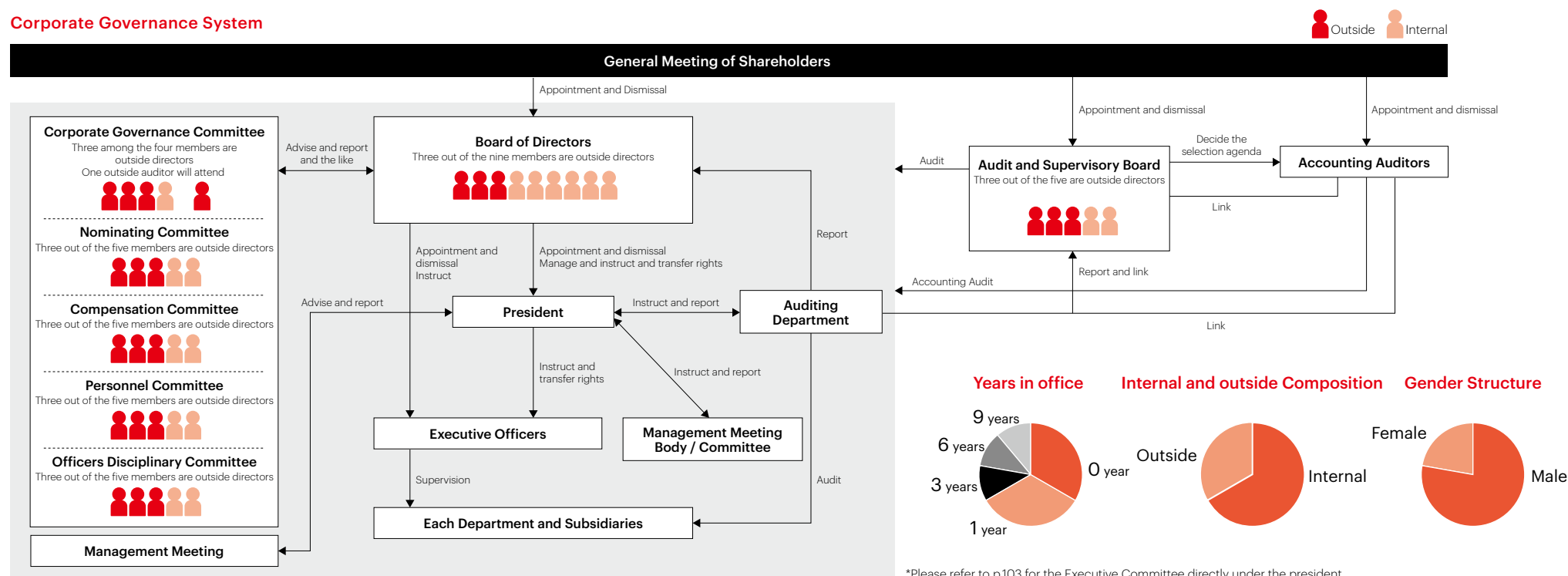
As a company with a Board of Auditors, we have a strong audit function with an independent, self-appointed Audit and Supervisory Board Member, who is independent from the Board of Directors. In addition, the JAL Group has established voluntary committees such as the Nominating and Compensation Committees, which is a hybrid type of institutional design incorporating the good points of a company with committees.

## Fundamental Policies of Corporate Governance

The JAL Group, as a leading airline in the transport sector, provides the finest service to our customers while maintaining flight safety, our main premise for existence. The Group maintains an awareness that we are a member of society at large with the duty to fulfill our corporate social responsibility and contribute to society as we develop our business. In addition to fulfilling our financial responsibility of earning adequate profits by providing high quality products through fair competition. The JAL Philosophy was established under our Corporate Policy promptly make appropriate management decisions.

We will strive to enhance corporate value and achieve accountability by establishing a corporate governance system that results in high management transparency and strong management monitoring, while at the same time engaging in speedy and appropriate management decision making.

## Corporate Governance System



## Board of Directors and Other Committees

### Board of Directors | Held 16 meetings in FY2023

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, (1) The Board separates the management monitoring and business execution functions. The Board chair is nominated from among Directors who do not concurrently serve as outside officers. (2) At least three highly independent candidates are nominated as an outside director, and from the Ordinary General Meeting of Shareholders in June 2021, the Outside Directors account for at least one-third of all Board members. (3) In June 2023, more females were appointed as directors. (4) Directors and Audit and Supervisory Board members are, in principle, required to basically attend at least 80 percent of all Board meetings. (5) The Board transfers appropriate authority to the president to ensure efficient decision-making.

### Corporate Governance Committee | Held four meetings in FY2023

The Corporate Governance Committee checks, whether activities comply with JAL Group Fundamental Policies of Corporate Governance, conducts analyses and evaluations and holds discussions to determine whether such activities contribute to sustainable growth and enhancement of medium- and long-term corporate value, and provides necessary findings, recommendations, and reports to the Board of Directors. In regard to FY2023, other than reviewing the questionnaire in the Board Effectiveness Assessment, the Committee made a number of recommendations to improve the objectivity of the assessment, including the appointment, selection, and scope of use of external organizations.

### Officers Disciplinary Committee | Not held in FY2023

When taking disciplinary action against Directors and executive officers, the Officers Disciplinary Committee makes decisions.

### Nominating Committee | Held nine meetings in FY2023

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 make 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.

In FY2023, in addition to the matters to be reported to the Board of Directors, the committee discussed the requirements and processes related to the selection of candidates for executive officers, the selection of the president, and future succession plans for management personnel.

### Compensation Committee | Held five meetings in FY2023

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 FY2023, the committee discussed matters such as the specific indicators and how to assess the compensation for Directors, who strongly promote the Medium-Term Management Plan and report the contents to the Board of Directors.

### Personnel Committee | Held one meeting in FY2023

The committee 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 FY2023, the committee discussed matters to be reported to the Board of Directors, and the training of candidates for executive officer positions and the ideal new execution structure.

### Audit and Supervisory Board | Held 15 meetings in FY2023

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

## Accounting Audits

KPMG AZSA LLC conducts accounting audits in accordance with the Companies Act and the Financial Instruments and Exchange Act.

In addition to periodic audits, accounting issues such as the establishment, amendment and abolition of laws, regulations and rules are checked as necessary to achieve appropriate accounting work.

## Internal Audits

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.

From the perspective of auditing, the Audit Department, as the third defense line in the Three Lines of Defense model, places emphasis on checking the second defense line, such as the General Affairs Department, Risk Management Department, Legal Affairs Department, IT Planning and Management Department, and Accounting Department, utilizing the expertise, to verify whether they are supporting and monitoring Group organizations properly.

Results of internal audits are reported to the president at each instance and information on important matters concerning internal controls is provided to the Audit & Supervisory Board members and accounting auditor to promote mutual coordination. The Board of Directors is regularly informed of the results of audits.

## Support for Directors and Audit and Supervisory Board Members

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

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

Outside Directors and Outside Audit and Supervisory Board members receive advance explanations on Board agendas, corporate information and other requests, as appropriate. In order to deepen the understanding of the Company, directors and Audit and Supervisory Board members receive explanations on safety matters through visits to frontlines, a climb up Mt. Osutaka, a tour of the Safety Promotion Center, and explanations on Company history and the JAL Philosophy.

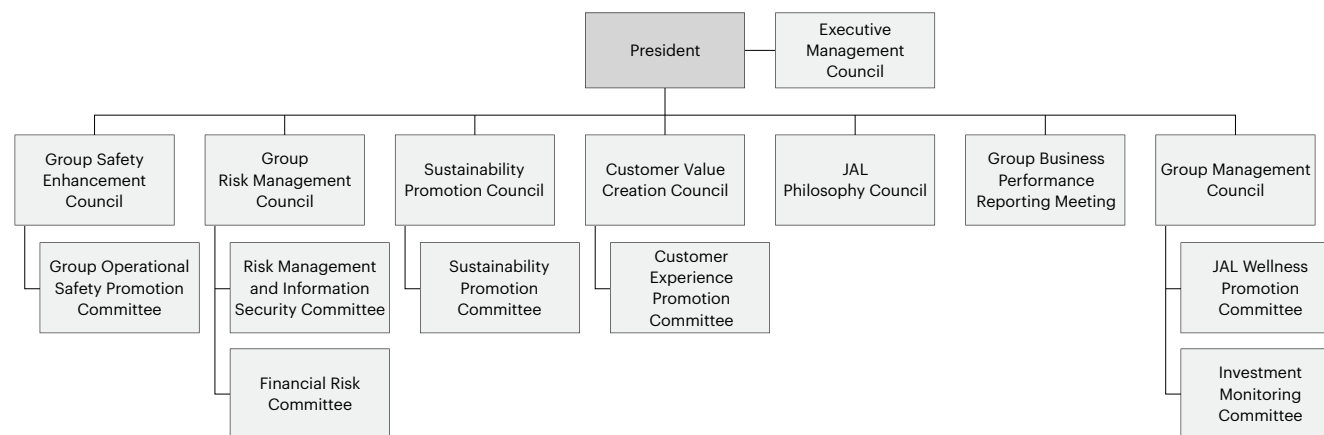
## Management Committees Directly under the President

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

In addition to the Executive Management Council, a decision-making body chaired by the president, the following meetings are held directly under the President. Important matters supporting management strategies are discussed after clarifying the purpose and role of each meeting.

In FY2023, a new Customer Value Creation Council was established to further enhance customer value in all areas, including non-airline domains.

Discussions at each meeting are reported to the Board of Directors as appropriate, creating a framework for prompt decision-making under appropriate supervision.



### Executive Management Council | Held 37 meetings in FY2023

The Executive Management Council is an organ established 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. Main activities in FY2023: Discussed important management issues to be submitted to the Board of Directors.

### Group Safety Enhancement Council | Held 12 meetings in FY2023

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. They decide actions to be taken concerning safety in daily operations, among others, according to the JAL Group policies to secure flight safety and promote safety management of the entire JAL Group.

Major Activities in FY2023: 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 JAL Group will promptly report the incident to the Board of Directors.

### Group Risk Management Council | Held two meetings in FY2023

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 FY2023: 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. We reported to the Board of Directors twice in total.

### Sustainability Promotion Council | Held four meetings in FY2023

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, 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 FY2023: Disclosure on TCFD/TNFD, DJSI assessment results and review, ESG assessment summary, recap of key issues, efforts to create relationships and societal connections through air transportation, and addition and revision of goals were discussed and reported to the Board of Directors a total of four times.

### Customer Value Creation Conference | Held two meetings in FY2023

-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.

-Main activities in FY2023: Discussions were held on future directions for further improvement of CX, including deepening relationships with customers.

### JAL Philosophy Council | Held one meeting in FY2023

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 FY2023

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 14 meetings in FY2023

The Group Management Council confirmed process and discussed measures regarding the JAL Group important management issues and reported valuable information.

## 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. We 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 Audit and Supervisory Board (Dual Reporting Line). In addition, at the Ordinary General Meeting of

Shareholders in June 2023, we appointed several female directors, and we are also promoting DEI at the management level, as evidenced by the appointment of our first female president in April 2024.

	2012	2015	2018	2021	2023	2024
<b>Trends in Corporate Governance</b>		● <b>2015</b> Established corporate governance codes	● <b>2018</b> Revised corporate governance codes	● <b>2021</b> Revised corporate governance codes		
<b>Strengthened auditing functions</b>  Institutional design as a company with an Audit and Supervisory Board	■ <b>FY2012</b> • Set up a committee to appoint directors and remuneration with outside director as the committee chair		■ <b>FY2017</b> • Introduced a new director remuneration system aimed at shared interests and losses with stakeholders • Established successor plans for President and others	■ <b>FY2021</b> • Outside auditors attend corporate governance committee		
<b>Structure of Board of Directors</b>	■ <b>FY2012</b> • Independent outside directors (two directors)  ■ <b>FY2014</b> • Chair become non-performance executive director		■ <b>FY2016</b> • Increased outside directors from two to three	■ <b>FY2021</b> • Outside directors to cover one third • New company culture to appoint several female directors	■ <b>FY2023</b> • Two female directors	■ <b>FY2024</b> • Appointed a female auditor • Appointed a female president
<b>Measures to Corporate Governance Code</b>  Improve effectiveness of Board of Directors		■ <b>FY2015</b> • Initiated Board effectiveness assessment	■ <b>FY2017</b> • Apply all rules to corporate governance codes  ■ <b>FY2017</b> • Initiated a Board effectiveness assessment by an outside organization	■ <b>FY2018</b> • Applied corporate governance code (revised) to all rules  ■ <b>FY2020</b> • Conducted a Board effectiveness assessment by an outside organization  ■ <b>FY2019</b> • Strengthened management meeting regarding risk management	■ <b>FY2021</b> • Applied corporate governance code (revised) to all rules  ■ <b>FY2022</b> • Established a system for auditors report directly to Board of directors  ■ <b>FY2021</b> • Promoted national staff as directors	■ <b>FY2023</b> • Initiated Board effectiveness assessment by an outside organization

\*Trends after being listed on Tokyo Stock Exchange since September 2012



## Officer Remuneration

### Policy on Decisions about Remuneration for Officers

#### • Total Remuneration Amount

- (1) Total remuneration amount: Not more than JPY700 million per year, of which, the total amount of fixed basic remuneration is no more than JPY350 million consisting of the total amount of outside directors to be no more than JPY50 million and the total amount of performance-linked bonuses to be no more than JPY350 million.
- (2) Total amount of remuneration receivables 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\*

The Board of Directors, after deliberation and report by the Compensation Committee, determines the following Policy on the Decision of Remuneration for Officers.

\* Maximum amount to be paid in: Performance of applicable period in the execution of duties in which remuneration receivables are used as consideration is the stock price at Tokyo 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) 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 the business of our Group 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).

\* Excluding the amount of allowances for executive officers who concurrently serve as Directors and the amount of allowances for executive officers, who have the right to represent the Group.

#### Standard for achieving a target of 100 percent

Fixed remuneration	Linked with financial targets and non-financial targets	
	50%	100%
Basic remuneration 50%	Performance-linked bonus 30%	Performance-linked stock remuneration 20%

#### 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 FY2020 and FY2021 will be uniformly not paid based on performance.

	Performance-linked Bonus <sup>*1</sup>					Performance-linked Stock Remuneration				
Range of variation (with 100 in the case when performance targets are achieved)	The amount to be paid will vary from 0 to 150					The number of shares to be granted will vary from 0 to 150				
Performance evaluation indices and ratios	0%	25%	50%	75%	100%	0%	25%	50%	75%	100%
	EBIT (50%) Personal performance evaluation <sup>*1</sup> (20%) (30%)					TSR <sup>*4</sup> (25%) ROIC <sup>*5</sup> (25%) ESG <sup>*6</sup> (25%) CO <sub>2</sub> <sup>*7</sup> (25%)				
Performance evaluation period	One year					Three years				
	financial targets					non-financial targets				

\*1 The Chair, President, among others, do not set individual performance evaluation indicators for each officer, but evaluate them using EBIT. Considering the progress in achieving the targets for flight safety.

\*2 The final business year of Medium-Term Management Plan fluctuates between 0 to 200, adjusted according to the achievement of the targets.

\*3 Individual indicators for each officer

\*4 TSR: Valuation based on the comparison between the total shareholder yield of our Group and TOPIX yield including dividends

\*5 Valuation based on consolidated ROIC

\*6 Rating based on the number of selected representative ESG issues (DJSI World Index, FTSE Blossom Japan Index, APEX WORLD CLASS, CDP A-, MSCI WIN)

\*7 Evaluation based on CO<sub>2</sub> emissions per ton-kilometer charged

### Procedures for Remuneration Decision

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

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

### Reasons the Board of Directors Determined That Individual Remuneration Should Conform to the Policy

With regard to the remuneration, and the like for individuals, the Compensation Committee, which is chaired by an outside director and is attended by a majority of the members, held discussions based on the above-mentioned Policy on the Decision of Remuneration for Officers. Decisions were made at our Board of Directors meeting held on February 22, 2023 with due respect for the deliberations and reports. Therefore, the Group judged that the contents of remuneration, and the like, for individuals in FY2023 are in line with the above policy stipulated by our Group.

### Payment of Remuneration to Directors and Audit and Supervisory Board Members (FY2023)

Category	Number of persons	Total remuneration amount (M)	Total amount of remuneration by type (M)		
			Basic remuneration	Performance-linked bonus (Bonus)	Performance-linked stock remuneration (non-monetary remuneration credits and the like)
Directors	12	482	258	151	72
(Outside directors)	(4)	(36)	(36)	(—)	(—)
Auditors	6	77	77	—	—
(Outside auditors)	(3)	(28)	(28)	—	—
Total	18	560	335	151	72

\*1 Performance-linked bonuses and performance-linked stocks remuneration, and the like, represent the amounts recorded as expenses in the relevant fiscal year.

\*2 The total amount of remuneration, and the like, for directors does not include salaries for employees who concurrently serve as a Director.

\*3 The total amount of remuneration of the Audit and Supervisory Board members is “no more than JPY100 million per annum” (resolution of the Extraordinary General Meeting of Shareholders held on July 10, 2012). Remuneration for Audit and Supervisory Board Members is only fixed remuneration (monthly remuneration) from an independent standpoint, and the decision is made through consultation of Audit and Supervisory Board Members. The number of Audit and Supervisory Board members at the conclusion of so the General Meeting of Shareholders was five (including three Outside Audit and Supervisory Board Members).

## Effectiveness Evaluation

### Board Effectiveness Assessment

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.

For the FY2023 evaluation, we requested an outside organization to conduct a questionnaire survey, interview and evaluation of all Directors and the Audit and Supervisory Board Members to improve the objectivity of the evaluation.

### Effectiveness Assessment Process

#### Step 1

All directors and Audit and the Supervisory Board members were surveyed and interviewed by an outside agency.

#### Step 2

Based on the results of the evaluation by an outside organization, the Board of Directors discussed the evaluation and future initiatives.

#### Step 3

The Corporate Governance Committee compiled recommendations, and the Board of Directors decided on future initiatives.

### Assessment for FY2023

	Issues	Measures	Assessment
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>Must organize how the sustainability measures are linked to improving corporate value.</li> </ul>	Must reorganize the social issues that need to be solved. By quantifying the measure targets, can specify the relationship in improving corporate value.	<ul style="list-style-type: none"> <li>The current issues and efforts to promote ESG strategies were discussed comprehensively.</li> <li>Ongoing efforts are needed to quantify targets, establish monitoring methods, and the like.</li> </ul>
<b>Business Model Reform</b>	<ul style="list-style-type: none"> <li>The initial plans are incomplete with the delay in market recovery in some business domains. Must make quantitative reviews and discuss future measures.</li> </ul>	Review plans in each business domain and while steadily practicing the PDCA cycle, organize an environment to expand new domains.	<ul style="list-style-type: none"> <li>Received regular progress reports by area, including LCC and Mileage Commerce, and provided a sufficient level of supervision.</li> </ul>
<b>Human Capital</b>	<ul style="list-style-type: none"> <li>Must further materialize measures</li> </ul>	To fulfill human capital, further specify the required human image as well as deploy human capital to growing domains and promote investment in human capital.	<ul style="list-style-type: none"> <li>In the past year, we have been able to have more in-depth discussions on the status of strategy implementation and future actions.</li> <li>Further concrete steps are needed to achieve the goal.</li> </ul>
<b>DX</b>	<ul style="list-style-type: none"> <li>Towards realizing the medium-term management plan, visualize the measures of each department. Must accelerate the promotion in the whole Company.</li> </ul>	Promote measures in DX strategies to create new customer value and improve productivity.	<ul style="list-style-type: none"> <li>The Group is facing challenges in implementing new value creation and business transformation that go beyond operational efficiency.</li> <li>It is necessary to promote efforts by Executive Officers and strengthen the supervisory function of the Board of Directors.</li> </ul>
<b>Operations</b>	<ul style="list-style-type: none"> <li>Secure more time for in-depth discussions. Operations must devise measures to activate animated discussions.</li> </ul>	Improve measures regarding measures on operations an the like that were acknowledged in FY2022. <ul style="list-style-type: none"> <li>Improve reference materials</li> <li>Active use of videos supplementing and describing reference materials sent beforehand</li> <li>Provide information beforehand for questions and share conflicts within the execution</li> </ul>	<ul style="list-style-type: none"> <li>Improvement is seen in the secretariat function of the Board of Directors, such as selection of agenda items, explanation of agenda items, advance explanations (video), and support for outside directors.</li> <li>In addition to further improvement of the Board of Directors' meeting materials, there were requests for opportunities to discuss medium- to long-term improvements in corporate value.</li> </ul>

## Future Initiatives

The Board Effectiveness Assessment made by the outside organization was that “the effectiveness of the Board of Directors is adequately ensured.” The organization also gave recommendations for further improvement.

In response, the Board of Directors has decided on the direction of future initiatives as shown in the table below.

### Recommendations from Outside Organizations

- (1) Establishment of ideal monitoring methods by the Board of Directors
- (2) Further promotion of discussions on improving corporate value over the medium to long term
- (3) Consideration of the ideal composition of the Board of Directors
- (4) Development of the next generation of management leaders, including the president

### The Board of Directors' Policy for Future Improvements

- To further clarify the objectives, targets, performance indicators, and roadmap for initiatives across the business domains, including the enhancement of human capital to support business structural reforms and the promotion of DX strategies, among others, in order to complete the Medium-Term Management Plan-Rolling Plan (MRP) 2024, and to strengthen the supervisory function.
- We will upgrade its risk management functions by, for example, accurately identifying risks in new business domains, and the like.
- Expand time for discussion of medium- and long-term strategies, and the like, while also encouraging risk-taking to further enhance corporate value in the future.
- In addition to the above discussion, the Nominating Committee and other committees shall deepen discussions and report regularly to the Board of Directors.

Main Agenda Items Discussed by the Board of Directors	Details of Discussions	
<b>Management Strategy</b>	<ul style="list-style-type: none"> <li>• FY2021–2025 JAL Group Medium Term Management Plan Progress of Rolling Plan 2023</li> <li>- Initiatives related to sustainability</li> <li>- Progress in structural business reforms</li> <li>- Promoting human resources strategies</li> <li>- Promoting DX strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Formulate the JAL Group Medium Term Management Plan Rolling Plan 2024 for FY2021 to FY2025</li> </ul>
<b>Decision and Oversight of Other Important Business Executions</b>	<ul style="list-style-type: none"> <li>• Establish new committee directly under the President</li> <li>• Progress and confirmation of the renewed frequent flyer program system</li> <li>• Select new mid-size aircraft</li> </ul>	
<b>Financial Results and Finance</b>	<ul style="list-style-type: none"> <li>• Quarterly financial results</li> <li>• Financing</li> </ul>	<ul style="list-style-type: none"> <li>• Verification of cross shareholdings</li> </ul>
<b>Governance and Risk Management</b>	<ul style="list-style-type: none"> <li>• Board Effectiveness Assessment</li> <li>• Committee reports and decisions on the appointment of new executives and their remuneration</li> <li>• Development and evaluation of internal control risk management related reports</li> <li>• Internal Audit Report by the Audit Department</li> </ul>	<ul style="list-style-type: none"> <li>• Policies of the Audit and Supervisory Board Members and their audit results</li> <li>• Response to the Audit and Supervisory Board Member's audit results</li> <li>• Report on safety</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>• Operational status of shareholder benefit programs</li> <li>• Initiatives to reinforce constructive dialogues with</li> </ul>	<ul style="list-style-type: none"> <li>shareholders</li> <li>• Feedback regarding IR orientation meeting</li> <li>• Disclosure of information on Climate Change Based on TCFD</li> </ul>

## Assessing the Effectiveness of Audit and Supervisory Board Members

At the Audit and Supervisory Board member meeting, all members were asked to complete a questionnaire to self-evaluate the status of their audit activities, which was also used as a reference for planning for the next fiscal year.

Main Agenda at Audit Meetings	Details of Discussions
<b>Audit</b>	<ul style="list-style-type: none"> <li>• Set auditing policies and plans</li> <li>• Reports on auditing activities and auditing meetings</li> <li>• Confirm risk management situation</li> <li>• Check shareholder meeting agenda and documents</li> <li>• Set up audit report format</li> </ul>
<b>Coordination</b>	<ul style="list-style-type: none"> <li>• Reappointment of auditor and agree on remuneration</li> <li>• Prior agreement of nonguaranteed by auditors</li> <li>• Management interview</li> <li>• Check comprehensive report</li> <li>• Check EMS audit</li> </ul>
<b>Remuneration and Self-assessment</b>	<ul style="list-style-type: none"> <li>• Decide individual honorarium of auditors</li> <li>• Auditor questionnaire (Effective assessment)</li> </ul>

### FY2023

- The Group received generally high marks for each item (audit policy, audit activities, operation of Audit and Supervisory Board member, among others), confirming that effective audits are being conducted based on the audit policy and audit plan prepared based on the audit results of the previous year.
- Each Member has frankly expressed their opinions at Board of Directors meetings and other meetings, and they confirmed reaching a consensus while respecting each other's opinions.

### FY2024 Efforts

In the efforts in line with the Medium-Term Management Plan, we confirmed that the Audit and Supervisory Board member will monitor whether the new management structure recognizes the consistency between each business and the “horizontal skewers” and whether they are functioning effectively, deepen discussions on audit reports to the Board of Directors to resolve issues, strengthen cooperation with the internal audit units, and strive to grasp the status of the internal control system, including the Group companies. The Board of Corporate Auditors also confirmed that it will strengthen cooperation with the Internal Audit Department and make efforts to understand the status of the internal control system, including that of Group companies.

## Board of Directors (As of August 1, 2024)

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. The Group has also established

a system in which there are several female directors. The JAL Group explains 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,

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.

### AKASAKA Yuji

Representative Director,  
Chairperson



Born on January 3, 1962/age 62

**Term of Office:** 6 years

**Number of shares held\* (hundred shares):** 128

**Number of Board of Directors meetings attended:** 15/16

**April 1987** Joined Japan Airlines

**April 2009** Senior Vice President, Corporate Safety & Security Division  
Vice President, Customer Relations Department

**April 2014** Executive Officer

Senior Vice President, Engineering & Maintenance Division  
Representative Director, President of JAL ENGINEERING CO., LTD.

**April 2016** Managing Executive Officer

Senior Vice President, Engineering & Maintenance Division  
Representative Director, President of JAL ENGINEERING CO., LTD.

**April 2018** President

**June 2018** Representative Director, President

**April 2023** Representative Director, President

Chief Executive Officer of the JAL Group

**April 2024** Representative Director, Chairperson (to present)

#### Reasons for the nomination as Director

After joining Japan Airlines, Mr. Akasaka engaged mainly in Engineering & Maintenance Division, and acquired on-the-job experience and insight related to safety operations at an extremely high level as well as significant knowledge and extensive connections in the airline engineering & maintenance industry. As representative director and president since 2018, he has worked to uphold in the JAL Group that flight safety is the foundation of the JAL Group. By practicing Lead by Example from the JAL Philosophy, he has worked with all employees to realize JAL's corporate philosophy.

### TOTTORI Mitsuko

Representative Director,  
President



Born on December 31, 1964/age 59

**Term of Office:** 1 year

**Number of shares held\* (hundred shares):** 16

**Number of Board of Directors meetings attended:** 13/13

**April 1985** Joined Japan Airlines

**May 2015** Senior Director, Cabin Attendants Office II, Narita Cabin Attendants I

**May 2016** Vice President, Narita Cabin Attendants II Department

**April 2019** Vice President, Cabin Safety Promotion Department

**April 2020** Executive Officer and Senior Vice President, Cabin Attendants Division

**April 2022** Managing Executive Officer and Senior Vice President, Cabin Attendants Division

**April 2023** Senior Managing Executive Officer

Senior Vice President, Customer Experience Division in charge of Brand Communication

**June 2023** Representative Director, Senior Managing Executive Officer

Chief Customer Officer of the JAL Group

Senior Vice President, Customer Experience Division

**April 2024** Representative Director, President

Chief Executive Officer of the JAL Group (to present)

#### Reasons for the nomination as Director

After joining Japan Airlines, Ms. Tottori gained a high level of insight and field experience in safe flight operations and service through her career as a cabin attendant and through her work with Corporate Safety & Security. From 2020, she has demonstrated outstanding leadership as senior vice president, Cabin Attendants Division in balancing human resource development and employee motivation, making contributions to maintaining safe operations. From 2023, she has contributed to improving the quality we provide to our customers as senior vice president, Customer Experience Division. The Company expects her to continue honing JAL's unique values and be a leader in implementing further reforms despite the increasingly complex corporate management environment.

### SAITO Yuji

Representative Director,  
Executive Vice President



Born on September 26, 1964/age 59

**Term of Office:** 1 year

**Number of shares held\* (hundred shares):** 15

**Number of Board of Directors meetings attended:** 13/13

**April 1988** Joined Japan Airlines

**October 2009** Vice President, Sales Department of Tokyo Branch

**January 2011** Vice President, International Route Marketing Department

**April 2019** Executive Officer and Senior Vice President, Corporate Control Division

**April 2021** Managing Executive Officer

Senior Vice President, Corporate Planning Division

Senior Vice President, Corporate Control Division

**April 2023** Senior Managing Executive Officer

Senior Vice President, Corporate Planning Division

Chief Financial Officer of the JAL Group

**June 2023** Director, Senior Managing Executive Officer

Senior Vice President, Corporate Planning Division

Chief Financial Officer of the JAL Group

**April 2024** Representative Director, Executive Vice President

Head of Corporate Division

Chief Financial Officer of the JAL Group (to present)

#### Reasons for the nomination as Director

After joining Japan Airlines, Mr. Saito has held positions in the international passenger sales department and the corporate planning department, where he has proven his ability to exercise precise analysis and good judgment. He was appointed as senior vice president, Corporate Control Division in 2019, senior vice president, Corporate Planning Division and senior vice president, Corporate Control Division in 2021, and senior vice president, Corporate Planning Division and Chief Financial Officer of the JAL Group in 2023. He has made significant contribution to formulating the JAL Group's Medium-term Management Plans based on major changes in the times and values and carrying out steps towards the completion of those plans.

### AOKI Noriyuki

Director,  
Executive Vice President



Born on July 28, 1964/age 60

**Term of Office of office:** 0 years

**Number of shares held\* (hundred shares):** 7

**Number of Board of Directors meetings attended:**

**April 1989** Joined Japan Airlines

**March 2012** Vice President, Corporate Control Department

**April 2014** Vice President, Passenger System Promotion Department

**July 2018** Deputy Senior Vice President, Managing Division Route Marketing Division

(In charge of Passenger System Promotion Department)

**April 2019** Executive Officer

Assistant to Senior Vice President, Managing Division Route Marketing Division

**June 2019** Executive Officer

Representative Director, President in charge of Okinawa Region of JAPAN TRANSOCEAN AIR CO., LTD.

**April 2022** Managing Executive Officer

Senior Vice President, General Affairs Division

**April 2024** Executive Vice President

Head of Customer Division

Chief Customer Officer of the JAL Group

Senior Vice President, Customer Experience Division

**June 2024** Director, Executive Vice President, Head of Customer

Division

Chief Customer Officer

Senior Vice President, Customer Experience (to present)

#### Reasons for the nomination as Director

After joining Japan Airlines, Mr. Aoki successively engaged in the information system department and the corporate planning department. He has steadily realized achievements, including the revamping of the Company's core system, demonstrating his outstanding leadership and planning ability. From 2019, as representative director and president of JAPAN TRANSOCEAN AIR CO., LTD., he contributed to its safety operations and customer satisfaction improvement. He was appointed to senior vice president, General Affairs Division in 2022 and greatly contributed to strengthening corporate governance and implementing ESG strategies.

\*Number of stocks based on the shareholder list as of March 31, 2024.

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 the Group'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 Japan Airlines. 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.

#### KASHIWAGI Yoriyuki

Director, Senior Managing Executive Officer



Born on September 5, 1962/age 61

**Term of Office:** 0 years

**Number of shares held\* (hundred shares):** 11

**Number of Board of Directors meetings attended:**

**April 1986** Joined the Company  
**January 2011** Vice President, Planning Department, Managing Division Passenger Sales Division  
**July 2013** Senior Vice President, Kyushu Region  
**April 2016** Executive Officer, Deputy Senior Vice President, Managing Division Passenger Sales Division; Senior Vice President, International Passenger Sales Division; Senior Vice President, Web Sales Division; Senior Vice President, Eastern Japan Region  
**April 2020** Executive Officer, in charge of Executive Secretariat Department, Strategic Corporate Relations Department, and Policy Management Center  
**April 2022** Managing Executive Officer, in charge of Policy Management Center  
**April 2024** Senior Managing Executive Officer, in charge of Policy Management Center  
**June 2024** Director, Senior Managing Executive Officer, in charge of Policy Management Center  
**July 2024** Director, Senior Managing Executive Officer, in charge of Secretariat Department and Policy Planning Department  
 President of JAL Aviofuture Lab Co., Ltd. (to present)

#### Reasons for the nomination as Director

Since joining Japan Airlines, Mr. Kashiwagi has accumulated a wealth of experience in sales and marketing departments and human resources departments. He has served as executive officer and senior vice president of Sales Divisions from 2016, contributing to maximizing revenue with his outstanding proposal abilities and negotiation skills, as well as meticulous responsiveness. He took charge of Executive Secretariat Department, Strategic Corporate Relations Department and Policy Management Center from 2020, strengthening external relations activities and greatly contributing to improving the Company's presence.

#### TAMURA Ryo

Director, Managing Executive Officer



Born on September 21, 1965/age 58

**Term of Office:** 0 years

**Number of shares held\* (hundred shares):** 7

**Number of Board of Directors meetings attended:**

**April 1988** Joined Japan Airlines  
**April 2016** Executive Officer of JAL ENGINEERING CO., LTD.  
**April 2019** Executive Officer  
 Senior Vice President, Procurement Division  
**April 2021** Executive Officer  
 Senior Vice President, Engineering & Maintenance Division  
 Representative Director, President of JAL ENGINEERING CO., LTD.  
**April 2023** Managing Executive Officer  
 Senior Vice President, Engineering & Maintenance Division  
 Representative Director, President of JAL ENGINEERING CO., LTD.  
**June 2024** Director, Managing Executive Officer  
 Senior Vice President, Engineering and Maintenance  
 President of JAL Engineering Co., Ltd. (to present)

#### Reasons for the nomination as Director

Since joining Japan Airlines, Mr. Tamura has been involved in engineering departments and maintenance and contributed to upholding and improving the JAL Group's maintenance quality. He has served as executive officer and senior vice president, Procurement Division from 2019, contributing to carrying out sustainable procurement activities. He has been executive officer and senior vice president, Engineering & Maintenance Division as well as representative director and president of JAL ENGINEERING CO., LTD. since 2021, developing strong frontlines and greatly contributing to the Company's safety operations with his precise analysis and judgment.

#### KOBAYASHI Eizo

Independent Outside Director



Born on January 7, 1949/age 75

**Term of Office:** 9 years

**Number of shares held\* (hundred shares):** 104

**Number of Board of Directors meetings attended:** 16/16

**April 1972** Joined ITOCHU Corporation  
**June 2000** Executive Officer of ITOCHU Corporation  
**April 2002** Managing Executive Officer of ITOCHU Corporation  
**June 2003** Representative Director, Managing Director of ITOCHU Corporation  
**April 2004** Representative Director, Senior Managing Director of ITOCHU Corporation  
**June 2004** President and Chief Executive Officer of ITOCHU Corporation  
**April 2010** Representative Director Chairman of ITOCHU Corporation  
**July 2010** Outside Auditor of Asahi Mutual Life Insurance Company  
**June 2011** Director Chairman of ITOCHU Corporation  
**June 2013** Director (Outside) of OMRON Corporation  
**June 2015** Outside Director of Japan Airlines (to present)  
**June 2016** Chairman of ITOCHU Corporation  
 Outside Director of Japan Exchange Group, Inc.  
**April 2018** Senior Representative for Business Community Relations of ITOCHU Corporation  
**April 2020** Director Emeritus of ITOCHU Corporation (to present)

#### Reasons for the nomination as Director

Mr. Kobayashi has extensive experience in global management and leadership over multifaceted group companies and deep insight into management as a member of top management of a general trading company which develops businesses around the world. With such experience and insight, he gives advice to the Company's management and appropriately supervises the performance of duties from practical and diversified perspectives.

#### YANAGI Hiroyuki

Independent Outside Director



Born on November 20, 1954/age 69

**Term of Office:** 3 years

**Number of shares held\* (hundred shares):** 40

**Number of Board of Directors meetings attended:** 16/16

**April 1978** Joined Yamaha Motor Co., Ltd.  
**March 2007** Executive Officer of Yamaha Motor Co., Ltd.  
**March 2009** Senior Executive Officer of Yamaha Motor Co., Ltd.  
**March 2010** President, Chief Executive Officer and Representative Director of Yamaha Motor Co., Ltd.  
**January 2018** Chairman and Representative Director of Yamaha Motor Co., Ltd.  
**March 2019** Outside Director of AGC Inc. (to present)  
 Outside Director of Kirin Holdings Company, Limited (to present)  
**March 2021** Chairman and Director of Yamaha Motor Co., Ltd.  
**June 2021** Outside Director of Japan Airlines (to present)  
**January 2022** Director of Yamaha Motor Co., Ltd.  
**March 2022** Advisor of Yamaha Motor Co., Ltd. (to present)  
**June 2022** Outside Director of Mitsubishi Electric Corporation (to present)

#### Reasons for the nomination as Director

Mr. Yanagi has deep insight and extensive experience as a member of top management in a company pushing ahead with international expansion. With such insight and experience, he gives advice to the Company's management and appropriately supervises the performance of duties from practical and diversified perspectives.

#### MITSUYA Yuko

Independent Outside Director



Born on July 29, 1958/age 66

**Term of Office:** 1 year

**Number of shares held\* (hundred shares):** 4

**Number of Board of Directors meetings attended:** 13/13

**April 1981** Joined Hitachi, Ltd.  
**July 2010** Representative Director of Cipher Co., Ltd.  
**March 2014** Outside Audit and Supervisory Board Member of ASICS Corporation  
**March 2015** Outside Director of Fujita Kanko Inc.  
**April 2015** Outside Director of Paloma Co., Ltd.  
**June 2016** President of Japan Basketball Association (to present)  
**March 2018** Representative Director of SORA Corporation (present PIT Co. Limited) (to present)  
**June 2018** Outside Director of The Fukui Bank, Ltd.  
**June 2019** Outside Director of Paloma Co., Ltd.  
**June 2019** President of Japan Basketball Association (to present)  
**March 2018** Representative Director of SORA Corporation (present PIT Co. Limited) (to present)  
**June 2018** Outside Director of The Fukui Bank, Ltd.  
**June 2019** Outside Director of Paloma Co., Ltd.  
**June 2019** Outside Director of Paloma Co., Ltd.  
 Committee Member of JXTG Holdings, Inc. (currently ENEOS Holdings, Inc.) (to present)  
 Outside Member of the Board of DENSO CORPORATION (to present)  
**June 2021** Vice President of Japanese Olympic Committee (to present)  
**June 2023** Outside Director of Japan Airlines (to present)

#### Reasons for the nomination as Director

Ms. Mitsuya has gained extensive experience and broad insight as a corporate manager, as well as a wealth of experience and practical knowledge in human resource development. With such insight and experience, she gives advice to the Company's management and appropriately supervises the performance of duties from diversified perspectives.

\*Number of stocks based on the shareholder list as of March 31, 2024.





## Committee Appointments of Directors and Audit and Supervisory Board Members and Skill Matrix

Position at the Company	Name	Appointment of Committee Members					Skill Matrix								
		Corporate Governance Committee	Nominating Committee	Compensation Committee	Personnel Committee	Officers Disciplinary Committee	Management Experience	Finance & Accounting	Legal/Risk Management	Personnel Affairs/Talent Development	Safety Management	Global Experience	CX/Marketing	DX/IT/Technologies	GX/Environment
Representative Director, Chairperson	AKASAKA Yuji	○					○				○			○	○
Representative Director, President	TOTTORI Mitsuko		○	○	Chairperson	○				○	○		○		
Representative Director, Executive Vice President	SAITO Yuji		○	○	○	○		○					○	○	○
Director, Executive Vice President	AOKI Noriyuki						○		○			○		○	○
Director, Senior Managing Executive Officer	KASHIWAGI Yoriyuki									○		○	○		
Director, Managing Executive Officer	TAMURA Ryo						○				○	○		○	
Independent Outside Director (Lead Independent Outside Director)	KOBAYASHI Eizo	Chairperson	○	Chairperson	○	○	○					○	○		
Independent Outside Director	YANAGI Hiroyuki	○	Chairperson	○	○	Chairperson	○					○	○	○	○
Independent Outside Director	MITSUYA Yuko	○	○	○	○	○	○			○			○		
Audit and Supervisory Board Member	KITADA Yuichi						○		○		○	○		○	○
Audit and Supervisory Board Member	KIKUYAMA Hideki							○	○	○		○		○	
Outside Audit and Supervisory Board Member/ Independent Director	KUBO Shinsuke							○	○			○			
Outside Audit and Supervisory Board Member/ Independent Director	OKADA Joji	Observer						○	○			○			
Outside Audit and Supervisory Board Member/ Independent Director	MATSUMURA Mariko								○	○					

	Reasons for selection of each skill	Requirements for each skill
Management Experience	Items required from the perspective of conducting management to achieve sustainable growth and medium- to long-term corporate value enhancement.	Experience as a representative director of a group company, or experience in a position in another company.
Finance & Accounting	Items required from the perspective that knowledge of finance and understanding of related laws and regulations are necessary to improve corporate value.	Experience as an officer or department head in charge of an accounting or finance department, or experience as a person in charge of the practical operation of such a department, as well as equivalent knowledge and experience.
Legal/Risk Management	Items required from the perspective of familiarity with legal systems and various regulations, establishment of appropriate governance systems, and risk management.	Experience as a director or department head in charge of legal affairs and compliance, or experience as a person in charge of legal affairs and compliance, as well as equivalent knowledge and experience.
Personnel Affairs/Talent Development	Items required from the viewpoint of conducting human resources management to develop human resources who will be responsible for flight safety and business restructuring.	Experience as an appointment of new executives, department heads, and the like or as a person in charge of human resources in a human resources division or production divisions, or experience as a person in charge of practical operations, or knowledge and experience equivalent thereto.
Safety Management	Items required in terms of knowledge and experience related to safety, which is the basic premise of value creation for flight safety, and the implementation of safety promotion.	Experience as a director, department head, among others in charge of a frontline or safety management department or as an administrator, as well as equivalent knowledge and experience.
Global Experience	Items required from the perspective of strategic planning, decision-making, and management in business execution from a global perspective.	Experience as a director, department head, among others in charge of overseas divisions or overseas business units, or experience as a person in charge of practical operations, as well as knowledge and experience equivalent thereto.
CX/Marketing	Items required from the perspective of marketing and product development to create new values and meet diversifying customer needs.	Experience as a director or department head in charge of a sales or marketing related department, or experience as a person in charge of the business, as well as equivalent knowledge and experience.
DX/IT/Technologies	Items required from the perspective of promoting innovation and new business using the latest technology and digital techniques.	Experience as a director, department head, among others in charge of a department related to technology, such as digital, IT, line maintenance, and the like, or experience as a person in charge of practical operations, as well as equivalent knowledge and experience.
GX/Environment	Knowledge of strategies toward carbon neutrality, among others, and items required from the perspective of promoting solutions to such issues.	Experience as a director or department head of a department related to GX and the environment, or experience as a person in charge of practical operations, as well as equivalent knowledge and experience.

## Nomination and Election Process for Board Members

### 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 and Supervisory Board members at more than four listed companies other than the Group, will not be nominated.

#### Independence Standards of Outside Officers

1. An individual who has executed business (Note) of the Company and the Company's consolidated subsidiaries at present or in the past ten years.
2. An individual who corresponded to the any of the items a ~ 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 1% of consolidated revenue of the Company or the business counterpart.
  - b. A major shareholder or a person executing business of such shareholder having an equity ratio of 5% 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 1% 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.

(Note) A person executing business refers to an Executive Director or Executive Officer.

The three outside directors and three outside Audit and Supervisory Board Members satisfy the requirements of the Tokyo Stock Exchange for being independent directors/auditors who are not likely to have a conflict of interest with general shareholders, as well as the Independence Standards for Outside Directors and Auditors as stipulated by the Group in the preceding paragraph. Therefore, the Group has designated all of them as independent directors and auditors and notified the Tokyo Stock Exchange to that effect.

### Succession Plans and Election Process for President

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 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.

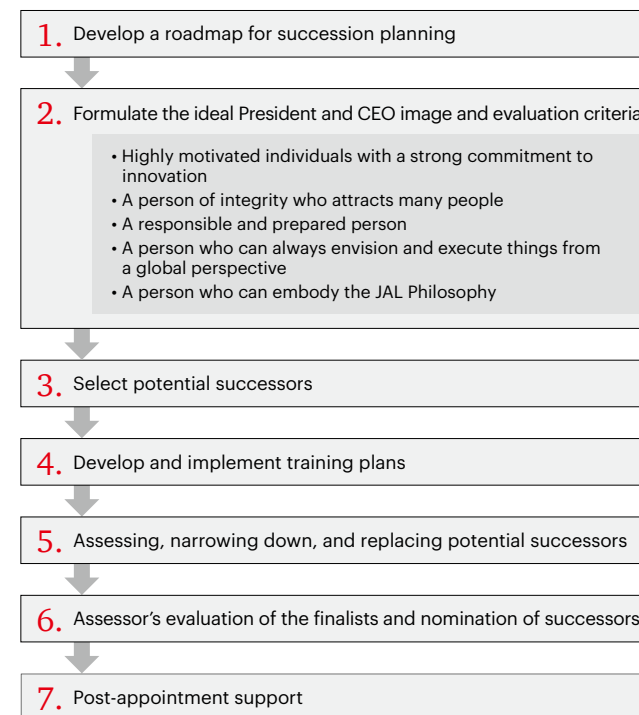
With regard to the development of the next generation of executives, including executive officers, the Human Resources Committee holds practical discussions on setting career paths, rotating across departments, forming external networks, and pooling human resources in order to promote diversity and expand capabilities and perspectives.

The Group's Nominating Committee defines the qualities

required of the president and other leaders and takes sufficient time to systematically train candidates for their successors. Through continuous acquisition of knowledge and diverse experiences, the Group ensures that the candidates acquire the necessary management skills at an early stage.

In selecting the new president, the Nominating Committee followed the seven basic steps of the Practical Guidelines for Corporate Governance Systems process to identify the final candidate, and the Board of Directors made the final decision.

### Nominating Committee Process for Determining Candidates



We are committed to appropriate interactive communication with institutional investors. In addition to individual meetings with our president, executive vice president, Group CFO, and

others, we hold regular events as an opportunity to improve the quality and quantity of our dialogues to deepen their understanding of our Group.

Also, we share the suggestions from our institutional investors gained from these dialogues with our top management and apply them to improve our management and dialogue.

## Dialogues with Institutional Investors

### Number of Events Held for Institutional Investors

	2019	2020	2021	2022	2023	(FY)
Briefing of Financial Results and Medium-Term Management Plan for Institutional Investors	4	4	4	4	5	
Events for Institutional Investors	4	3	3	3	4	
IR DAY	1	1	1	1	1	
Guided Tour of Facilities	1	0	0	0	1	
CEO Small Meeting / CFO Small Meeting	2	2	2	2	2	
Conferences Sponsored by Securities Firms	9	9	11	12	8	

### Number of Institutional Investors Interviewed (Total)

	2019	2020	2021	2022	2023	(FY)
Meetings with Investors in Japan	167	209	188	162	171	
Meetings with Investors in Other Countries	219	262	164	230	214	
Total	386	471	352	392	385	
Interviews with Top Management	63	173	91	112	124	
President	16	42	12	17	15	
Executive Vice President	0	0	1	7	14	
Group CFO and Senior Vice President, Finance and Accounting Division	43	68	74	86	95	
Others*	4	63	4	2	0	

\*Number of investors interviewed by the Chair and other members of top management

## Highlight

### IR DAY

At the IR Day held in May 2024, 12 top management including the chair and president of ZIPAIR appeared on stage. This was an opportunity to discuss the contents of the Medium-Term Management Plan-Rolling Plan 2024 for FY2021-2025 as well as medium-term growth strategies and other topics with our investors. In addition to the FSC, Cargo and Mail, LCC, and Mileage, Lifestyle and Infrastructure Businesses, participants deepened their understanding of the JAL Group from various perspectives, including ESG strategies and human resource strategies.



### Guided Tour of Facilities

As the guided tour of our facilities held in June 2024, we took our investors on a tour of our facility where emergency evacuation training, which is the training that plays a fundamental role in our flight safety. They attended our emergency evacuation seminar, which is provided to all the JAL Group company employees, to deepen their understanding of our efforts to provide safe and secure aviation safety.



### CEO Small Meeting and CFO Small Meeting and Dialogue with Outside Directors

The CEO Small Meeting and the CFO Small Meeting focused on ESG strategies, which are the central themes of the Medium-Term Management Plan-Rolling Plan 2024 for FY2021 to FY2025. Outside directors took the stage at the CFO Small Meeting to explain the JAL Group's stance on corporate governance from the standpoint of outside directors and engaged in dialogue with investors.

## Sharing with Top Management

### Feedback to our Directors and Councils

We regularly provide feedback to the Board of Directors and Group Management Council on matters of interest and opinions from institutional investors around the world in order to understand issues and make improvements in management. We also share this information widely with relevant divisions within the Group to improve management and IR activities.

In order to better communicate with investors, we will continue the unceasing process of understanding our issues through internal feedback, implementing improvement measures, conducting IR based on the results, and returning the market evaluation to the Group.

### Setting Medium-Term Management Plan – Rolling Plan based on Investor Feedback



## Risk Management Structure

The Group Risk Management Council, chaired by the president, has been established for the purpose of comprehensively overseeing JAL Group risks and stabilizing management. The council deliberates on basic risk management policies, countermeasures for priority risks identified through risk surveys and assessments, and business continuity management. The responses to priority risks determined by the meeting are reported to the Board of Directors, and further measures are discussed when necessary, thereby establishing a multilayered risk governance system.

In addition, separate Information Security Risk and Financial Risk Committees have been established under the Council to deal with information security risks and financial risks in greater detail and with greater frequency.

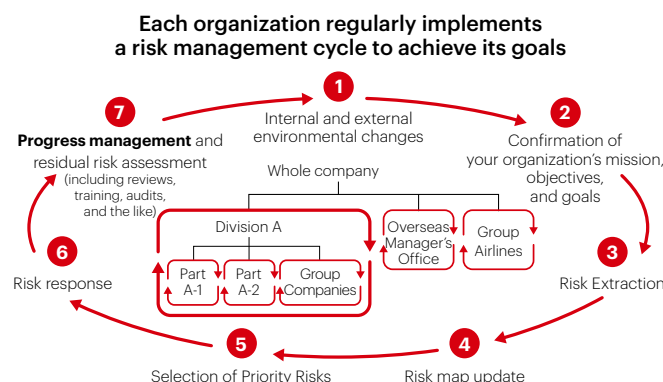
Risks related to flight safety are discussed at the Group Safety Enhancement Council, and risks related to sustainability in general (environment, human rights, and the like) are discussed at the Sustainability Promotion Council, where risk management policies and necessary countermeasures are discussed and reported to the Board of Directors.

In addition, in order to clarify where the responsibility for risk and each function lies, and to exercise mutual checks and balances, the Group companies and business units that are directly responsible for managing risk are positioned as the first line, the head office management division that provides support and guidance to business units is positioned as the second line, and the audit division that evaluates the operations of the first and second lines, assures their appropriateness, and provides necessary advice is positioned as the third line. Under the above organizational structure, the Risk Management Department, under the supervision and leadership of the Group Risk Management Council and the Board of Directors, is responsible for overall risk management and provides control risk assessment and risk consulting for high priority risks in the first and second lines.

**Related Information** ● Risk Management System  
<https://www.jal.com/en/sustainability/governance/riskmanagement/#risk>

## Risk Management Efforts

The JAL Group defines risk as “any event or action that threatens the achievement of the mission, objectives, or goals of an individual or organization”, thereby obligating all organization managers to control risk as risk administrators. Regarding preventive risk management, the risk administrator conducts a risk assessment twice a year, identifies priority risks, and implements risk responses. Priority risks are reassessed by a specialized organization responsible for risk, and their risk responses are reinforced through workshop-style control self-assessments, and risk consulting is provided as needed.

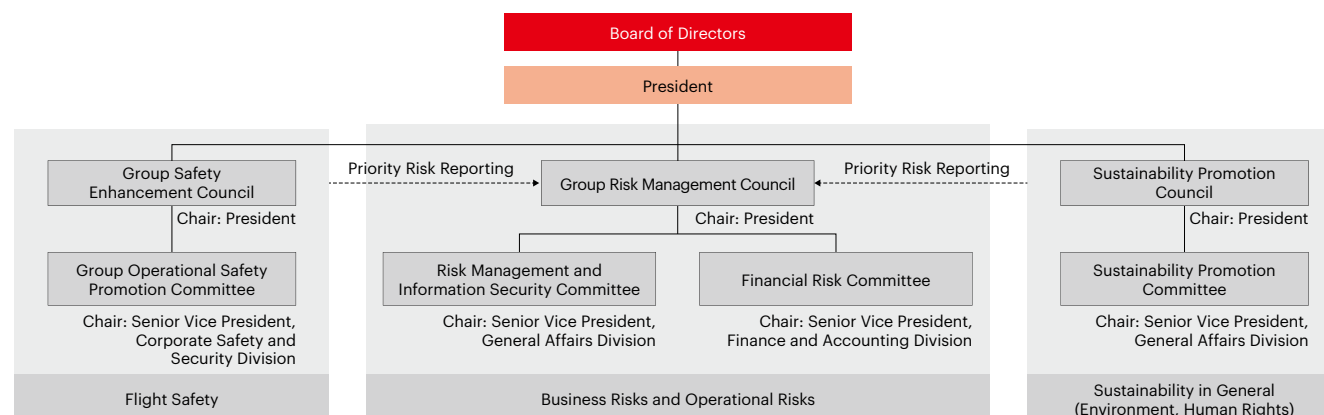


## Strengthening BCM

To fulfill our mission as a public transport company that plays a role in the social infrastructure, we promote Business Continuity Management (BCM) and have established a system that enables us to properly carry out our operations in the event of an emergency. In order to protect the safety of our customers, employees, families, and related parties, as well as to continue the JAL Group's important air transport services, including reservations and information services, and payment and settlement operations, we have established individual Business Continuity Plans (BCP) that stipulates basic items such as the necessary policies and systems, in response to unknown viral infections, large-scale IT failures, and earthquakes directly under the Tokyo metropolitan area. To keep improving the efficacy and validity of BCP, the BCP is constantly upgraded while consulting outside experts and frequently conducting training sessions. The JAL Group's business continuity capabilities have been highly evaluated by various evaluation organizations.



**Related Information** ● Robust Risk Management (Strengthening BCM)  
<https://www.jal.com/en/sustainability/governance/riskmanagement>





## Crisis Management System

When the JAL Group detects or confirms the occurrence or threat of flight safety, aviation security, natural disaster risk, pandemic risk, or other air transport services risks, the Group has a system in place that allows administrators to quickly determine the level of crisis management (Level I - III) appropriate to the situation and respond immediately. In recent years, in response to risks to safety and aviation security in specific areas and air routes following the Russian invasion of Ukraine, we have established respective Command Offices to collect and analyze information and take action. In addition, we regularly conduct drills and training sessions to raise the crisis management awareness of each and every employee.

Level I	Risk Manager Response
	<ul style="list-style-type: none"> <li>The risk manager (the head of the department responsible for the risk that has occurred) will convene those they deem necessary to respond to the risk.</li> <li>The risk manager will report to the person responsible for making the level determination whether to change the level from Level II to Level III.</li> </ul>
Level II	Special Subcommittee
	<ul style="list-style-type: none"> <li>Management Department shall serve as the secretariat, composed of Vice Presidents of major organizations, and shall be responsible for crisis response. The Vice President of the Risk Management Department shall report to the person responsible for making level determination whether change the level from Level III to Level I.</li> </ul>
Level III	Command Office
	<ul style="list-style-type: none"> <li>A Headquarters Command Office headed by the President (or Executive Vice President) will be set up promptly shifting the normal system to a crisis system.</li> </ul>

## Information Security Measures

### Basic Policy

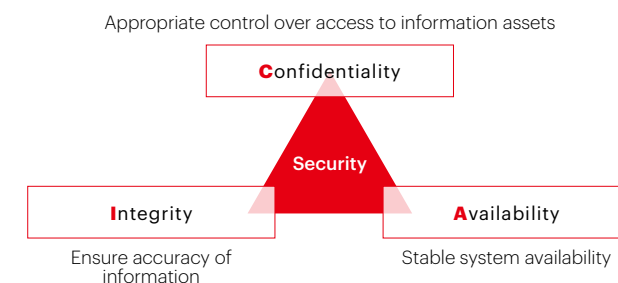
The JAL Group has established the JAL Group Fundamental Safety Policy on Information Security in light of the importance of information security and Personal Information Protection Regulations in the advanced information and telecommunications society. The JAL Group discloses on its website its

compliance with laws and regulations and internal rules, establishment of management systems, implementation of safety measures, implementation of education and awareness-raising activities, cooperation with contractors, measures to be taken in the event of accidents, and a clearly defined consultation window. By putting the basic policy into practice, we strive to properly manage and protect important information such as our customers' personal information.

For details of the JAL Group Basic Policy on Information Security, please visit our website.

Related Information ● Basic Policy on Information Security  
<https://www.jal.com/en/sustainability/governance/riskmanagement/information-security/>

### JAL Group Security Strategy



### Management System

The Risk Management and Information Security Committee has been established to promote management related to personal information and information security in order to prepare for increasingly sophisticated and complex cyber-attacks from external sources and to reduce business risks such as information leaks. In addition, under the supervision of the senior vice president, Digital Technology Division, who is the Chief Information Security Officer (CISO), the JAL Group is a member of Traffic ISAC\*<sup>1</sup> and AVIATION ISAC\*<sup>2</sup>, a member of ISO 27001, the global standard for information security, and a member of the JAL Group-wide ISO 27001 certification system. We are striving to further improve our information security management system by acquiring ISO 27001 certification for the divisions responsible for the JAL Group's overall system infrastructure and

for the divisions responsible for frontline systems.

\*1 An organization that promote activities that contribute to improving the collective defense capabilities of transport operators.

\*2 Global information sharing organization consisting of airlines, aircraft manufacturers, to name a few.

### Security Promotion Initiatives

As a critical infrastructure operator responsible for public transportation, we implement measures against cyber incidents such as information leaks and unauthorized access in accordance with the guidelines set forth by the Ministry of Land, Infrastructure, Transport and Tourism. In order to prevent cyber incidents before they occur and to respond promptly when they do occur, we conduct regular security training via e-Learning for all employees, establish a Computer Security Incident Response Team (CSIRT), and conduct various types of training as internal initiatives. In addition, as a measure to strengthen security during telework, we have established a system that fully encrypts and constantly monitors the communications of computers even when outside the Company. In cooperation with external parties, a specialized organization monitors threats 24 hours a day, 365 days a year, and conducts periodic audits.

## Comment

### Cyber Security Measures Concerning Aircraft

Today, everything is connected to the internet. The use of inflight Wi-Fi services, for example, has made the use of airplanes even more comfortable. The JAL Group is taking steps to strengthen its cyber security measures, such as collecting information on the latest trends in overseas legislation and establishing a cross-functional system. I find it very rewarding to be able to be involved in initiatives that anticipate global trends in order to ensure the safety and security of our customers.



**SHIRAYAMA Yuichiro**  
 Security Planning Group,  
 System Management Department

## JAL Group Code of Conduct

The JAL Group Code of Conduct is the JAL Group's commitment to society as it conducts its business and the guiding principle that all employees must follow in order to create sustainable value through their daily work.

Along with putting the JAL Philosophy into practice, we will fulfill our commitment to society, including solving SDGs and other social issues, by ensuring that everyone thinks and acts in accordance with the Code of Conduct.



### JAL Group Code of Conduct Commitment to Society

1. Safety
2. Pursuit of customer satisfaction
3. Trust from stakeholders
  - (a) Disclosure and dialogue
  - (b) Prohibit insider trading
4. Respect for each individual and job satisfaction (Human Rights and Labor)
  - (a) Respect for human rights and diversity
  - (b) Motivating work environment
5. Mission and responsibility as a member of society
  - (a) Contribution to regional revitalization through business
  - (b) Responsibility as a company that plays a role in society's infrastructure
  - (c) Responsibility as a corporate citizen
6. Passing on a greener environment to future generations (Environment)
  - (a) Environmental preservation initiatives
  - (b) Disclosure of environmental information and dialogue
7. Fair Business Conduct
  - (a) Ensure compliance
  - (b) Prevent corrupt practices
  - (c) Fair business relationships with suppliers
  - (d) Free and fair competition
  - (e) Management of personal information and intellectual property
  - (f) Intercept antisocial forces

For the full text of the JAL Group Code of Conduct, please visit our website.  
<https://www.jal.com/en/philosophy-vision/codesofconduct/>

## Disclosure and Dialogue

### Basic Concept

- In order to continue to be a trusted member of society, the JAL Group strives to engage in better dialogue with a wide range of stakeholders and to enhance and improve the quality of disclosure, which is a prerequisite for such dialogue.
- We will engage in disclosure through careful provision of information and constructive dialogue with shareholders, investors, and other stakeholders.
- As one measure to achieve this, we publish a variety of information on our website, including the JAL REPORT, an integrated report on financial and ESG issues, the JAL Group Safety Report, which summarizes our brace position on safety, as well as our Corporate Policy, Corporate Profile, safety and quality information, sustainability information, and investor relations information. We also disclose information on management plans and financial results in a timely, fair, and appropriate manner. We then engage in dialogue with a wide range of stakeholders to promote their understanding and enhance our corporate value.

### Careful Disclosure

The JAL Group is committed to enhancing the quality of its disclosure and emphasizing interactive communication to ensure that our stakeholders have an accurate and in-depth understanding of our company's situation and business environment. In recognition of this proactive disclosure, in FY2023, JAL Group was again selected as one of the Award for Excellence in Corporate Disclosure in the Transportation Division winning first place for the fifth time in the past six years since 2018.

In addition, the Group also won an award for excellence in the Nikkei Integrated Reporting Awards 2023 sponsored by the Nikkei Business Daily. We will continue to work with our stakeholders to further enhance our business activities in the future.

In order to build good relationships, we will strive to implement higher quality IR



activities by proactively disclosing information and strengthening communication through dialogue events and IR materials.

## Promoting Fair Business Conduct

### Basic Concept

- The JAL Group will conduct its business activities in a fair manner in order to continue to be a trusted member of society.
- Toward fair business conduct, we are committed to thorough compliance, prevention of corrupt practices, free and fair competition, management of personal information and intellectual property, and blocking antisocial forces.
- To this end, we will raise awareness of compliance and behavior based on the Code of Conduct through education and other means for each and every employee. In addition, we will establish a consultation service to detect any irregularities at an early stage.
- In particular, we are working to strengthen our anti-bribery and anti-money laundering measures by complying with the laws and regulations applicable in each country and region where we do business globally, as well as with international treaties.

### Governance

Compliance initiatives, including the promotion of fair business practices, are reported to the Group Risk Management Council, which reports directly to the president, and the status of these initiatives is supervised. In addition, the JAL Group Compliance Network has been established, consisting of executives from JAL Group companies, to ensure thorough compliance across the Group.

### Enhancement of Employee Training

Since the establishment of the Code of Conduct in 2019, the JAL Group has been aiming to implement training programs thorough familiarization, deepening understanding, and steady practice. In October each year, which is Compliance Awareness Month, we conduct education on the Code of Conduct for all employees. In FY2023, we focused on continuing to develop human resources who can solve problems through

decision-making and actions that capture the essence, which has been proposed as one of the key issues.

After the training, we obtain questionnaires from the participants to improve the curriculum every year. We also conduct training by job level, including at the executive level, and roving to each workplace, including overseas, to further raise awareness of compliance.

### Consultation Service for Employees

We have established internal and external reporting and consultation services (available 24 hours a day, 365 days a year, in Japanese and English) that can be used anonymously by any employee of the JAL Group. In addition, each JAL Group company has its own consultation counter to ensure early detection and correction of misconduct throughout the JAL Group. The number of whistle-blowing cases in FY2023 was 236 cases. In addition, to make the contact points more accessible to employees, we will continue to provide easy-to-understand information on where to report and internal education on the whistle-blowing system.

### FY2023 Number of Code of Conduct Violations

The number of violations of the Code of Conduct (number of disciplinary actions) in the Group in FY2023 is shown below. When violations are discovered, we not only investigate and take appropriate disciplinary actions, but we also share cases regularly, provide in-house education, and establish a system to prevent similar violations from recurring.

Item	Number of events
Bribery or corruption	0
Discrimination	0
Harassment	13
Customer Privacy	0
Conflict of interest	0
Money laundering or insider trading	0

## Promoting Responsible Procurement

### Basic Concept

- The JAL Group will conduct procurement in a fair and public manner in order to build the trust of stakeholders and corporate citizenship activities toward the realization of a sustainable society in the course of air transport services and various other business activities.
- We will promote responsible procurement not only from the perspectives of quality, price, and delivery time, but also with the aim of coexistence and co-prosperity with our business partners, and with an environmentally friendly approach to sustainability, including global environmental conservation, respect for human rights, and appropriate labor practices.

### Supply Chain ESG Program

The JAL Group's business, including air transportation, is supported by the supply chains of a wide variety of suppliers. We operate a supply chain ESG program to promote responsible procurement activities that take sustainability into consideration throughout the supply chain and to identify and address significant risks and impacts from an ESG perspective. Under this program, we check compliance with the JAL Group Supplier Code of Conduct and carry out purchasing activities accordingly.

#### • For all suppliers

We present the JAL Group Supplier Code of Conduct to all suppliers and ask them to understand and comply with it.

#### • For significant suppliers

From FY2019, we have selected 461 critical suppliers from the viewpoints of transaction scale, the importance of the products, and irreplaceability and have completed confirmation of their compliance with the JAL Group Supplier Code of Conduct. Based on the results of this verification and the recent increase in respect for human rights in the supply chain, from FY2023, we selected 60 significant suppliers, focusing on ESG (environment, human rights, labor, anti-corruption and the like) risks in the supply chain and business relevance on the

JAL Group. We are moving forward with corporate citizenship activities that will help solve more corporate citizenship issues. By FY2025, we will conduct desk surveys such as the Sedex\* self-assessment questionnaire and our own self-assessment questionnaire (hereinafter referred to as the "JAL Questionnaire"), as well as on-site assessments and support.

\* Sedex is a non-profit organization (Supplier Ethical Data Exchange) established in the UK in 2004 that provides a platform for managing and sharing corporate ethics information with the aim of realizing responsible business practices in the supply chain.

### New Measures for Assessment

#### • Topic 1: Approach to secondary suppliers

With the understanding of significant suppliers, we have started to confirm the soundness of suppliers through JAL Questionnaire and the like.

#### • Topic 2: Conducting supplier on-site assessments

We are taking measures for on-site assessments using the knowledge gained through workshops by outside experts. Based on the results of the JAL Questionnaire, we select suppliers to visit and confirm whether there are any issues of concern through frontline inspections, confirmation of rules and policies, an dialogue with employees.



### Consultation Service for Business Partners

We have established the JAL Supplier Hotline to receive direct consultation from suppliers and employees. We received and solved two reports in FY2023. These solutions are provided while consulting with NPOs and outside experts.

# Food Initiatives

We must keep our focus on the various challenges of food that support life.

Food-related greenhouse gases account for 21 percent to 37 percent of the total emissions, yet one third of 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.



## Implementing a Food Loss and Waste Reduction Program that Includes the Supply Chain

- Utilization of discarded parts of crops
- Reuse non-standard food materials



### Lounge "Farmer's Soup"

Soup made entirely from broccoli stems that are discarded in the field. The sixth version soup will be made with non-standard soybeans.

- Promote composting by purchasing from suppliers who compost processing residues
- Circular vegetables



### A plate from the "The Future 50 Foods" list

The spinach is grown by composting the residues from the processing process and using it as fertilizer.

- Optimization of foodstuff purchased through reservation analysis
- Stock/buying control



**JAL Royal Catering Inflight Meal Catering Facility**  
The facility, which has obtained environmental certification (ISO 14001), is working to achieve its environmental goal of reducing food Loss & waste.

- Food residues are made into compost
- Preventing excessive removal of edible parts and reuse of scraps
- Optimize the number of cooks by analyzing reservations



**Composting equipment for cooking residues**  
JAL Royal Catering practices resource recycling by composting food residues on a daily basis.

- Advance reservation services such as "JAL Meal Skip Option"
- Development of menus designed to be fully consumed
- Campaigns to prevent leftover food on menu card



### JAL Meal Skip Option Service

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



## Pursuit of Sustainability

### • Utilization of Third-party Certification Systems

- In February 2020, we became the first airline to obtain MSC and ASC CoC (Chain of Custody) certification.
- Menus featuring "The Future 50 Foods", which have a low environmental impact and high nutritional value, are served inflight and in lounge.
- We will offer champagne made from grapes produced by Biodynamic farming that respect the natural environment.
- See below for other initiatives utilizing this certification.

<https://www.jal.com/en/sustainability/governance/csr-procurement/certified-products/>



RED U-35xWell-being



JAL CAFÉ LINES



Sushi Plate



Supervised by Chef KONO  
A plate from the "The Future 50 Foods" list

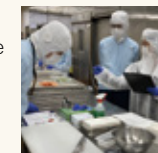


(Note) Image is for reference only.

### • Pursuit of Food Safety

JAL's hygiene auditors, who are knowledgeable about FSSC 22000, the international standard for food safety, conduct hygiene audits of inflight meal companies and lounges on a regular basis each year in accordance with the Group's food safety policy. (See below for our hygiene policy)

<https://www.jal.com/en/safety/food-safety/>



## Comment

### Inflight Meals that Utilize Certified Ingredients

We are committed to providing safe and delicious inflight meals to our customers. When preparing large quantities of inflight meals, we must pay close attention to food safety. We must also be environmentally friendly with regard to environmental protection, workers' rights, and the impact on ecosystems and biodiversity through the use of certified ingredients, which are proof of seafood caught through sustainable fishing practices. Although it is very difficult to manage the traceability of certified food ingredients, we can still increase its use. We will continue to provide our customers with delicious inflight meals that are safe and provide peace of mind through the use of more certified food ingredients.



**KIDA Yumi**  
JRC Customer Service  
Group Director and MSC/ASC Administrator



## Basic Concept

All officers and employees of the JAL Group shall fulfill their responsibility to respect the human rights of all people.

Based on the JAL Group Human Rights Policy, we will respect all stakeholders, including customers, and each and every employee of the JAL Group. We will prohibit discrimination based on gender, age, nationality, race, ethnicity, religion, social status, disability, sexual orientation or gender identity. In our business activities, we shall endeavor to prevent customers from suffering physical or mental distress when providing products and services, to prevent human trafficking in air transport services, and to prevent human rights violations in our supply chain.

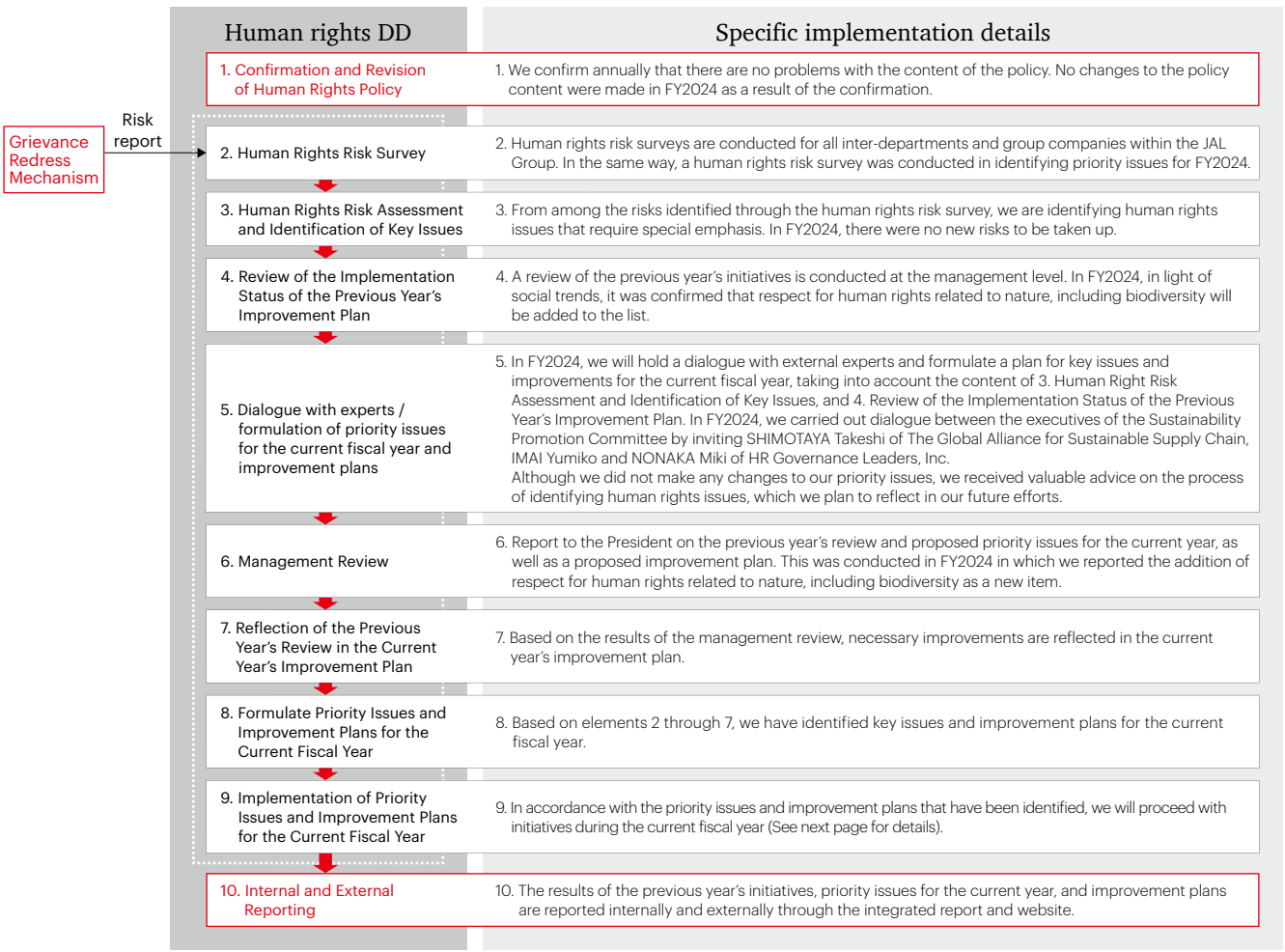
To this end, we have incorporated human rights due diligence and grievance mechanisms into our business processes. Each fiscal year, we conduct a group-wide human rights risk survey. After assessing risks and identifying issues related to human rights and engaging in dialogue with external experts, we identify issues of particular importance each fiscal year and promote initiatives to eliminate negative impacts on human rights. We will then disclose the status, including the results of our efforts, to society and continue to make improvements.

In addition, we will promote understanding of gender equality and LGBTQ issues among the JAL Group employees and provide training on the prevention of human trafficking, as well as supply chain initiatives (see p.117 Promoting Responsible Procurement Activities).

## JAL Group Initiatives for Respecting Human Rights

The JAL Group aims to realize a society in which the human rights of all people are respected through our business activities and in which people can play an active role with peace of mind. Therefore, in accordance with the JAL Group Human Rights Policy,

Flow for Respect for Human Rights Initiatives (Each fiscal year, the Group will follow this flow to promote respect for human rights.)





we will work to prevent and mitigate negative human rights impacts on all stakeholders, including customers, business partners, local residents, and JAL Group employees.

In FY2023, we set and worked on 10 priority issues from the three perspectives of suppliers, customers, and employees. Based on a review of these initiatives, the identification of issues through human rights risk surveys, and dialogues with experts, we will add respect for human rights related to nature, including biodiversity to our priority issues in FY2024, thus promote initiatives in 11 areas in total.

The basic approach to each stakeholder is as follows.

### Suppliers

Together with our suppliers, we will strive to build a sustainable supply chain, including respect for human rights and appropriate labor practices, and will conduct risk assessment and monitoring to confirm the soundness of our supply chain. We will also strive to respect human rights related to nature through dialogue with local communities and procure human rights-conscious commercial materials for service supplies and meals

served in inflight and lounge areas.

### Customers


We will focus on three key issues: Improving accessibility to create a society where everyone can enjoy a richer life through travel; preventing complicity in human trafficking through the misuse of air transportation by traffickers; and preventing unintentional human rights violations through outward communications.


### Employees

We will promote respect for diversity by supporting the active role of women's participation in the workplace and employees with disabilities, in addition to improving the working environment by preventing harassment, controlling long working hours, and preventing the leakage of personal information. In addition, with regard to non-Japanese employees, who are expected to increase in number in the future, we will promote initiatives to prevent any cases of human rights violations.



## FY2023 Results and FY2024 Initiatives

Stakeholders	Issues	Initiatives	Related Indicators
<b>Suppliers</b>	Ensure respect for human rights in the supply chain	The JAL Group endeavors to build a sustainable supply chain that respects human rights, is legally compliant, conserves a green environment and follows appropriate labor practices. In FY2023, we identified 60 important tier 1 suppliers that have close ties with us and are highly important from an ESG perspective. We transmitted self-assessment questionnaires to these companies and conducted onsite auditing to some of the companies. In FY2024, we will continue to confirm these companies through self-assessment questionnaires, and based on the evaluation of the questionnaire results, we will conduct on-site communication and confirmation by the end of FY2025.	 <ul style="list-style-type: none"> <li>• Completion of human rights surveys of new key suppliers: Selection completed (60 companies)</li> <li>• Percentage of self-assessment questionnaires for key suppliers: Implemented from FY2024</li> <li>• Percentage of key suppliers subject to human rights audits: Implemented from FY2024</li> </ul>
	Procurement of commodities that take human rights into consideration	For service supplies and meals served to guests in cabins and lounges, we use certified products that are environmentally friendly to workers involved in forestry, agriculture, and fisheries. We strive to ensure that we are not complicit in human rights abuses such as poor working conditions, child labor, and violation of indigenous people's land rights. In FY2023, we replaced 94.4 percent of paper to certified products and used 11 types of marine and agricultural products. In FY2024, we aim to increase the use of certified paper products to 98 percent.	<ul style="list-style-type: none"> <li>• Percentage of inflight items using internationally certified forest resource-conscious paper: 94.4 percent</li> </ul>
	Respect for human rights related to nature, including biodiversity <b>NEW</b>	Respecting the human rights of the people in the community will protect the nature of the region including the biodiversity that is maintaining the residents. We are implementing measures under the acknowledgement that to protect the nature of the region will lead to respecting human rights such as the right of residence and the like. In FY2024, we will engage in dialogue with local communities along our supply chain.	<ul style="list-style-type: none"> <li>• Number of community dialogues held: Launched in FY2024</li> </ul>

Stakeholders	Issues	Initiatives	Related Indicators
<b>Customers</b>	Improving Accessibility	Based on the JAL Group Accessibility Service Policy, we are working to create enjoyment and enrichment through travel by providing all customers with stress-free travel and a variety of travel options. In FY2023, we introduced measures under four pillars, namely employee education, environmental improvements, transmitting information and assessable tourism including a low counter at airports for customers in wheelchairs. In FY2024 we will continue to implement initiatives based on the four pillars, with a particular focus on environmental improvement such as development of airline infrastructure.	Percentage of passengers with mobility barriers: 0.81 percent
	Prevention of Human Trafficking	We regard unintentional involvement in human trafficking by air transportation as a particularly important human rights issue. In FY2023, we conducted education related to respect for human rights, including content related to prevention of human trafficking, for all employees. In addition, as an initiative with external stakeholders, we invited Japan Airport Terminal Co., Ltd. and the Tokyo Legal Affairs Bureau to hold a panel discussion on the prevention of human trafficking, introducing each other's initiatives and discussing ideas for preventing future cases of human trafficking. In FY2024, we will continue to educate all employees on the prevention of human trafficking and increase the number of external stakeholders with whom we collaborate to further promote our efforts.	Attendance rate for education related to respect for human rights: 75.5
	Prevention of Human Rights Violations by External Transmissions	We will maintain a system to confirm that there will be no unintentional violations in human rights in advertising, promotions and the like. In FY2023, we strengthened the system to ensure that the departments in charge of human rights are confirmed effectively. We also included this information in the training program on respect for human rights to raise employee awareness of human rights. In FY2024, we will continue to make similar efforts to prevent human rights violations through outside communications.	Rate of participation in education related to respect for human rights: 75.5
<b>Employees</b>	Prevention of Harassment	We have established Regulations on Prevention of Harassment in the Workplace, which clearly prohibits harassment based on a detailed definition of harassment, and clearly states that any violation will be subject to disciplinary action. In addition to the consultation service for harassment, we are striving to maintain a healthy work environment free from harassment by establishing a consultation service for general compliance issues and a sexual harassment consultation service exclusively for cabin attendants. In FY2023, other than the employee training program, we patrolled our Group companies to confirm that they were complying to our regulations. In FY2024, we will formulate the JAL Group Basic Policy on Customer Harassment to educate all employees.	Number of Code of Conduct violations: 13 cases
	Prevention of Long Working Hours	We are striving to prevent long working hours by creating a system that supports flexible workstyles and an environment that makes it easy for employees to take leave. In FY2023, we followed up with departments that had issues with labor time management, and worked to raise awareness through employee education. In FY2024, we will continue our efforts to shorten working hours.	Total actual working hours: 1,876 hours/person Percentage of employees who work long hours: 3.57 percent Percentage of annual leave taken: 84.5 percent Average monthly hours of overtime and holiday work: 9.7 hours
	Fair and equitable recruitment, hiring and promotion	We aim to be a company where everyone can thrive regardless of gender, age, nationality, race, ethnicity, religion, social status, disability, sexual orientation, gender identity, or company of origin. With regard to diversity, in FY2023, the proportion of female managers increased to 29.8 percent, and we expanded the active role of employees with disabilities and promoted their employment throughout the Group. In FY2024, we will endeavor to promote activities by our diversified employees.	Proportion of female managers: 29.8 percent Percentage of employees with disabilities: 2.90 percent
	Prevention of Discrimination	We are nurturing human resources that that respect diverse culture and values and can create new benefits and qualities. In FY2023, we formulated rules on employment support for employees under the specified skill system, which is expected to increase in the future, and conducted onsite audits, including interviews with the employees concerned, based on the said rules. In FY2024, we will continue our efforts to prevent cases of human rights violations to non-Japanese employees. We will actively participate in LGBTQ-related events in various regions to promote understanding of LGBTQ issues.	 Percentage of audits conducted on group companies employing specified skilled non-Japanese: 25 percent
	Prevent Disclosure of Personal Information	To raise employees' awareness of information security, we provide information security education for all employees and training on standard phishing attempts. In FY2023, in addition to these efforts, we are conducting information security drills by inventorying unnecessary IDs. In FY2024, in addition to the same efforts, we will acquire and promote international standards for information security within the Group to prevent the leakage of personal information of customers and employees.	Number of incidents: 0 cases