

JAL REPORT

2024

JAL Group Integrated Report
March 2024



JAL Group Integrated Report
JAL REPORT 2024

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The JAL Group established a Medium-Term Management Plan FY2021-2025 to realize its Corporate Policy, Purpose, and JAL Vision 2030. Its Corporate Policy is their goal and foundation for a universal management and Purpose is their ideal state of being.

Medium-Term Management Plan FY2021-2025 is reviewed yearly as a rolling plan. This plan is realized by creating social and economic values through our businesses, while making use of our strengths in our human resources, customers, and financial base, as well as our Safety Charter and JAL Philosophy, our universal values, and our divisional profitability management system and strong governance.



JAL Group Corporate Policy		THE JAL GROUP WILL: Pursue the material and intellectual growth of all our employees; Deliver unparalleled service to our customers; and increase corporate value and contribute to the betterment of society.	
	Purpose	To become the world's most preferred and valued airline group, by helping to create a vibrant society and a future where many people and goods freely move around.	
	Vision	JAL Vision 2030	<div><div>Safety and Peace of Mind</div><div>Build a society where everyone can live safely, securely and with a peace of mind</div></div> <div><div>Sustainability</div><div>Build a better future where everyone can feel fulfilled and hopeful</div></div>
	Management Strategy	Medium-Term Management Plan FY2021-2025	↗ p. 27
	Strengths	•Human Resource Infrastructure ↗ p. 67	•Customer Base ↗ p. 34
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Editorial Policy

The JAL Group publishes *JAL REPORT 2024* to inform stakeholders about the outcome of its business activities in the previous financial year, its strategies for the future, and to provide an understanding of the Group's pursuit of social and economic values, and sustainable growth. This report has been collated from a wide range of both financial and nonfinancial information that the JAL Group has deemed to be of particular importance to Group management, all of which is made available on the JAL website.

Reporting Period

Principally from April 2023 - March 2024 (FY2023)

Report Scope

The JAL Group 189 companies including Japan Airlines Co., Ltd. 134 subsidiaries and 54 affiliates

Month of Issue

August 2024

Reference Guidelines

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

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Frontline and Management,
Our Two Perspectives to Achieve
the Highest Corporate Value with
the Best Teamwork Ever

TOTTORI Mitsuko
President and Representative Director
Group CEO



Decided to Apply My Unique Capabilities as President

From April 2024, I, TOTTORI Mitsuko, was appointed as the new president and Group CEO.

I spent most of my career in the Cabin Attendants Division, and served as an executive officer and senior vice president of Cabin Attendants Division since 2020 and as senior vice president of Customer Experience Division since 2023. When I was asked to become president, this caused quite a dilemma for me. It was the most challenging question to answer as I wondered if I would be able to handle such a large crucial role. Finally, I decided to accept the position because of my strong beliefs and sentiments I held in my life. My outlook is that the frontline and management must be near-at-hand. Being close to our customers, I learned a great deal from them as I had first-hand experience in the change of their values. If the Group could reflect these changes of values and senses into our management, we could reach out to more customers, which would lead to further growth.

Although I'm not necessarily a type of person showing a strong leadership, I always believed in being fair and impartial as quoted in our JAL Philosophy. After managing 8,000 cabin attendants, I learned to make clear decisions in a fair and just manner, and to build a team where everyone would believe and cooperate with me.

Since the COVID-19 pandemic, the value of our customers is more diverse. The speed of change has accelerated. Management issues that need to be resolved are becoming more complex and must be overcome with a variety of skills. Having spent a long time in the frontline and having management experience, I gradually become convinced that there was something I could do as being president. Thus, I decided to accept this position. It is a curious thing that as soon as I said, "Yes" I became quite determined to take on this role. My mission is to connect the frontline with top management and create the best possible teamwork.

Leading the Way to Safety

The JAL Group Safety Charter states that "Safety: The protection of lives" and the JAL Philosophy states that "our job is to take care of

precious lives." The starting point of my safety mindset is "to unquestionably protect valuable lives," It is based on the accident that occurred on August 12, 1985, when JL123 crashed into a ridge in Mount Osutaka. I was a novice cabin attendant, and the shock I received still deeply resonates in my mind. I felt that my work was connected to the lives of our customers, a feeling that cannot be expressed from book learning. I have climbed Mount Osutaka many times, and every time I meet a bereaved family member, who becomes elderly or has reached adulthood, I feel a strong sense of closeness in my heart. Accidents not only take the lives of our customers, but it also changes the lives of their families. This is something that should never be spoken of lightly, and it has built up a strong sense of safety in my heart.

On January 2 of this year, a tragic accident occurred at Haneda Airport when JL516 collided with a Japan Coast Guard aircraft. All 379 passengers and crew on board were able to escape, thanks to the cooperation of our passengers. It reminded us of the lessons learned from past accidents and the importance of daily training. We regret receiving an administrative guidance from the Ministry of Land, Infrastructure, Transport and Tourism in May, following a series of unsafety events. We take this matter very seriously. We promise to apply the lessons learnt from the JL516 accident and the series of events to our safety operations.

As a person who recalls the past, I strongly believe that I will take the lead in passing on the value of life to the next generation and spreading awareness and actions for flight safety to every corner of the organization. To this end, it is important for all employees to be aware that their work is linked to safety, and for top management to never underestimate the problem. The frontline always tries its best to take on the job at hand, but even events that at first glance seem unrelated to safety may become strained resulting in a major problem. Therefore, those of us in charge of management are required to sharpen our sensitivity to the slightest changes in the frontline and take all possible measures. To this end, we will continue to bring the frontline and management closer together, build a relationship in which information does not stagnate, and make safety a reality.

Please refer to p.23 for details on Measures to Prevent Recurrence in light of the Administrative Guidance.

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Creating New Value with a “Customer-in” Mindset

Before appointed as the president, I worked mainly in the Cabin Attendants Division and the Customer Experience Division, where I was able to listen to customer feedback, complaints, and sometimes praise. During the process, I now reflect that although I was supposed to be pursuing “the value sought by customers,” my focus had unwittingly turned to creating and communicating from a “product-out” perspective on the provider side. Before I knew it, I was making things that were difficult for customers to understand and use. For example, it is important for all employees, not just those in the development department, to take the customer’s point of view when developing our website, but I feel that we have yet to do so.

JAL has been searching for “what the core values are that only we can provide.” Through the unprecedented crisis of the COVID-19 pandemic and experiencing a series of natural disasters, we appreciate the importance of peace of mind. In addition to refining each of our services, we have come to realize that we want our customers to always feel comfortable and at ease with JAL. We want to become a “lifelong partner” in a wide range of areas.

To this end, it is necessary for each and every employee to not only update their own values and ways of thinking but to become closer to the values of our diverse customers, in other words, to the roots of their sense of delight and peace of mind. At times, it may be necessary to take a bold challenge for them to say, “I am amazed that JAL offers this service.” I would like employees to see the world, be more receptive, and find keys and hints. Top management should also evaluate and judge such challenges from the customer’s perspective. Whether a company has a “customer-in” attitude can be immediately sensed by the customers. The new international aircraft, Airbus A350-1000, introduced in January of this year, has been well received by our customers with new functions and services throughout the aircraft. A virtuous cycle is created where “customer delight = employee delight” and that delight becomes the driving force for the next challenge. Through our “customer-in” service, we will create new customer experience values by combining the “value sought by customers” with “value that only JAL can provide.”

Promoting Business Structure Reform, Aiming for Highest Profits Aimed at 2030

Under the Medium-Term Management Plan through FY2025, the JAL Group is promoting business structure reforms to achieve a risk-tolerant profit structure, based in part on its experience with the COVID-19 pandemic. In FY2023, air travel demand recovered better than expected and international flights drove the Group’s overall performance. We were able to achieve higher profits than in FY2019, before the COVID-19 pandemic. While we expect demand to continue to grow, we also expanded our non-air transport revenues to achieve balanced growth. As for our target profit, we plan to achieve EBIT*1 of 200 billion yen in FY2025, and around 2030, we aim to achieve EBIT of 300 billion yen, which would be our record-high profit. In addition to our core business of full-service carrier (FSC) and Cargo and Mail operations, our new LCC and Mileage, Lifestyle and Infrastructure Businesses are expected to have a profit composition of approximately 60:40 in FY2025, however, we aim to balance this profit composition to approximately 50:50 by around 2030, achieving a higher degree of stability.

In order to achieve this goal, our first growth strategy in the airline business is to expand international flights, including LCCs. We will introduce the Airbus A350-900 and Boeing 787-9 to replace the medium-sized Boeing 767, increase the number of aircraft and seat capacity to capture the strong demand that is expected in the future. Through these measures, we will expand the scale of our international operations to 1.4 times the current level by 2030. For domestic routes, we will introduce the latest small aircraft, such as the Airbus A321neo and Boeing 737 MAX, to improve comfort and convenience and aim at achieving high profitability. In our non-airline business, we will focus on solving social issues, especially regional revitalization, and expand the flow of people, commodities and logistics through various approaches. As an example, we will enhance new tourism that leads to new flow of people and logistics in the region, sales of distinctive regional products, air mobility as a new regional transportation system, ground



Please refer to p.30 for details on Medium- to Long-Term Management Strategies.

handling that supports the attraction of non-Japanese visitors to the region, and domestic logistics business that supports the distribution of local perishable goods. And by linking these services by mileage and fostering a wide and long relationship with our customers, we will continue to grow by expanding new air transport demand and air transportation of people and goods, especially in Japan.

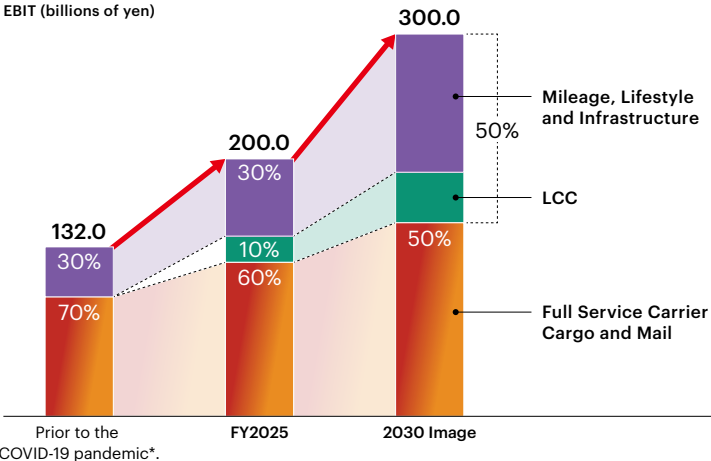
Regarding shareholder returns, we resumed dividend payments in FY2022 and will restore the dividend payout ratio to approximately 35 percent in FY2024. Going forward, we aim to increase dividends through sustained growth in profit levels, while striving for further shareholder returns in the medium to long term, based on our financial strength and capital reserves.

*1 EBIT: Earnings Before Interest and Taxes / Earnings before financial and corporate income taxes (EBIT is the income before income taxes less financial income and expenses such as interest)

Promoting GX*2 as a Prerequisite for Future Aviation

The JAL Group positions ESG strategies as the topmost strategy for enhancing corporate value toward the realization of the JAL Vision 2030, which aims to enhance a society that is safe with peace of mind,

Business Structure Reform and Profit Growth



*Assumed figures excluding the impact of the COVID-19 pandemic from FY2019 results

create a sustainable future. The Group has identified GX, creating relationships and societal connections, and human capital management as three themes to be addressed over the medium to long term.

GX is one of the most important initiatives to achieve net zero emissions by 2050, and we must promptly implement solutions. First, in order to reduce fuel consumption, we are introducing fuel-efficient aircraft and devising ways to improve our daily operations. With the introduction of the new aircraft, I mentioned earlier, we expect the percentage of state-of-the-art fuel-efficient aircraft in our fleet to reach more than 75 percent by 2030.

Another major item is the promotion of SAF*3 utilization. While air transport demand is increasing, it is essential to expand the supply of SAF, especially domestically produced SAF, in order to make air transport sustainable. We must discuss and cooperate not only with the aviation industry, which is the buyer, but also with the national government, the oil industry, and various industries to realize stable supply and stable procurement of domestically produced SAF. I will take on dialogue with our stakeholders and strengthen our partnership with the attitude of “What can the JAL Group do?”

However, it will take more time for these efforts to bear fruit.

Market Environments and Direction of Strategy

	Overseas Markets	Domestic Markets
Society & Economy	Expansion and stable growth	Maturity and gentle growth
JAL Strategy	Driving growth by expanding of international flights by both FSC and LCC • Increasing the number of aircraft and increasing the size of aircraft will increase supply and capture strong demand. ➡ Increase business scale by 1.4 times	Creating flows of people, commodities and logistics through non-air transport businesses • Improve comfort and profitability with the latest small aircraft • Establish new forms of travel, transportation infrastructure, product sales, and distribution in the region

Please refer to p.49 for details on Strategies for Each Business.

Please refer to p.26 for details on Overview of Management Strategy.

Therefore, we will vigorously promote GX by incorporating items that will have an immediate impact, such as the use of emissions trading and investment in companies with new technologies to remove CO₂.

*2 GX: Green Transformation
*3 SAF: Sustainable Aviation Fuel

Creating a Cycle of Economic and Social Value with Relationships and Societal Connections through Air Transportation

The population of Japan is declining, and the challenges are gradually becoming apparent in terms of both demand and supply. The creation of relationships and societal connections is one of the answers that was brought forth after reconsidering and questioning the social significance of the JAL Group during the COVID-19 pandemic when the movement of people came to a standstill and all air transportation services could not be provided. The JAL Group generates economic value in the form of sales and profits as compensation for services related to the transportation of people and goods. At the same time, the relationships and societal connections between people, land, and goods that transportation brings about also bring about social value. Meeting people brings nostalgia to some, new knowledge and sensitivity for others, and life-changing opportunities for others - in other words, the creation of relationships and societal connections leads to well-being, such as physical and mental enrichment and happiness. In addition, the expansion of flow of people, commodities, and logistics to and from the region can contribute to

solving corporate citizenship activities such as regional revitalization and the development of the tourism industry. In this way, the air transportation of people and goods and relationships and societal connections interact to create a cycle of economic and social value.

I want our employees, as well as with our many stakeholders in Japan and overseas, to understand that the JAL Group provides such value to people around the world and that we play an important role in this important infrastructure. This time, we have focused on the nonresidential population to create indicators for relationships and societal connections in the Medium-Term Management Plan. It not only demonstrates our strong will to create social value, but also serves as a message to all employees to work as a unified group to achieve this goal.

Creating a System that Enables Diverse Human Resources to Demonstrate their Abilities

Our employees drive GX and create relationships and connections. On the other hand, with the declining birthrate, aging and shrinking population, we are constantly challenged to make the aviation industry more attractive to the human resources who will be responsible for the future, and to carefully nurture them. With this sense of management, we are promoting human capital management by setting four themes: expanding the field of success, increasing diversity, developing capabilities, and gaining knowledge.

As a gateway to this, we will maximize the use of DX so that the

Please refer to p.91 for details on Promoting Domestic SAF.

Please refer to p.31 for details on Creation of Social and Economic Value through the creation of Relationships and Societal Connections.



same output can be produced by fewer people. The premise is that by using AI and other new technologies to increase productivity, we will spend more time reviewing current work and challenging ourselves to create new value with customer-innovation.

Among the four themes of human capital management, I place particular emphasis on the theme of developing capabilities. Through the COVID-19 pandemic, I was reminded of the importance of evaluating my abilities and work objectively. At that time, many cabin attendants were transferred out of the Group due to a significant reduction in opportunities to work on flights due to flight reductions, but I was able to see new possibilities for our employees, saying “I can do this!” and this gave them a chance to discover new possibilities. This led to the return of these employees to their workplaces, and the idea of “Why don’t I apply the experience and abilities I gained during my secondment to cabin attendant work?” not only led to improved services and the development of new products and services, but also to greater cooperation between departments and employees. From this experience, which shows that an objective viewpoint can enhance value creation, we have set “the number of employees seconded or dispatched to companies and organizations inside and outside the Group, domestically and internationally” as one of the indicators of human capital management. I hope that young people will take advantage of such opportunities and grow significantly.

It is also important to increase diversity. As we expand our business from the traditional aviation domain to new domains, it is important to build a business model based on ideas that are not bound by traditions and assumptions, and to refine it from diverse perspectives. To this end, we will promote diversity equity and inclusion (DEI) and create a work environment in which each employee has diverse skills and values in addition to diverse attributes, such as gender, nationality, age, and disabilities, who can play an active role to their fullest extent.

We will provide our employees with opportunities to take on new challenges, reward them for their achievements, increase their engagement and imagination of value, and attract motivated human resources. We will continue to create a system and culture in which the Group and its human resources grow together as one.

We want to be a Company that Exceeds Stakeholder Expectations

However, in order to achieve our medium- to long-term growth with our sights set on 2030, we must not simply wait for the recovery to begin, but we must also take bold measures to change the trend ourselves. I believe that the key to success lies in the degree to which the JAL Group can be close to its stakeholders, including customers, business partners, local communities, shareholders, and employees, with whom it interacts on a daily basis. If we listen carefully to their voices, we will surely discover their latest needs. We want to be a company that solves social issues and creates new markets by responding to the needs of our stakeholders. We want to be a company that people expect “JAL will do it,” and we want to be a company that greatly exceeds those expectations.

Recently, young employees have taken the lead in creating the JAL FUTURE MAP, which envisions the future from the perspective of the relationship between the JAL Group and society. I fully support their ideas, and with the free thinking of all employees as the engine, we will surely realize a heartwarming society and future in which many people and goods move freely. Please look forward to the future of the JAL Group.

Please refer to p.67 for details on Maximizing the Value of Human Capital.

Please refer to p.9 for JAL FUTURE MAP.



JAL FUTURE MAP

The JAL Group has positioned ESG strategies as the topmost strategy in its Medium-Term Management Plan-Rolling Plan, which presents a value creation story of creating both social and economic value and enhancing corporate value through the creation of “relationships and societal connections through air transportation.”

In August 2024, we released the JAL FUTURE MAP, which depicts a vision of the future, with the aim of promoting understanding of our efforts and activities among various people inside and outside the company toward the creation of relationships and societal connections set forth in our ESG strategy. Employees from various backgrounds participated in

the creation of this map, which depicts a number of future ideas created by relationships and societal connections, and examples of how JAL and society will interact in the future. The ideas depicted in this map and the free thinking of all employees will be used as an engine to work with our customers and communities to realize a sustainable future.



 Special Web site: <https://www.jal.com/en/futuremap/>

 **Concept Movie:** <https://youtu.be/NP944-lAmOU>

1

Significance of the JAL Group

What We Want to Convey in This Chapter

- The JAL Group's business model for creating value by leveraging the strengths cultivated since the company's founding - Value Creation Process Diagram
- JAL Group's Material Issues - Materiality
- Values that the JAL Group holds dear



Photography by ABIKO Sachie

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The Trails of Challenges

11

Since its birth in 1951 as Japan's first postwar airline, the JAL Group has constantly kept abreast of the changing times and has continued to accumulate technology and innovation.

We will continue to leverage the strengths we have developed since our founding to achieve our Purpose.



DC 6B aircraft

1951 Establishment

1950s

Established first airlines in Japan
In the midst of postwar reconstruction, a new wing of Japan creates new connections with the world.

- Human Capital** 1951 Joined the first class of "stewardesses"
- Human Capital** 1954 Two Japanese become the first certified captains.
- FSC** 1954 Introduced scheduled international flights for the first time since the end of World War II



Crew members of the first international flight

1970s

Entering the era of full-scale mass transportation.
Introduced jumbo jets early on, supporting the popularization of overseas travel and international exchange.

- FSC** 1970 Introduced Boeing 747 jumbo jet
- Cargo** 1972 Transported giant pandas from China



1990s

With environmental issues becoming a social issue, the JAL Group began full-scale resolution of these issues through its business as a company that supports air transportation and societal connections.

- Natural Capital** 1991 Launched Atmospheric Observations by Airliner project
- Mileage, Life and Infrastructure** 1993 Introduced the Frequent Flyer Program for international flights
- Human Capital** 1995 Introduced the first female JCAB Aircraft Maintenance Engineer Class 1



1960s

The era of jet aircraft.
JAL pushes to build societal connections between Japan and the rest of the world by launching package tours and round-the-world routes.

- Mileage, Life and Infrastructure** 1965 JALPAK begins sales, making the longed-for overseas travel more accessible.
- FSC** 1967 Round-the-world route opened, becoming Japan's Wings Linking the World



JALPAK first group of overseas package tours

1980s

Achieved the world's No. 1 position in scheduled international flight results.
After full privatization, the new JAL provides safe and reliable transportation.

- Mileage, Life and Infrastructure** 1982 Issued JAL Card
- FSC** 1983 World's best passenger and cargo flight results according to the statistics of the International Air Transport Association (IATA) (World's best for five consecutive years until 1987)
- Cargo** 1987 Full privatization



Round-the-world Route 1



Boeing777 aircraft

2000s

The JAL/JAS management integration further improved customer convenience and competitiveness. Joined oneworld membership

- Intellectual Capital** 2002 Introduced automatic check-in machines for international flights departing from Japan
- FSC** 2004 Introduced Class J, a new class for domestic flights
- FSC** 2007 Joined **oneworld** airline alliance, one of the world's largest airline alliances.



New type of automatic check-in machine

2010s

The JAL Group established a new Corporate Policy and renewed its foundation for value creation in the wake of its business failure. In addition, the birth of LCCs created an unprecedented flow of people.

- Human Capital** 2010 Filed for corporate reorganization proceedings
- Human Capital** 2010 Introduced JAL's first female captain
- Human Capital** 2011 Established a new Corporate Policy and JAL Philosophy
- LCC** 2011 Establishment of Jetstar Japan as a joint venture with Qantas Airways Group, etc
- LCC** 2012 Re-listed on the Tokyo Stock Exchange
- LCC** 2019 Launched ZIPAIR, an international medium-haul LCC airline
- 2019 Revised the Safety Charter and established a new Code of Conduct



Re-listed on the Tokyo Stock Exchange

Contributing to the Movement of People and Goods



Contributing to the Societal Connections of People and Goods

Becomes the World's Most Preferred and Valued Airline Group

2000

2010

2020

2020s

Established JAL Vision 2030. ESG strategy is positioned as the topmost strategy in the management plan, creating social and economic value through air transportation and societal connections.

- LCC** 2021 Established JAL Vision 2030
- LCC** 2021 Acquired SPRING JAPAN to launch JAL's LCC strategy based in Narita
- LCC** 2022 Issued the first transition bond in airline industry
- Natural Capital** 2022 Operated the first flight in Japan with net zero CO₂ emissions on the Tokyo-Okinawa route
- 2024 Selected as SX Brand



ZIPAIR



Sustainable Charter Flight



Airbus A350-900 aircraft

Contributing to
the Movement of
People and Goods

Connecting Air Transportation
of People and Goods to
New Air Travel demand

Full Service Carrier (FSC)

Maintain and expand networks while reducing environmental impact by introducing fuel-efficient aircraft, and stimulate interacting community



JAPAN AIRLINES

J-AIR

JAPAN AIR COMMUTER

HOKKAIDO AIR SYSTEM

JAPAN TRANSOCEAN AIR

RYUKYU AIR COMMUTER

Business

- Air transport services connecting the world and Japan, cities and regions

Number of airports served

Domestic: 64 locations
International: 384 locations

Revenue Passenger Kilometers (RPK)

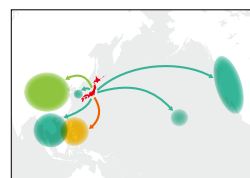
Domestic: 26,771,128 thousand persons/kilometer
International: 37,201,808 thousand persons/kilometer

Number of airline partnerships

38 companies
(Total of domestic and international airlines)

Low Cost Carriers (LCC)

Creating New Flows of People through Agile Business Development in Response to the Market



ZIPAIR

SPRING JAPAN

Jetstar

Business

- Air transport services connecting the West Coast of North America and Asia (ZIPAIR)
- Air transport services connecting Japan and China (SPRING JAPAN)
- Air transport services connecting Japan and Asia (Jetstar Japan)

Number of routes

Number of routes served
15 routes

*Excluding Jetstar Japan

Cargo and Mail

Responding to Customer Needs and Corporate Citizenship Activities as a High-quality Logistics Infrastructure that Meets the Needs of Society



JAL CARGO

Business

- Providing an optimal route network by combining our own passenger belly cargo space and freighters
- Corporate citizenship activities through the transport of high value-added cargo such as

pharmaceuticals and fresh products by establishing a global-standard transport system among Narita, Haneda, and Kansai Airports.

Revenue cargo tonne-km

Domestic: 282,974 thousand tonnes/kilometer
International: 2,515,410 thousand tonnes/kilometers

Contributing to
the Societal
Connections of
People and Goods



Developing New Businesses
that Expand Societal
Connections of
People and Goods

Mileage, Lifestyle, and Infrastructure

Creating Businesses that Connect People and Communities through the Development of Diverse Products and Services

Mileage / Finance & Commerce

Providing a Variety of Mileage Lifestyle Services that Create New Societal Connections



- Business**
- Provide mileage lifestyle services such as JAL Pay and JAL Mall
 - Planning and procurement of airport duty free and inflight sales
 - Developing services such as EC, FURUSATO (hometown) tax payment

Number of JMB members (cumulative)
Approximately 38 million people
JALUX revenue
32 billion yen

Ground Handling

Create Inbound Flow of People through the Acceptance of Foreign Airlines, Contributing to the Development and Revitalization of the Country and Region



- Business**
- Ground handling of foreign airfreight on consignment
 - Contracted maintenance of engines and landing gear, among others
 - Support for expansion of inbound demand in cooperation with the national government, local governments, and other companies, among others

Number of flights by overseas airlines
Passenger flights: 61,000 flights
Cargo: 5,000 flights

Air Mobility

Accelerate Efforts to Build a Logistics Model using Drones and to Commercialize eVTOL

MaaS

Building a Business Model for a Regional Transportation Network That Connects People, Regions, and Various Modes of Transportation

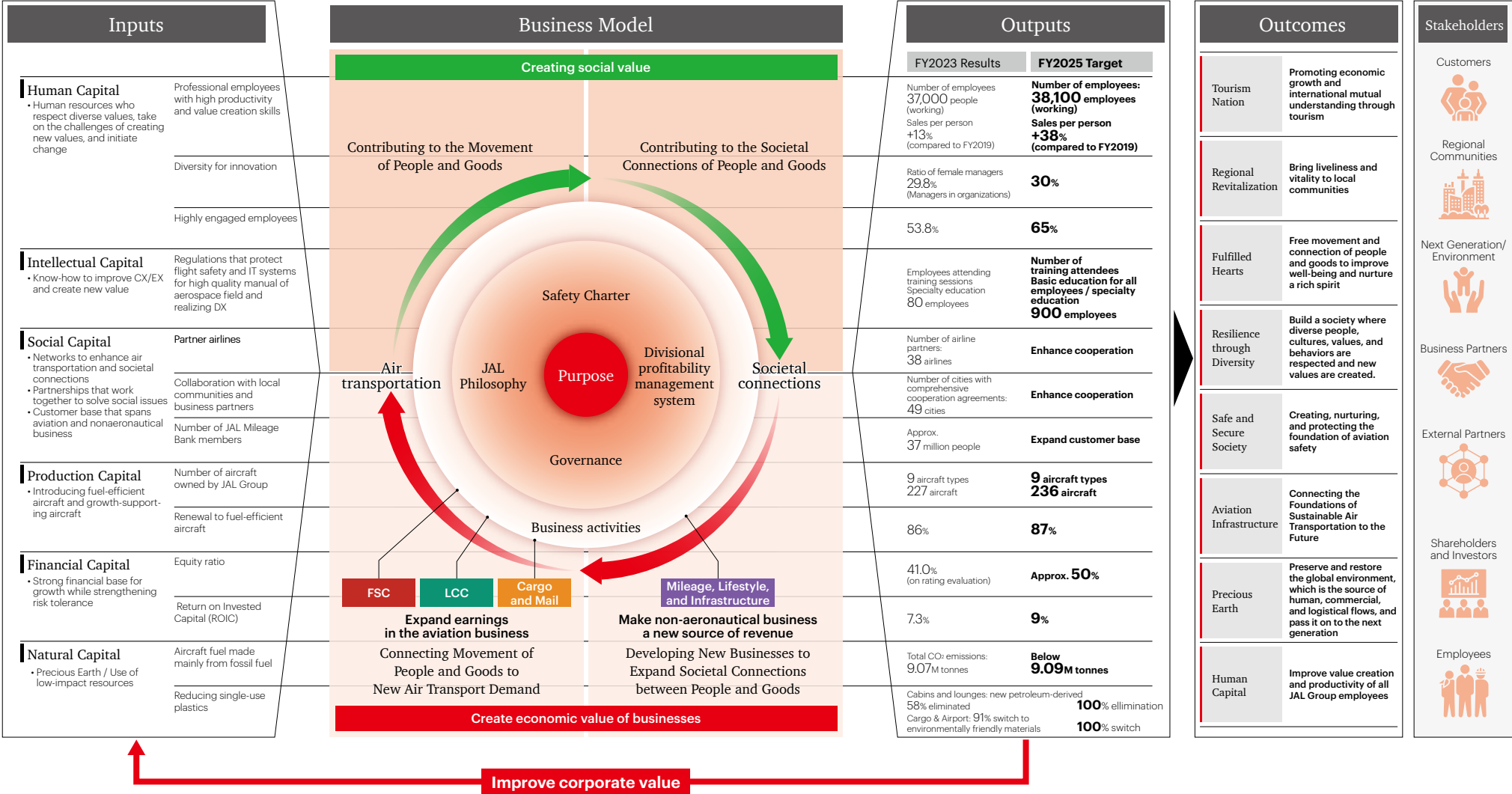


- Business**
- Preparations for commercialization of air mobility
 - Drone solution service
 - MaaS

- Commercialization of a logistics model for outlying islands that supports island life (Amami Setouchi Town)
- Simultaneous operation of 3 drones by a single remote operator.
- Establishment of eVTOL operating company.
- Development of "JAL MaaS" (a route search and digital ticket service)
- Expansion of last-mile services (Okinawa and Hawai'i)

Value Creation Process

Under the starting point of our Purpose, holding firmly on to the major premise of safe operations, the JAL Group will create relationships and societal connections through air transportation of people and goods in the domains of FSC, LCC, Cargo and Mail, and Mileage, Lifestyle and Infrastructure. With the social and economic values that were thus created, we will improve our corporate values and solve social issues with our stakeholders by promoting our measures through strengthening each capital and materiality.



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Materiality of the JAL Group’s Initiatives

The JAL Group has established eight materiality issues, which we will address through the social and economic value created by our business.
We aim to achieve medium- to long-term growth through these materiality initiatives.

Materiality		Awareness of Key Issues	Indicator of Social Values ----- Target for FY2025	Indicator of Economic Values ----- Target for FY2025
Tourism Nation	Promoting economic growth and international mutual understanding through tourism	Tourism, which has a large economic ripple effect, can revitalize local economies, increase employment opportunities, and promote international mutual understanding as people around the world discover and spread the charms of Japan. The JAL Group, which connects people, regions, and society, will play a role in realizing a tourism-oriented nation.	Regional Revitalization Domestic total passengers +10% v.s. FY2019 Management targets Inbound expansion Inbound tourists to Japan using domestic flights 1,505,000 people Expansion of regional product distribution Domestic cargo volume: +10% v.s. FY2019 Management targets Promotion of new tourism Number of JAL Wellness & Travel partnerships: 10 municipalities Promotion of research with outside parties Work style research members 200 organizations	Expansion of air travel and total passengers Domestic total passengers +10% v.s. FY2019 Management targets Inbound tourists to Japan using domestic flights 1,505,000 people Increase in transportation of local products Domestic cargo volume: +10% v.s. FY2019 Management targets Increase in contracted number of flights Number of contracted flights operated by customer airlines 107,000 flights Increase in the number of partnership municipalities related to travel Number of JAL Wellness & Travel partnerships: 10 municipalities Expansion of mile life service users Total number of Dokokani Mile users 810,000 people Creating flow of people through the development of subscription-type travel programs 250% v.s.FY2022
Regional Revitalization	Bringing prosperity and vitality to the community	In Japan, the declining birthrate, aging population, economic stagnation, and depopulation have become challenges for local communities. To solve these issues, the JAL Group will utilize its route network to contribute to the creation of sustainable corporate citizenship activities as a social infrastructure that connects people to people and cities to regions.		
Fulfilled Hearts	Enhancing happiness and cultivate an enriched life through free movement and connection of goods and people	The JAL Group is committed to improving people’s well-being and fostering corporate citizenship activities through transportation and the creation of connections.		
Resilience through Diversity	Building a diverse society in which people, cultures, values, and modes of behaviors are respected and new values are created	In building a resilient society, it is important to promote diversity throughout society. By creating opportunities for people to fly to actual places, feel with their five senses, and experience diverse values, we as an airline company will contribute to corporate citizenship activities to enhance diversity in society.	Respect for human rights Implementation ratio of human rights due diligence 100 percent Barrier-free and stress-free Boarding rate of customers who find it difficult to travel: 2.5 times v.s. FY2019	Expansion of air travel in total passengers Boarding rate of customers who find it difficult to travel: 2.5 times v.s. FY2019 results
Safe and Secure Society	Creating, developing, and protecting a safe infrastructure of the skies	To realize a safe and secure society with convenient mobility and lifestyle, we will realize comprehensive air mobility operations with safety and peace of mind as aviation professionals by combining the know-how, human skills, and customer base cultivated by the JAL Group to date with new technologies.	Building a foundation for next-generation air mobility FY2025: eVTOL commercialization	Commercialization of air mobility services FY2025: eVTOL commercialization
Aviation Infrastructure	Passing on the basis of sustainable air transport to the future	As an island nation surrounded by the sea on all four sides, aviation is an important part of Japan’s social infrastructure, and the JAL Group is grateful for its existence as a social infrastructure that handles transportation between the world, Japan, and the regions, and is committed to fulfilling its mission as a public transportation provider by providing a route network.	Maintenance and expansion of aviation and logistics networks More than 65 domestic entry points including code share	Expansion of total air passengers/travelers and cargo traffic Domestic total passengers +10% v.s. FY2019 Domestic cargo volume: +10% v.s. FY2019 Management targets
Precious Earth	Preserving and restoring the global environment, which serves as a source of people, sales and distribution channels, and to pass it on to the next generation	The environment must be safeguarded so that all living creatures may grow and live on this planet. The JAL Group sincerely accepts the fact that our air transport business impacts the environment significantly. To fulfill our responsibility of passing on our Precious Earth to the next generation, we will preserve the environment in every aspect.	Reduction of CO2 emissions Scope 1 emissions: less than 9.09 million tonnes (less than FY2019) Management targets Conservation of biodiversity 1,000 colonies of sexually reproducing corals (2026) Reduction of single-use plastics Management targets Cabins and lounges: No use of all new petroleum-derived plastics Cargo and airport: 100% switch to eco-friendly materials	Expansion of air travel in total passengers Domestic total passengers +10% v.s. FY2019 Management targets Expansion of commerce Strengthening planning and sales of recycled products in cooperation with companies outside the JAL Group 15 companies
Human Capital	Enhancing capacity for value creation and productivity of all JAL Group employees	The JAL Group aims to be a company where everyone can thrive and play an active role, because each employee, with his or her diverse values, can demonstrate his or her individuality and take on various challenges, which will lead to the creation of new value, the provision of the best possible service to customers, and corporate citizenship activities.	Improving the ability to create social value Percentage of highly engaged employees 64.4 percent Promotion of DEI Ratio of female managers 30 percent Management targets	Improving the ability to create economic value Sales per capita: +38% v.s FY2019 Promoting DEI Ratio of female managers 30 percent Management targets

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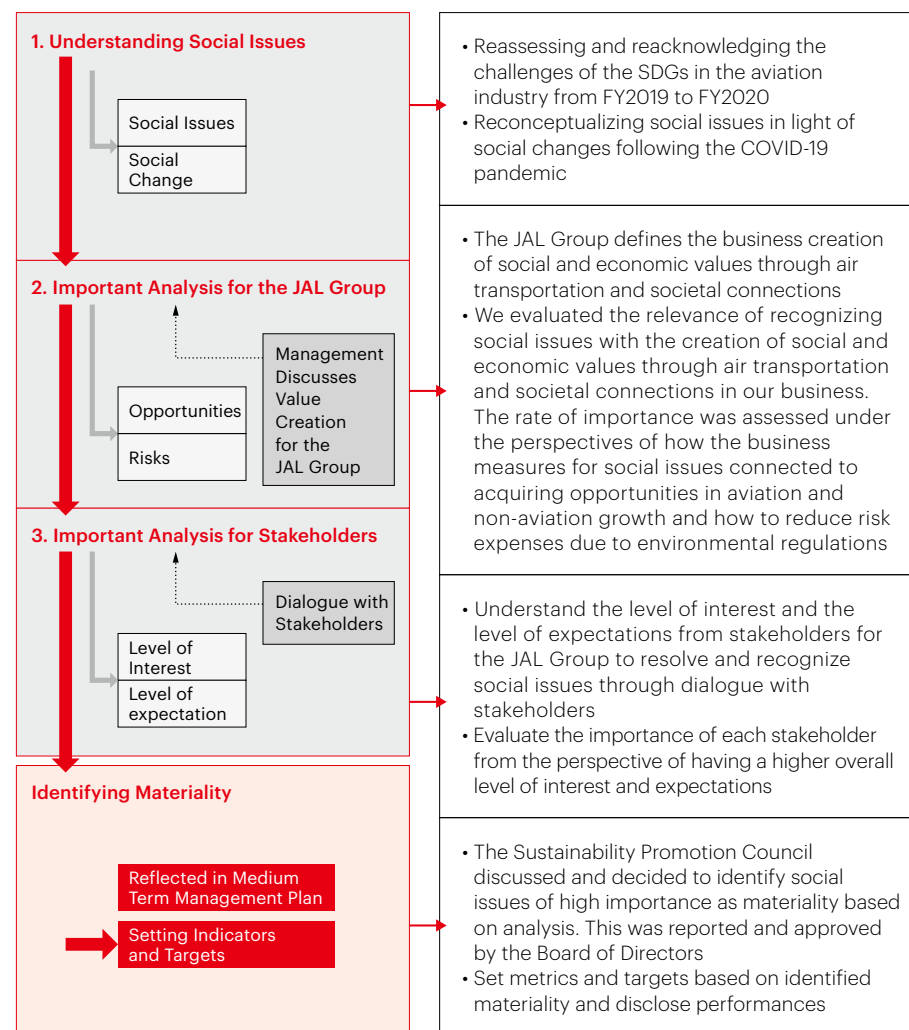
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Materiality Identification Process

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Starting from a comprehensive understanding of social issues, the JAL Group analyzes risks and opportunities from a sustainability perspective, and continuously reviews its materiality based on the opinions and expectations of external stakeholders. In 2023, the materiality was reorganized from the previous 17 Goals / 169 Targets of the SDGs, which were primarily addressed in the aviation business, to eight materialities that take into account new normal environmental changes and market changes. These eight materialities are more closely linked to the creation of economic value in all JAL Group business areas, not just aviation, and that take into account the impact of our business on society in terms of both risk and opportunity. Going forward, we will promote the penetration of the reorganized materiality within the company and realize value creation by promoting initiatives to address these materialities.



Materiality reorganization for 2023

Based on various domestic and international standards, industry targets, trends in the international community, and stakeholder expectations, we analyzed the degree of impact on society through our business potential (risk/opportunity) and on our company, its importance to management, and its importance to external stakeholders, and identified materialities. Based on the opinions of relevant ministries and agencies, academics and experts, NGOs, and other external experts, and after thorough discussions at the management level, the materialities were reported to the Board of Directors and reviewed in 2023.

Feedback from Outside Stakeholders

In order to further promote ESG management by keeping abreast of the latest social trends and incorporating the knowledge of experts into our strategies, we held a dialogue with Prof. KANIE Norichika, Professor at Keio University Graduate School and a leading expert in SDGs research, as part of the materiality review process. Prof. KANIE, one of the 15 experts who wrote the 2023 edition of the Global Sustainable Development Report (GSDR), which is compiled every four years by the United Nations, pointed out that when creating the SDGs, there was a discussion about the importance of achieving two well-being goals, the health of the Earth and the health of people, and as aviation is an indispensable social infrastructure it is important to realize safe, secure, and sustainable transportation. He also pointed out that flying to the area and actually feeling it through the five senses provides a valuable indication that the airline industry plays a great role in building a more resilient society and promoting diversity in society as a whole.



Toward Internal Penetration of Materiality

By providing opportunities for employees to think about why the JAL Group needs to address these issues in employee training programs such as New manager training and Airline Business Training, we are promoting the penetration of materiality and raising the awareness of each of us makes JAL what it is by making ESG "my own business". In addition, through the use of an internal portal and the monthly distribution of sustainability information to those who wish to receive it, we encourage employees to understand how their work is connected to social issues, and we also encourage them to think about how a single initiative can be linked not only to a specific materiality, but also to multiple materialities, as an example of JAL's unique approach to sustainability. We are striving to increase the number of initiatives that create social and economic value by sharing examples of initiatives that have a positive impact on society as initiatives that are unique to JAL.

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Governance of Sustainability

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At the JAL Group, materiality decisions and other important sustainability-related matters are discussed and decided by the Board of Directors after discussions at the Sustainability Promotion Council, which is composed of executive officers. Materiality is reflected in the Medium-Term Management Plan-Rolling Plan (MRP) for each fiscal year, and is reviewed both in the medium and long term. In addition, the need for a review of the materiality itself is also confirmed every fiscal year.

Overall Sustainability Governance

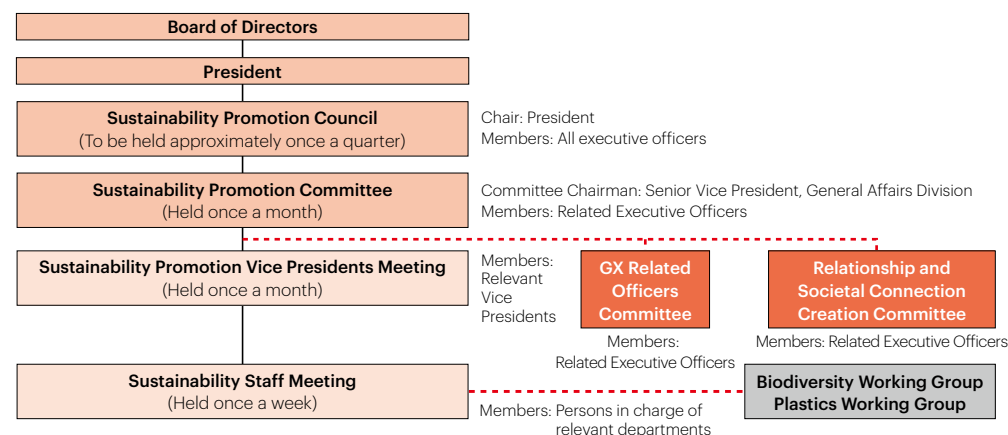
The JAL Group's Board of Directors deliberates and decides important matters related to sustainability. The Sustainability Promotion Council, chaired by the president, conducts a management review of the following items before discussing the issues to the Board of Directors.

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

The Sustainability Promotion Committee (chaired by senior vice president, General Affairs Division), a meeting body under the Sustainability Promotion Council, meets monthly to confirm and discuss the progress of initiatives.

In FY2023, the information disclosure of Task Force on Climate-related Financial Disclosures (TCFD) and Task Force on Nature-related Financial Disclosures (TNFD), DJSI assessment results and review, ESG assessment summary, reorganization of materiality, efforts to build relationships and societal connections through air transportation, and additions and revisions of goals were discussed and reported to the Board of Directors a total of four times.

Governance Structure



Reflecting Materiality in the Management Plan

In order to promote specific initiatives against materiality, we reflect them in our medium- and long-term management plans. For the period up to FY2025, we will focus on Precious Earth, Human Capital, and Regional Revitalization as the most important issues based on their importance to society and the JAL Group. We have set specific Key Performance Indicators (KPI) as management targets. In addition, for the longer term towards FY2030, we have decided to address materiality in the GX Strategy, Human Capital Management, and Building Relationships and Societal Connections, and have set indicators for each segment.

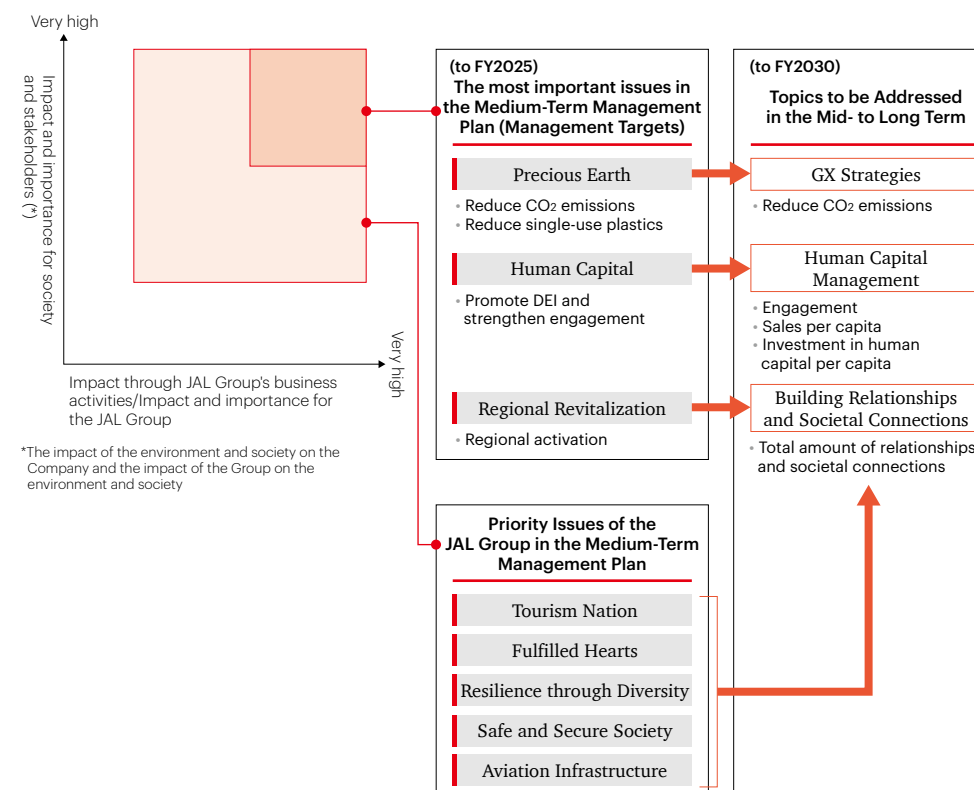


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The JAL Group's efforts regarding air transportation of people and goods and create relationships and societal connections provide a variety of value to all stakeholders, including customers, local communities, the next generation/environment, business partners, outside partners, shareholders/investors, and employees, through our efforts to address material issues, and bring about social change/effects (impact).

Materiality	Major Initiatives Implemented	Main related indicators FY23 Results	Change/effect (impact)
Tourism Nation	Customers <ul style="list-style-type: none">Improve customer satisfactionPromote boarding for customers who find it difficult to travel	<ul style="list-style-type: none">NPS Domestic +6.8 points International +3.3 points (v.s. start of FY2021)Ratio of such passengers onboard 0.81% (2.2 times v.s. FY2019)	<ul style="list-style-type: none">Creating movement and connectionsProviding safety and security
Regional Revitalization	Regional Communities <ul style="list-style-type: none">Increase local customer traffic and distribution of local productsExpand inbound travelMaintain and develop regional route network, including outlying island routes	<ul style="list-style-type: none">Volume growth rate Passenger FY2019 +2.0% Cargo FY2019 -15%Number of Inbound tourists to Japan using domestic flights 912,578 (FY2019 +211,338)Number of domestic entry points 65 destinations (FY2019 +3)	<ul style="list-style-type: none">Revitalizing the local economyCreating an interacting communityBuilding social infrastructure and networks
Fulfilled Hearts	Next Generation/Environment <ul style="list-style-type: none">Reduce total CO₂ emissionsReduce single-use plastics	<ul style="list-style-type: none">Total CO₂ emissions 9.07 million tonnes (FY19 -20,000 tonnes)Reduction ratio of new petroleum-derived single-use plastic items in in-house standard products used inflight and in lounges 58% (FY19 +55.5%)Conversion ratio of single-use plastics to eco-friendly materials in cargo and airports: 91%	<ul style="list-style-type: none">Conserving the environment
Resilience through Diversity	Business Partners <ul style="list-style-type: none">Supply chain managementRespect human rights of suppliers	<ul style="list-style-type: none">Confirmation ratio of integrity of critical suppliers (461 suppliers) 100% (FY19 +82 pt)Completion of human rights investigations of new key suppliers Selection completed	<ul style="list-style-type: none">Conserving the environment and biodiversityRespecting human rights
Safe and Secure Society	External Partners <ul style="list-style-type: none">Partnerships with other companies in the industryPartnerships with local governments and councils	<ul style="list-style-type: none">Number of partner airlines (Total of domestic and international) 38 airlinesNumber of cities with which we have comprehensive partnership agreements: 49 cities (FY19 +29)	<ul style="list-style-type: none">Strengthening of networks through cooperation with other companiesBuilding a cross-industry collaboration framework for the creation of social value
Aviation Infrastructure	Shareholders and Investors <ul style="list-style-type: none">Shareholder returnDialogue with investors	<ul style="list-style-type: none">Dividend payout ratio 34.3% (FY22 +2.6 points)Total number of meetings with domestic and foreign investors: 385 meetings	<ul style="list-style-type: none">Strengthening relationships with individual shareholders and investors through constructive dialogue
Precious Earth	Employees <ul style="list-style-type: none">Promote DEIInvest in human resources (education, productivity improvement)	<ul style="list-style-type: none">Ratio of female managers 29.8%Percentage of male employees taking childcare leave 80.5%Investment in human capital per capita FY19 +4.0%Sales per capita: FY19 +13.0%	<ul style="list-style-type: none">Returning benefits to employeesImproving employee engagementEnhancing capacity for value creation
Human Capital			

Please refer to Data Collection (p.122) for details.

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Safety Charter

Safety: The protection of lives.

This is the commitment and basic foundation of business continuity for the JAL Group.

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

To accomplish this, we will act according to the following principles.

- Stop immediately when safety concern arises.
- Comply with rules and strictly follow standard operating procedures.
- Always check and confirm; never rely on assumptions.
- Promptly communicate information without omission to ensure safety.
- Deal with problems quickly and appropriately without underestimation.

Basic Approach

Safety is a prerequisite for the existence of the JAL Group. It has been and will continue to be our mission.

The JAL Group has established the Safety Charter as the fundamental policy for safety under the Corporate Policy. The Safety Charter, based on the JAL Group Corporate Policy, expresses our determination and basic approach to flight safety, which is the fundamental premise of value creation as an airline company. Our actions are based on this commitment and basic approach.

The Safety Charter clearly states that “Safety: The protection of lives” so that everyone, from management to new employees, has a common understanding of safety. Safety is not a priority in comparison with timeliness, service or other factors but is unique to the JAL Group. It is the fundamental assumption of its existence.

All JAL Group employees, including top management, carry a Safety Charter Card that describes the Safety Charter.

Each and every employee performs their daily duties as flight safety professionals in conformance with this Charter.

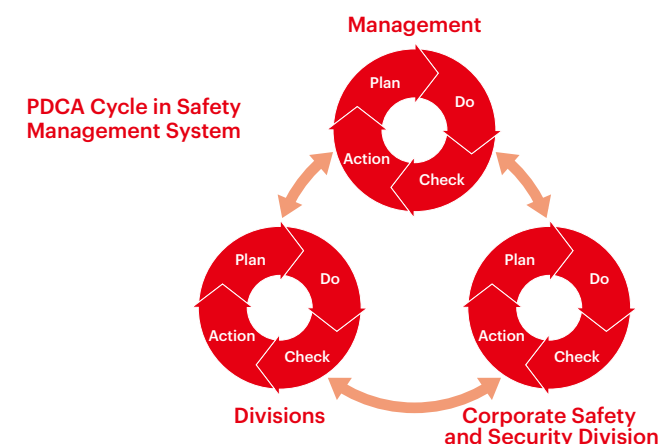
The JAL Group considers the systematic safety management system for maintaining and improving flight safety. Cultivating our safety culture, the foundation to function the safety management system, is being carried out by top management and all employees.

Based on the solid safety culture we have cultivated over the years, the JAL Group will develop and nurture each and every employee, who are the last Fortress of Safety. All our employees will work together to protect safety.

Safety Management System

The JAL Group's safety management system is a systematic framework that collectively defines the safety policy, organizational structure, division of responsibilities, and methods of managing safety-related risks, among others. In accordance with the Safety Charter, our fundamental safety policy, manage-

ment, the Corporate Safety and Security Division, and each division will execute their respective safety-related PDCA cycles. By organically linking these cycles, we will ensure that the overall safety management system functions and continues to improve.



Safety Management System

- The JAL Group has eight airlines, including Japan Airlines. To maintain an even and high level of safety throughout the Group, safety management is based on a common policy confirmed by the Group Safety Enhancement Council. In addition, the Group Operational Safety and Security Promotion Committee has been established as a subordinate meeting body of the Group Safety Enhancement Council to maintain and strengthen safety-related cooperation among JAL's divisions and group airlines.
- The President assumes final responsibility for safety.
- The chief safety officer (CSO), appointed by the President, has the responsibility and authority for the overall management of the safety management system and is involved in important management decisions such as safety measures and safety investments.

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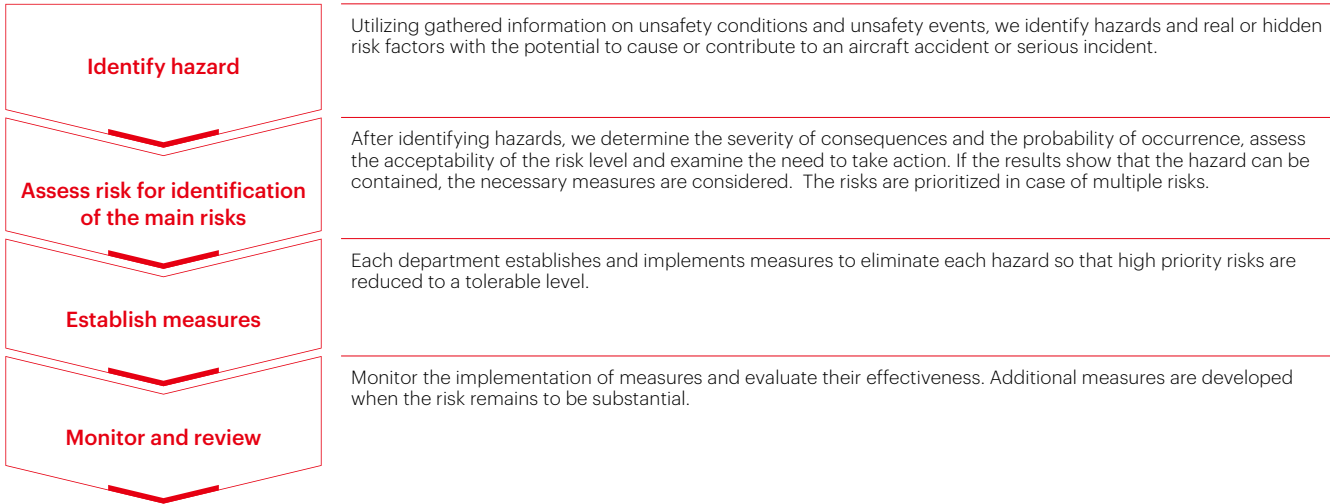
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Implementation of Safety Management

• Risk Management

- (1) In order to accurately assess the actual status of daily flight safety, it is essential to collect information pertaining to safety, including reports from employees. In addition to reports from each department and flight data analysis programs, we also collect a wide range of information, including information on crew fatigue risk and risk duty management programs related to alcohol, which is used to prevent the occurrence of unsafety incidents. Furthermore, important information is promptly disseminated to all employees through various media.
- (2) In formulating flight safety measures and promoting responses to accidents and events in flight safety, we implement risk management based on the following steps.

Steps in Risk Management



• Education, Training and Safety Awareness

- (1) Initiatives based on the Three Actuals Principle
By visiting the accident site (actual site), seeing the aircraft wreckage and remains (actual objects), and listening to the stories of those involved in the accident (actual people), we are educating our employees about the importance of safety by delving deep into their consciousness.
- (2) Safety training
All employees attend safety training annually with the aim of fostering an awareness that our business lies under the basic premise of safety. In addition, JAL Group-wide safety training is conducted for new employees, employees in their tenth year of employment, and newly appointed managers.
- (3) Training and Screening
To ensure a stable level of safety and quality, we provide training and assessment for flight crew, maintenance engineers, line maintenance, cabin attendants, and flight duty management.

• Internal Audits

Internal audits are implemented on a regular basis to voluntarily identify areas for improvement in the safety management system and to raise the level of safety.

• Management Review

The Group Safety Enhancement Council annually reviews its policies and plans as well as conducts regular and ongoing reviews to evaluate whether their safety management system is functioning effectively and make improvements when necessary.

• Management of change

A management changing process is set up to reduce and avoid risks beforehand. This process addresses risks arising from the expansion or contraction of organizations and changes of facilities, systems, processes and procedures that may have impact on safety.

• Third-Party Assessments

(a) Outside Audits

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



(b) Advice and Recommendations from the Safety Advisory Group

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



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Cultivating a Safety Culture

Safety culture is part of the organizational culture, the common safety awareness among everyone in the organization and maximizes the function of the safety management system (SMS).

For example, it is part of the safety culture as every employee and organization holds the common awareness to actively report even the slightest anomaly or signals that are seen as a potential threat to future safety, to which the organization responds. In the aviation industry, rules and procedures have been established to ensure flight safety, and education and training are provided to acquire the knowledge and skills necessary to carry out these rules and procedures. On the other hand, as the environment surrounding flight safety changes, there is always the possibility that existing rules and procedures alone will no longer be sufficient to deal with these situations. It is necessary to implement a culture that can detect the signals of

such unsafety conditions and address them as early as possible. The JAL Group is committed to fostering safety awareness and safety culture based on the second to third person perspective* and Three Actuals Principle as lessons learned throughout our history. Furthermore, to build on the safety awareness and safety culture we have cultivated and further strengthen the SMS functions, we have established four elements namely a just culture, a reporting culture, a flexible culture and a learning culture. In addition, we will further foster a safety culture by having all JAL Group employees act on our shared values, thereby strengthening the SMS.

*The second to third person perspective: In order for each and every employee of the JAL Group to think from the customer's perspective, we value the second to third person perspective, which combines the third person perspective of an aviation professional with the first person perspective (if I were onboard) and second person perspective (if my family were onboard). We are committed to the second to third person perspective, which combines the first and second person perspectives.

A Just Culture	A just culture is also known as a culture of trust. The JAL Group's Safety Management Manual stipulates that "all employees' safety decisions and acts are respected and tolerated, regardless of the outcome." This is based on the premise that employees act as safety professionals and contribute to the safety of operations with their knowledge, skills, and abilities. However, when a truly unacceptable behavior occurs, it will be dealt with strictly, and even in the case of an acceptable behavior, measures will be taken to restore, maintain, or improve safety. By ensuring transparency and consistency, employees can act with safety and peace of mind without fear of any disadvantages. The JAL Group considers this just culture to be a prerequisite for the other elements and promotes employee understanding.
A Reporting Culture	For proper safety management, it is essential to report unsafety hazards and all potential unsafe elements. We have implemented a voluntary reporting system, enabling employees to report even minor human errors. These reports are subsequently utilized in our preventative measures. As transparent and consistent responses are carried out based on this just culture, establishing an environment for reporting with confidence and encouraging employees to feel comfortable voicing their concerns.
A Flexible Culture	In order to ensure safety even in unforeseen circumstances, it is necessary to understand the purpose and background of established rules and regulations, and to accumulate knowledge of various response cases. We are working to ensure that all employees can always inquire why these procedures are implemented and to understand the real reason for the guidelines. We are also working to improve our decision-making process so that we can respond flexibly to changes in circumstances, such as reviewing staff assignments, increasing staff as necessary, and delegating authority.
A Learning Culture	The JAL Group aims to achieve sustainable growth and development by adapting to rapid environmental changes. In order to continuously improve safety, we are constantly implementing the best safety measures through an ongoing cycle of improvement. This includes regular reviews and updates of manuals, as well as the optimization of our organization, facilities, and business plans.

Comment

Safety Training for Cabin Attendants

Our instructors design safety training programs for cabin attendants in accordance with the relevant rules and regulations. We have established an effective training program that combines classroom lectures and practical skills so that all cabin attendants can maintain a high level of safety quality as safety professionals. The basic concept of safety operations to maintain safety quality is to "take care of the precious lives of our customers". To ensure that each cabin attendant acquires and maintains the skills to act independently based on this concept, training covers the curriculum, reflects frontline conditions, and provides individual feedback. I feel that being involved in such daily training plays a responsible role in enhancing the safety quality of cabin attendants.



NOGUCHI Emi
Safety Training Group, Inflight Education and Training Department

Fostering a Culture of Safety

In order to further foster the safety culture of the JAL Group, which has been nurtured over many years, in 2022, the Group clearly stated our policy on fostering a culture of safety in the Safety Management Manual. Furthermore, we have established a dedicated team consisting of members from the Safety Management departments from each Group company and production divisions. As a first step, we have implemented measures to create an environment in which employees can comfortably report their work. Our work is always connected to safety. We believe it is important for all JAL Group employees to understand the concept of safety culture and actively foster the concept. We will continue to examine how to promote and foster safety culture.



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Aviation Safety Research Department

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Restoring Trust in Safety Measures to Prevent Recurrence of a Series of Safety Events (FY2024)

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On May 27, 2024, the Ministry of Land, Infrastructure, Transport and Tourism issued an Administrative Warning for a series of safety events related to flight safety at the JAL Group. On June 11, we submitted measures to prevent recurrence.

Top management will take the lead in rebuilding the safety management system in unison with all employees. We will work to restore our trust in safety by ensuring that we will implement measures to prevent recurrence.

*In view of the importance of the content, this section contains content related to FY2024.

Background Leading to the Administrative Guidance from the Ministry of Land, Infrastructure, Transport and Tourism

Following the January 2, 2024 aircraft collision at Haneda Airport, the entire aviation industry has been promoting Emergency Measures to Ensure Flight Safety and Security as an urgent safety and security measure. Against this backdrop, a series of safety events occurred. In response, we received an Administrative Warning as administrative guidance in writing from the Ministry of Land, Infrastructure, Transport, and Tourism on May 27, particularly because the problems occurred consecutively in a short period of time. The JAL Group took this issuance seriously, formulated measures to prevent recurrence, and submitted them to the Ministry of Land, Infrastructure, Transport and Tourism on June 11.

With top management taking the lead and all employees working together, the JAL Group as a whole will work to review our safety management system and strive to regain the trust of society and our customers.

Series of Events

Contents (Location)	Date of Occurrence
Entered the runway without ATC instructions (Seattle)	November 5, 2023
Entered the runway without ATC instructions (San Diego)	February 6, 2024
Flight cancelled due to inappropriate behavior resulting from alcohol consumption (Dallas)	April 24, 2024
Entered the runway without ATC instructions (Fukuoka)	May 10, 2024
Contact with aircraft on a spot (Haneda)	May 23, 2024

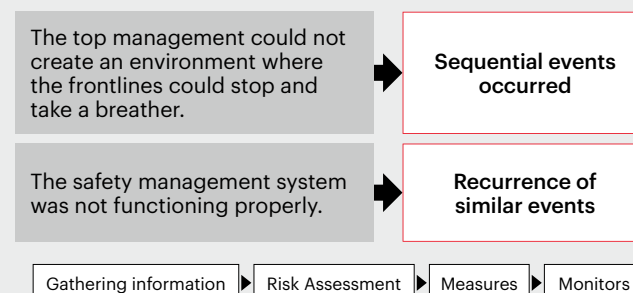
Factors and Preventive Measures

Based on the process of the safety management system, the JAL Group takes measures to investigate the cause and prevent recurrence each time an unsafety incident occurs. However, recently, in light of a series of consecutive safety events and the recurrence of similar events in the past, we analyzed these events and found two common factors in the background.

First, we recognized that one of the reasons for the consecutive incidents was the lack of an environment where the frontlines could stop and think only of safety. Although the JAL Group's overall policy is to make decisions and take action with safety as the premise, we recognized that we were not able to create a working environment where our employees could focus on safety in a calm manner. Secondly, we discovered that similar cases reoccurred because our safety management system such as information collection, risk assessment, follow-up after implementation of measures and the like were not adequately functioning.

Based on the above, we will implement emergency

Common Factors



responses to the series of safety events and ensure that preventive measures are firmly in place, before taking drastic measures to address the two common factors over the medium to long term. As an emergency response, appropriate measures focused on each event will be adopted. In addition, to give the frontline time to get back to basics, management has issued the message, "Let's pause for a moment and talk with your co-worker."

The next drastic measure is for top management to first listen to the frontline and gather information on issues. We will also conduct a comprehensive review of our safety management system, formulate a plan to address the issues discovered, and implement the plan sequentially. Safety is a commitment and the basic foundation of business continuity for the JAL Group. Top management will take the lead with a strong will to make improvements towards operations that are safer and with peace of mind. The entire company will work together to improve the situation.

Preventive Measures

Measures to prevent incidents immediately

Immediate measures to stop the continuous occurrence of unsafety events

Targeted measures

Entering the runway Contact with another aircraft Alcohol consumption

"Let's pause for a moment and talk with your co-workers"

Medium- to long-term measures

Future Measures

- Management absorbs feedback from the frontline and identifies issues that need to be addressed
- General review of safety management system
- Develop a plan to address the above issues

Details of measures to prevent recurrence are provided in the report submitted to the Ministry of Land, Infrastructure, Transport and Tourism. [PDF](https://www.jal.com/ja/safety/trouble_info/pdf/report_240611.pdf) *Japanese Only https://www.jal.com/ja/safety/trouble_info/pdf/report_240611.pdf

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JAL Philosophy

Part1 In Order to Lead a Wonderful Life

Chapter1 The Formula for Success (The Formula for Life and Work)

The Result of Life and Work = Attitude x Effort x Ability

Chapter2 Have the Right Attitude

Decide on Doing What Is Right as a Human Being.

Have a Beautiful Mind

Be Humble and Honest

Always Be Cheerful and Positive

A Small Good Is Like a Great Evil, While a Great Good May Appear Merciless

Wrestle in the Center of the Ring

Grasp Matters Simply

Possess Opposing Extremes

Chapter3 Accumulate Tedious Efforts with Passion

Work Earnestly

Accumulate Tedious Efforts

Work with Voluntary Attention

Fire Yourself Up

Strive for Perfection

Chapter4 Ability Will Improve

Ability Will Improve

Part2 To Become a Wonderful JAL

Chapter1 Each of Us Makes JAL What It Is

Each of Us Makes JAL What It Is

Discuss Frankly

Lead by Example

Be the Center of the Vortex

Valuable Lives Are Entrusted to Us in Our Work

Be Thankful

Put Yourself in the Customer's Position

Chapter2 Have a Keen Sense of Profitability

Maximize Revenues and Minimize Expenses

Elevate Our Cost-Consciousness

Pursue Profit Fairly

Manage the Company Based on Accurate Figures

Chapter3 Unite Our Hearts

Make the Best Baton Pass

Align Mental Vectors

"Workfloor" Management

Follow the Merit System

Chapter4 Possess a Fighting Spirit

Maintain an Ardent Desire

Never Give Up Until We Succeed

Boast and Make It Come True

Possess True Courage

Chapter5 Be Creative in Our Work

Today Should Be Better Than Yesterday; Tomorrow Better Than Today.

Conceive Optimistically, Plan Pessimistically, and Execute Optimistically

Think Through to Visualize the Results

Decide and Act with Speed

Face Challenges with Courage

Aim High

Connecting Based on the JAL Philosophy

The JAL Group provides a number of workshops and exchange opportunities to support the development of human resources based on the JAL Philosophy Workshop in the workplace and to deepen understanding of colleagues beyond the boundaries of job categories.

When the future was unclear and uncertain during the COVID-19 pandemic, we strengthened ties among workplaces through voluntary efforts to do what we can do on our own now. Through the philosophy representatives elected from each workplace, we are deepening ties not only at the leadership level but also throughout the JAL Group.

JAL Philosophy Workshops

The JAL Philosophy Workshop provides an opportunity to discuss one's work with colleagues of different generations as well as job categories, and to realize that one's work is built on collaboration with colleagues.



Employees Speak for Themselves

Leader's Workshop

In an era of rapid and drastic change, leaders at the executive and vice president level participate in Leader's Workshop six times a year, and those at the manager level participate once a year, to discuss current issues as well as future challenges and to find solutions.



With the former President Akasaka

As a Vector for All Employees

The JAL Philosophy is a guiding principle that is cherished by everyone, who is involved in JAL's services and products in order to realize the JAL Group Corporate Policy.

It is the standard which we make decisions in our daily work with integrity towards the realization of our Corporate Policy. The overlap of the JAL Philosophy, which is based on what is right as a human being, and the spirit of challenge that has paved the way for the history of Japan's skies, has fostered an organizational culture of mutual respect and support for

each other's challenges, and is linked to a sincere desire to be of service.

We will continue to align the vectors of all of our employees and cherish the values we create together with our customers and local communities.



Values We Hold Dear 3 Divisional Profitability Management System

1. Significance of the JAL Group 25

Management Based on the Participation of All Members

The divisional profitability management system is based on an amoeba management system and advantages such as fostering personnel with a sense of management, the realization of Management by All, and proactive business management. It is a business management system where all JAL Group employees face the figures related to company management with the pursuit of maximizing profits. We aim along with the implementation of JAL Philosophy, we aim to realize our corporate philosophy by not only maximizing profit in each division, but also pursuing optimal profits throughout the entire company.

Under this system, an annual revenue and expense plan is formulated for each organization, and a management cycle is operated on a monthly basis to steadily achieve this plan. Specifically, the planned figures are updated monthly with the target and prospect figures that take into account the latest situation. All members of the organization work together to achieve their goals. After the actual results are finalized, the factors that cause the difference between the forecast and actual results are analyzed. Subsequently, the leader considers and implements measures based on the analysis results to

achieve the annual revenue and expense plan.

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

To Promote Business Model Reform

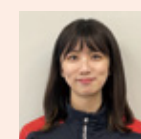
From this fiscal year, we have decided to incorporate the divisional profitability management cycle into profitability management for each business segment, with the aim of clarifying income and expenditures by business segment and promoting business portfolio management. Based on the income and expenditure plan for each business segment, the person in charge of the business segment involves the relevant organizations to discuss measures aimed at optimizing the financial performance of that business segment. At Group Performance Report Meetings attended by all executives, the earnings situation of each business segment is reported, and the measures to be taken are repeatedly discussed. Based on the principle of “maximize revenue and minimize expenses,” all participants sharing their insights toward achieving the annual earning goal and rebuilding the business portfolio. By leveraging

the strength of the divisional profitability management system and achieving growth in each business segment, we will contribute to the promotion of Business Model Reform and lead to the sustainable growth of the JAL Group.

Comment

Management by All Contributes to More Profits

I am in charge of profitability management at a group company in the Cargo and Mail division. All employees always have a sense of profitability in their daily management services and work to maximize sales and minimize expenses. At the At Company Performance Report Meetings which is held once a month, we report on the status of our own division's earnings. If there are any problems between organizations, we share our insights with each other and take measures to improve earnings and implement them. In particular, in the past few years, when the environment was unpredictable due to the impact of COVID-19, each division analyzed demand trends in detail. We all came up with effective measures, such as expanding the Cargo and Mail handling menu and reviewing work and business hours in certain divisions. By implementing these measures, we were able to overcome this difficult environment by increasing external revenues and reducing service costs. When the various measures we implemented actually appear in the Target and Result Sheet for the month, I feel that I am participating in the management of the company. This motivates me.



IMAKI Junko
JAL Kansai Aircargo System Co.,Ltd
Planning and General Affairs Department,
Planning and Revenue Management Group

Realization of JAL Group Corporate Policy

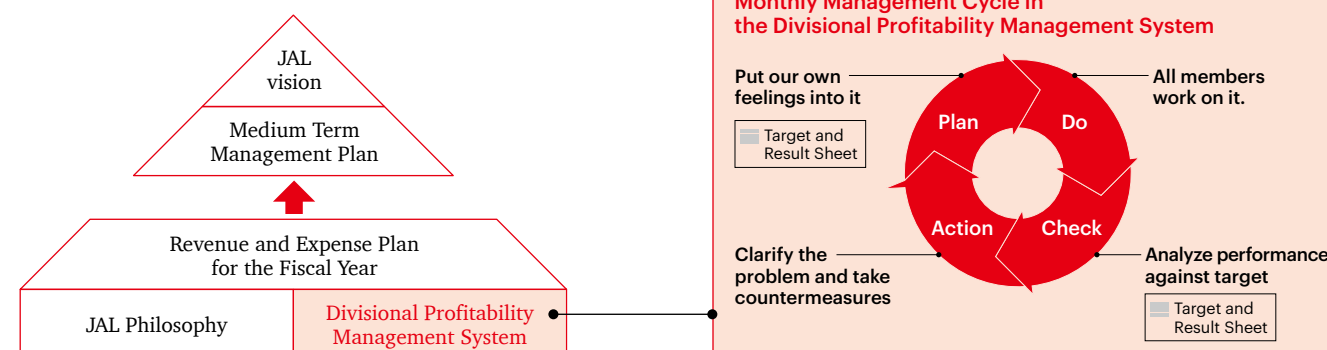


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JAL Philosophy

**Divisional Profitability
Management System**

2. Overview of Management Strategy

3. Strategies for Each Business

4. Strengthening Management
Resources

5. Governance

6. Data Collection

2

Overview of Management Strategy

What We Want to Convey in This Chapter

- ESG strategy, our top priority long-term business management strategy
- Adding social and economic value by building Relationships and Societal Connections
- Business portfolio strategy with resilience and growth potential



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Message from
Our Executive Vice President
(Group CFO)



Achieving Growth and Value Creation with Relationships and Societal Connections through ESG Strategies

SAITO Yuji

Representative Director, Executive Vice President (Group CFO)

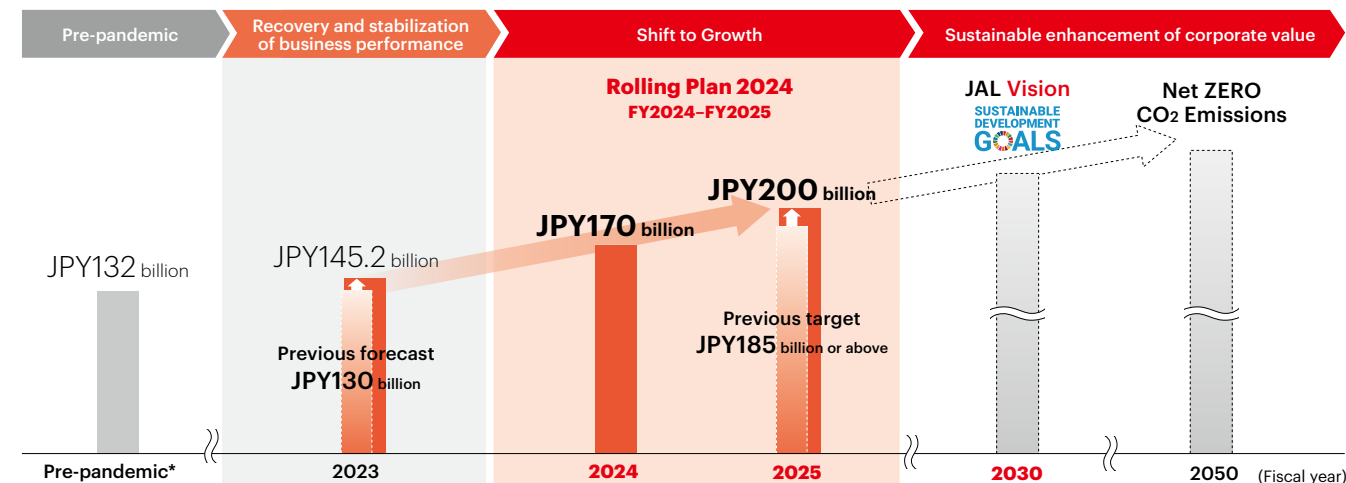
Progress of Medium-Term Management Plan

Capture inbound demand and update profit targets

In FY2023, the third year of the JAL Group Medium Term Management Plan for FY2021–2025, we were able to record a profit of JPY145.2 billion, an increase over the pre-COVID-19 pandemic level, due to a recovery in air transportation of people following the reclassification to Class 5 in May under the Infectious Disease Control Law.

Among the recoveries in the flow of people, the recovery in inbound demand contributed significantly to the improvement in profits. However, we believe that this is not only the result of increased demand, but also the result of our continuous and steady implementation of measures to prepare for the demand recovery period, even during the COVID-19 pandemic. In addition, during the COVID-19 pandemic, we maintained our employment, and during that time, we provided our employees with opportunities to learn through participation in educational programs and secondments to other companies. Our employees were actively engaged in these programs. We believe that

Profit (EBIT) Target



*FY2019 actual results excluding the impact of the COVID-19 pandemic (earning forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

these efforts enabled us to quickly restore supply in line with the recovery of air transport demand and to develop the capabilities of our employees to create new value.

The FY2021–2025 Medium Term Management Plan–Rolling Plan (MRP) 2024 maintains the major direction of the previous plan, but has been revised in light of the experience gained from the COVID-19 pandemic and the new normal environment. As the market changes have become clear, it also sets forth specific strategies and plans for the two years to complete the plan in FY2025.

With the expectation that inbound demand will continue to increase, as well as the expansion of businesses other than FSC, we have revised our profit target upward from JPY185 billion or more to JPY200 billion for FY2025, the final year of the project.

Introducing reforms to achieve a business model with resilience and growth potential

Currently, our FSC business accounts for approximately 70 percent of our profit structure, but we intend to increase our resilience and growth potential by making LCC and Mileage, Lifestyle and Infrastructure equal our FSC business and by creating a business model that is not solely dependent on aviation.

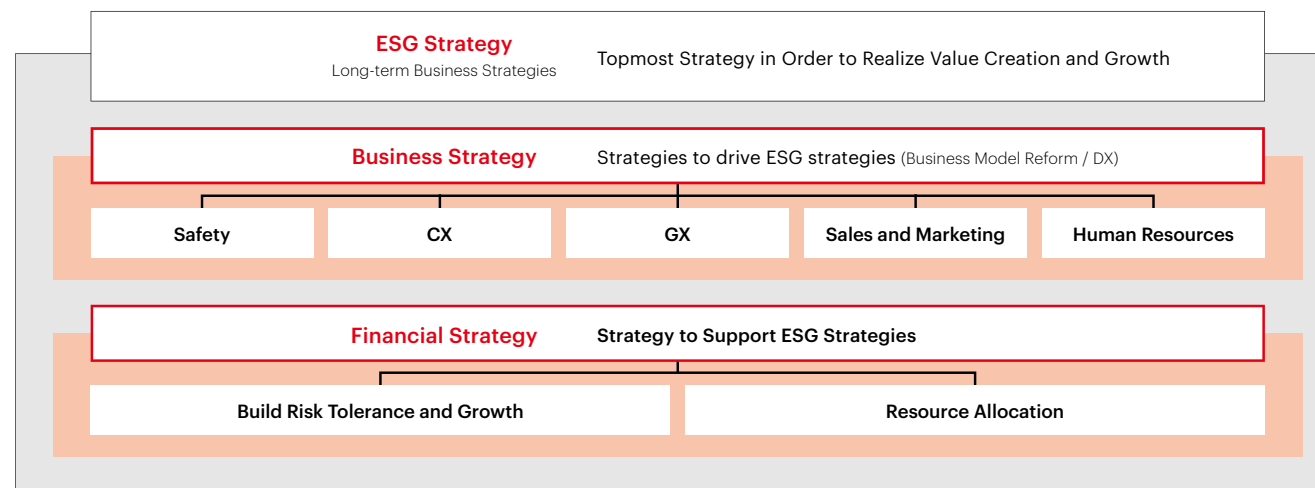
There are two major perspectives from which to promote business model reform.

One is restructuring the profit structure by increasing the profitability of our existing businesses. In our FSC business, we are expanding our network and alliance partners to better capture inbound demand. In the Cargo and Mail business, we are also taking on the challenge of creating new profit-earning opportunities to address domestic “2024 Issue”, such as initiating a collaboration with Yamato Holdings Co.

The other perspective is profit expansion and growth. We will firmly expand the growth areas in our businesses in LCC and Mileage, Lifestyle and Infrastructure, expecting half of our profits to come from these domains.

In promoting these business model reforms, we will promote a business portfolio management that pursues

Outline of Management Strategy



optimization while clarifying income and expenditures by business segment.

Cross-domain efforts that support the growth of each business

In addition to the initiatives in each business area described above, the Rolling Plan 2024 will continue to focus on six initiatives across all businesses to achieve management targets: safety, customer experience (CX), green transformation (GX), sales and marketing, human resources, and finance.

For example, with CX, in addition to the points of contact with customers in the FSC business, through the Mileage-Lifestyle and Infrastructure business, JAL Card, and e-commerce, which provides a variety of services, we will develop a cross-business CX strategy to strengthen the connection with our customers by enhancing the value of the customer experience in their daily lives by saving, spending, and enjoying.

In addition, the Solution Sales Division, launched in April 2023, will provide new value to customers by seizing various opportunities to go beyond airline ticket sales, including

solving problems for customers, local governments, and corporations and creating opportunities for new relationships and societal connections.

Toward further growth

We will also focus on investments for growth. In March 2024, we announced the introduction of 42 new aircraft in order to shift from the previous recovery and stability phase to a full-fledged growth phase.

Of these, 30 aircraft will be introduced on international routes, which are positioned as a growth area. We plan to expand the scale of our international FSC and LCCs, to approximately 1.4 times the current level by FY2030 through route network expansion, with a focus on North America, Asia, and India, where steady demand growth is expected. In addition, by introducing the latest fuel-efficient aircraft, we will further reduce CO₂ emissions while providing the best possible service to our customers.

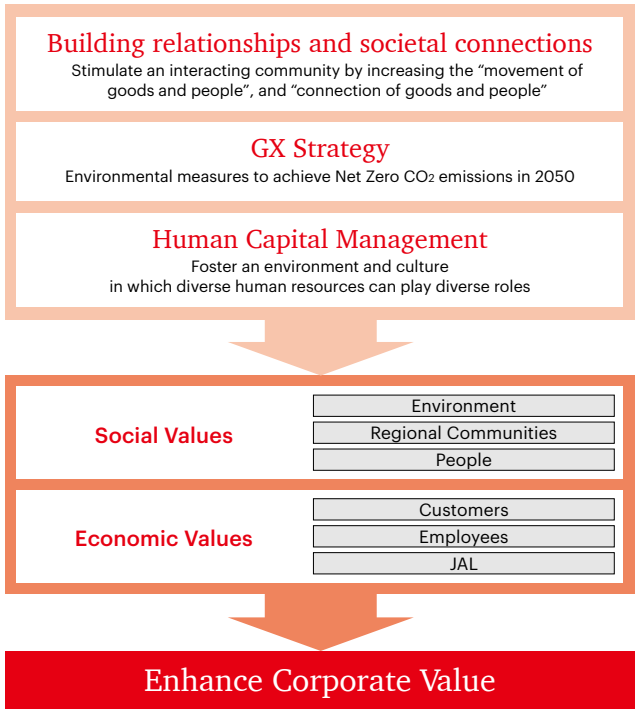
Enhancing Corporate Value over the Medium-to Long-Term through ESG Strategies

Creating social and economic value through increased relationships and societal connections

JAL Vision 2030, the JAL Group's long-term vision, visualizes a society that is safe with a peace of mind and a sustainable future. ESG strategies are central to our efforts to realize this vision.

In this ESG strategy, the value creation story is to create social values such as regional revitalization, reduction of environmental impact, and improvement of well-being by creating societal connections among many people through safe

Themes to be Addressed in the Medium to Long-Term



and comfortable movement of people and goods, as well as to enhance the growth (economic value) of the Group.

These ideas were reinforced by the restrictions on moving freely during the COVID-19 pandemic and the loss of various social and economic value-creating opportunities. Although we were forced to suspend or reduce flights in response to the reduced demand, the unprecedented situation has given us a new perspective on the value of our fundamental offerings.

This value creation story was mentioned in last year's announcement of the Rolling Plan 2023. Many people said that they understood the main idea but did not understand how it was to come about. Therefore, in Rolling Plan 2024, we decided to present an indicator that visualizes the effects of relationships and societal connections.

In formulating the indicators, we conducted a survey and research with the cooperation of a research institute at the University of Tsukuba. As a result, the total amount of relationships and societal connections was derived by multiplying the number of people related to interacting communities and the level of community involvement. The goal was set to increase this total amount to 1.5 times the 2023 level by FY2030.

In the future, we will conduct research based on the data obtained from this survey to objectively clarify what purposes people are traveling for, what measures are effective in increasing such opportunities, and what can be done to make people feel a stronger sense of involvement and connection, in order to increase the number of people. By doing so, we aim to increase relationships and societal and to create social and economic value, as well as enhance the corporate value of the JAL Group.

GX strategy toward net zero emissions and strengthening human capital management as an engine of growth

In addition to creating relationships and societal connections, the ESG strategy includes GX Strategy and Human Capital Management as topics to be addressed over the medium to long term.

In the past, air transportation did not have to bear any

blame or cost for emitting CO₂, but as environmental impacts are becoming more serious, the airline industry must be keenly aware that it is creating negative social value by emitting CO₂. In order for the business of air transportation itself to be tolerated by society, it is essential to position it as an important management strategy and work toward decarbonization. Therefore, we have established a roadmap to achieve net zero emissions by 2050 and are promoting the GX strategy.

In addition, in order to create new initiatives that create relationships and societal connections, it is important not only to analyze the data that will serve as indicators, but also to work with imagination to understand the joy and excitement that people experience through transportation. People are the growth engine of our Group, both in terms of our business characteristics of providing safety and peace of mind and in terms of our business strategy of creating growth businesses. We believe that the major mission of our management team is to create an environment that enhances the capabilities of each individual and allows them to make the most of their abilities and increase their engagement while actively utilizing the sensitivities and values of our diverse human resources.

Our Group, currently recovering from the COVID-19 pandemic in our daily life, has recovered strong earnings and are aggressively investing in future growth. In this regard, we would like to remind our stakeholders that we are not envisioning a future based solely on the traditional values of investing in new aircraft and route network expansion simply because air transport demand has increased. What we want to realize is a society and a future in which people are inspired by the relationships and societal connections between people that lie at the root of air transport demand.

In the midst of the unstable global situation, social issues are becoming more serious in Japan, and the uncertain future is expected to continue. This is why the true value of JAL Vision 2030, namely our aim at a society that is safety and peace of mind and a sustainable future, will be questioned. With this in mind, we will continue to strive for the creation of value unique to the JAL Group.

Medium- to Long-Term Management Strategies

2. Overview of Management Strategy 30

ESG Strategy Overview

Towards 2030, the JAL Group positions the ESG strategy as the topmost strategy to create value and achieve growth, the Group will create sustainable social and economic value by creating relationships and societal connections through movement.

Under the ESG strategy, the JAL Group will address Creating Relationships and Societal Connections, GX Strategy and Human Capital Management, which are set as themes to be addressed over the medium to long term in response to material issues that has identified based on future megatrends and that need to be resolved.

This will enable us to complete the Medium-Term Management Plan through FY2025 and achieve our management targets. Furthermore, we will create a society that is safe with peace of mind and a sustainable future as stated in JAL Vision 2030, the vision of the JAL Group for 2030. The Group will realize a society and future where people and goods can move freely about and be at peace with each other.

In order for the business of air transportation itself to be acceptable to society, we will steadily advance our GX strategy to achieve net zero emissions by 2050.

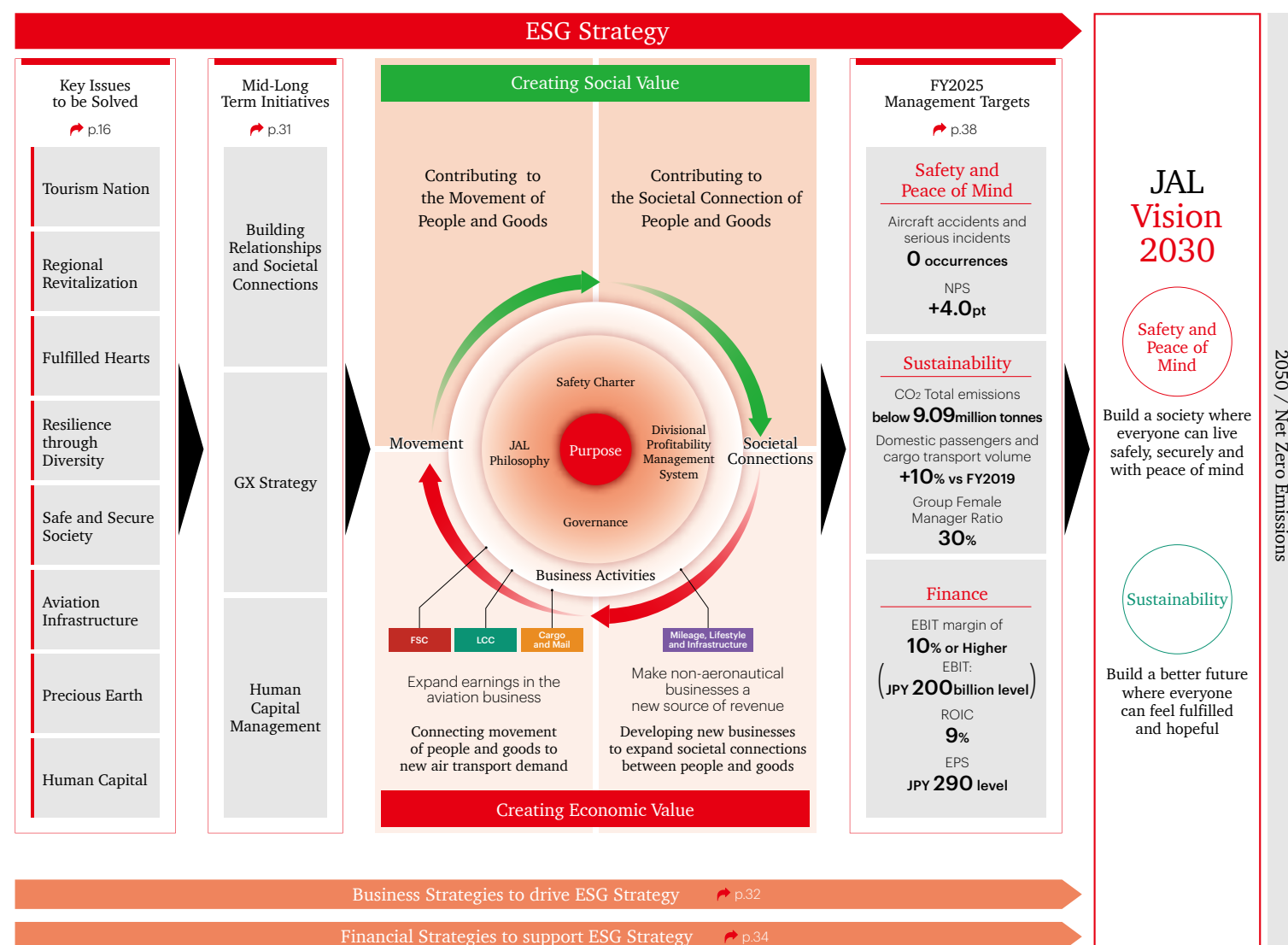


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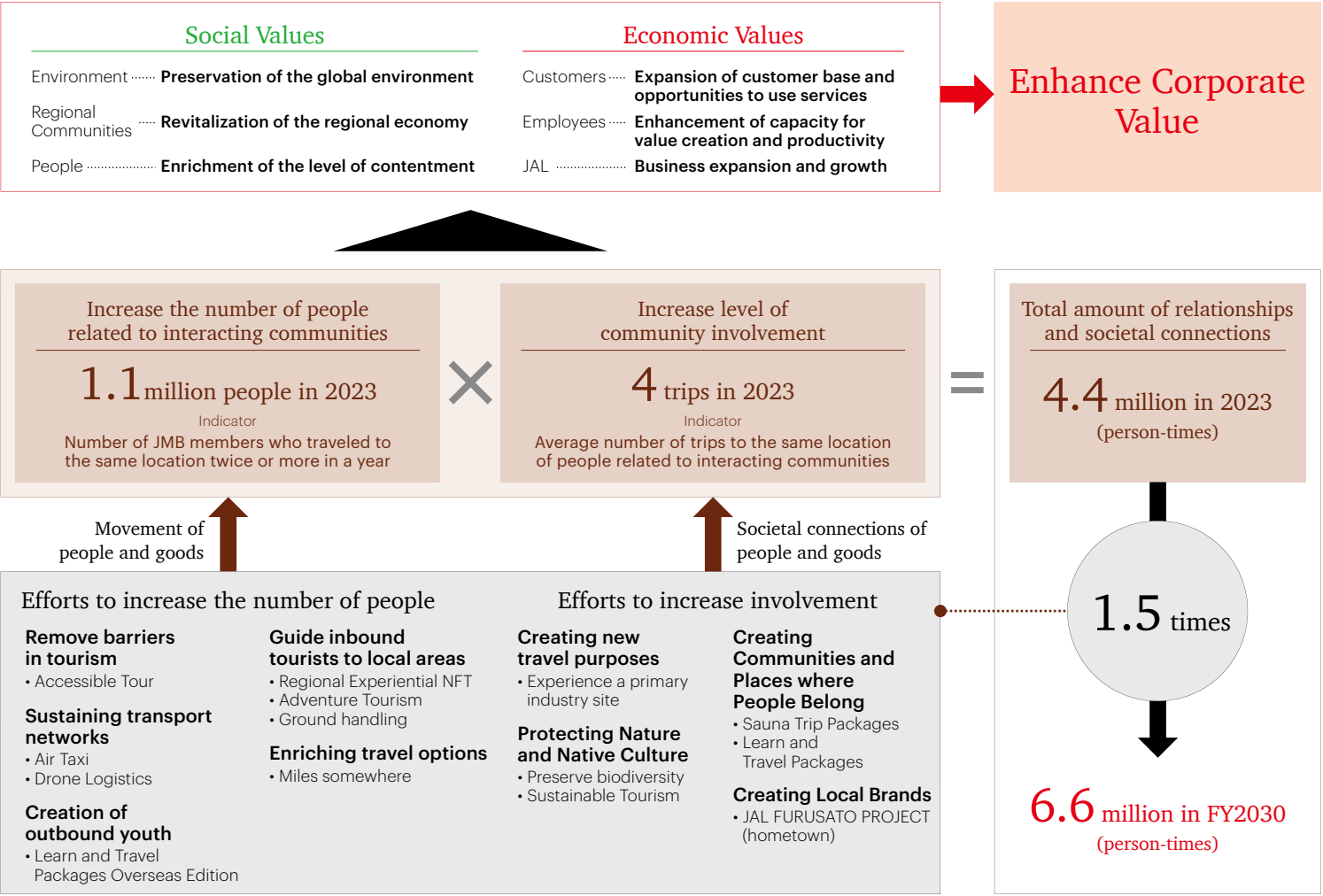
ESG Strategy (Building relationships and societal connections)

Creation of social and economic value through the creation of relationships and societal connections

In the JAL Group Medium Term Management Plan-Rolling Plan (MRP) 2023, the JAL Group presented a value creation story of creating social and economic value and enhancing corporate value by creating more relationships and societal connections through movement.

Furthermore, in the JAL Group Medium Term Management Plan-Rolling Plan (MRP) 2024, we set quantitative management targets to be achieved by FY2030 in realizing this value creation story. The goal is to increase the total volume of relationships and societal connections by improving the number of people related to interacting communities and level of community involvement to 6.6 million (person-times) by FY2030, which is 1.5 times the 4.4 million (person-times) in 2023.

Specifically, efforts to increase the number of people related to interacting communities include expanding accessible tours and tourism that allow everyone to move freely, attracting inbound visitors to the region through adventure tourism, and increasing the level of involvement by creating mechanisms to create communities and places to live, and preserving nature and culture through sustainable tourism. By increasing relationships and societal connections and expanding the flow of people and commodities, we aim to create social value such as regional revitalization, as well as economic value, and enhance the corporate value of the JAL Group.



Research cooperation: National University Corporation University of Tsukuba

*The term "nonresident population" refers to people who are not immigrants, tourists, or simply returning home, but who are involved in a continuous and diverse way with a specific region outside of their daily living or commuting area, and who contribute to solving regional issues.

Medium-Term Management Plan FY2021–2025 — Business Strategy

2. Overview of Management Strategy 32

Overview of Business Model Reform

Build a business model with resilience and potential growth

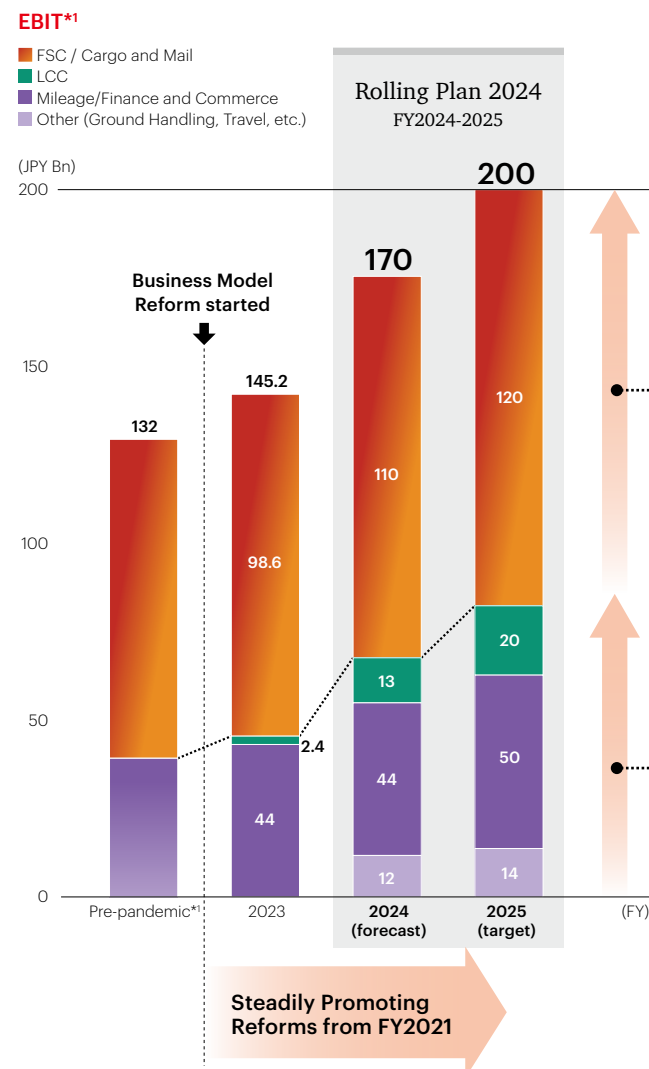
By restructuring our business portfolio through the promotion of ESG strategies and working to solve social issues through our business in four business areas, we will achieve medium- to long-term profit growth while changing our profit structure.

Our FSC business will capture growing demand on international routes and build a sustainable domestic route network, while Cargo and Mail will restructure its profit structure by developing a new freighter business and strengthening strategic items to achieve growth in an environment that is different from that before the COVID-19 pandemic.

The LCC business will expand its scale of operations through aggressive international air travel demand. The Mileage/Finance and Commerce business will expand opportunities to accumulate miles in daily life. The Ground Handling business will aim for profit growth and expansion of our business to meet growing inbound air transport demand. We aim for profit growth and expansion of a business structure that does not depend solely on aviation business.

By restructuring our business, we will achieve our profit targets for FY2025 and a business model with resilience and growth potential.

➡ Please refer to p.49 for details on Strategies for Each Strategies.



Restructuring of Profit Structure

FSC ➡ p.51	International Passenger <ul style="list-style-type: none"> Strengthen competitiveness and maintain unit price Further capture inbound demand Stimulation of outbound demand
	Domestic Passenger <ul style="list-style-type: none"> Strengthening profitability Creation of interacting community and attracting inbound demand to local areas Building a sustainable network
Cargo and Mail ➡ p.57	<ul style="list-style-type: none"> Develop freighter business Maintain and improve unit price by transporting strategic items

Profit Expansion and Growth

LCC ➡ p.55	<ul style="list-style-type: none"> Expansion of business scale and aggressive international flight development
Mileage, Lifestyle and Infrastructure ➡ p.60	Mileage / Finance and Commerce <ul style="list-style-type: none"> Expanding opportunities to accumulate miles in daily life Development of exciting special awards Growth through expansion of transaction volume in our Commerce business
	Ground Handling <ul style="list-style-type: none"> Expanding the business to further grow inbound demand
	Air Mobility Business <ul style="list-style-type: none"> Providing solutions to local issues using drones Creating new air transportation value with Air Taxi

Promote Business Portfolio Management by Clarifying Profit and Loss by Business Segments

EBIT adjustments due to change in reporting segments are not reflected.

*1 Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

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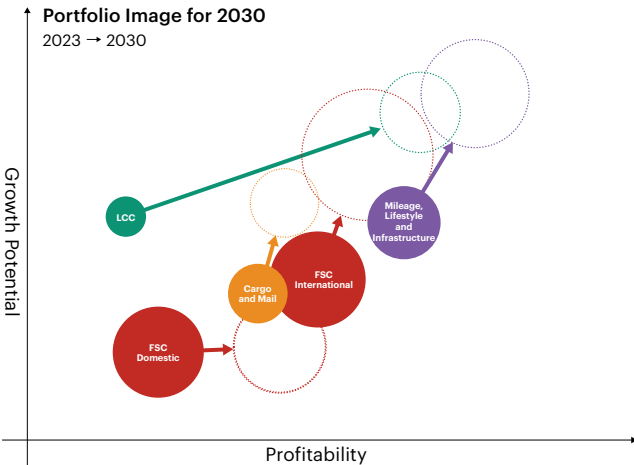
Business Portfolio Management

Direction of Medium- to Long-Term Business Portfolio

During the current Medium-Term Management Plan period and beyond, we will continue to promote business model reforms to achieve a highly risk tolerant profit structure while expanding profits in each of our business areas.

Especially in the future growth areas of FSC International Passenger Business, LCC Business, and Mileage, Lifestyle and Infrastructure Business, we will broaden the scope of our business through new businesses that leverage JAL's brand and assets, and we will also take on the challenge of creating new profit opportunities by creating new value and related businesses created through ESG strategies.

Medium- to long-term Growth Potential of Each Business



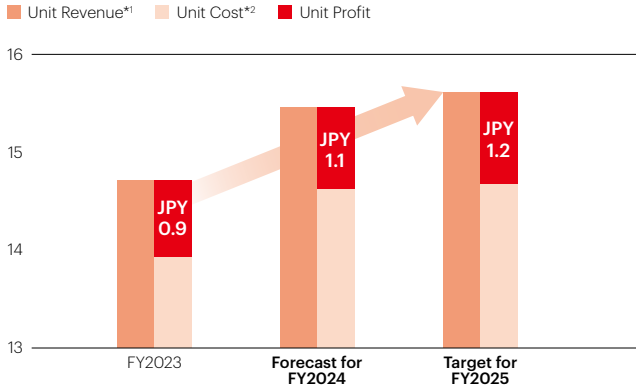
*Circle size: Sales scale

Increase of Profitability in The FSC Business

In the past, we have used real fixed costs as an indicator for our company-wide cost reduction efforts. However, in view of the future decline in the workforce, it is essential to improve the efficiency of our business structure and realize productivity gains. It is also important to increase revenues by maintaining and improving yields through revenue management and other means. Therefore, we have decided to introduce unit profits as our profitability indicator to focus not only on costs

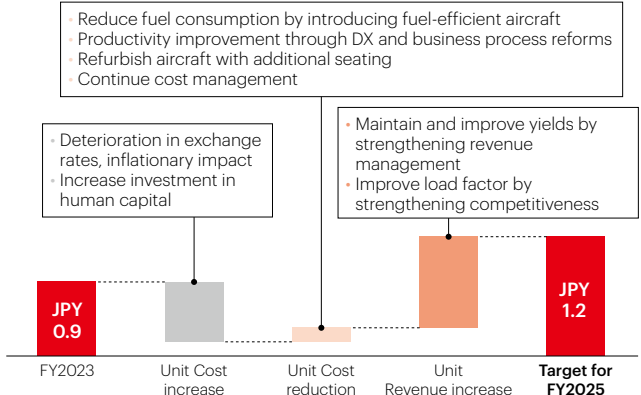
but also on income and expenses, aiming to maximize profits by improving yields and productivity to counteract high costs caused by jet fuel market prices, foreign exchange rates, and inflation. We will of course continue to control costs hereafter by implementing human resources and growth investments, as well as continuing cost control, and promoting DX utilization to improve profitability.

2023-2025 Unit Profit*3



*1 Unit Revenue = Passenger Revenue / ASK *2 Unit Cost = (operating expenses - revenues other than passenger revenue) / ASK *3 Unit Profit = Unit Revenue - Unit Cost

Unit Profit*3 Initiatives for Improvement



Medium-Term Management Plan FY2021-2025 - Financial Strategy

2. Overview of Management Strategy 34

Strengthen Our Risk Resilience
and Further Accelerate
Sustainable Growth

YUMISAKI Masao

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



Overall Finance Strategy

The JAL Group's basic policy of financial strategy is to strategically allocate management resources to increase corporate value, while balancing a strong financial position with high capital efficiency.

To maintain a strong financial position, we aim to achieve approximately fifty percent of shareholders equity ratio based

on credit rating evaluation by the end of FY2025, and plan to strengthen risk resilience by obtaining and maintaining credit rating of an "A Flat" or higher (Japanese rating agencies). At the same time, we accelerate our efforts to allocate business resources for sustainable growth.

Regarding financing in general, we recognize the importance of maintaining and improving the capability of stable and diverse financing as an important management matter, and will strive to maintain and improve our strong financial position, which is the basis for our financing capabilities. JAL receives credit ratings from two domestic rating agencies. At the time of making this report (by the end of August 2024), we have received an "A (stable)" from Japan Credit Rating Agency and an

"A minus (stable)" from Rating and Investment Information, Inc. In addition, through maintaining good business relationships with major financial institutions, we believe that we can smoothly raise the necessary operating capital and investment funds. As a result of our flexible financing to overcome the COVID-19 pandemic, even though our interest-bearing debt balance increased over the past four years, at the end of March 2024, our shareholders equity ratio based on credit rating was 41.0 percent and Net D/E Ratio was 0.0, which means that we have maintained as one of the strongest financial bases in the aviation industry. Moreover, to ensure sufficient liquidity on hand, to diversify financing methods, to improve capital efficiency, and to procure aircraft, which are the Group main

Results, Goals, Initiatives of Each Indicator

		Results of FY2023		Goals of FY2025	
Balancing Strengthening Risk Resilience with Growth	Profitability Indicator	EBIT Margin	<div>Business goal</div> 8.8%	10% or higher	<div><div>Improving FSC segment through unit cost management</div><div>Improving profitability in Mileage, Lifestyle and Infrastructure segment</div><div>Controlling cost and promoting productivity improvement</div></div>
		EPS	<div>Business goal</div> 219 JPY	At level of 290 JPY	
	Efficiency Indicator	ROIC	<div>Business goal</div> 7.3%	9% <div>In addition, introducing “Sustainable ROIC (tentative name)”, a new investment efficiency index that takes social values into account</div>	
		ROE	11.1%	10% or more by surpassing capital cost	
	Safety Indicator	Equity Ratio	41.0% (credit rating)	Over 50% (credit rating)	<div><div>Strengthening risk management</div><div>Maintaining and improving financing capabilities</div><div>Improving capital and asset efficiency</div></div>
		Credit Rating	R&I: A- JCR: A Flat	Achieve “A Flat”	
Liquidity on hand		863.8 Bn JPY Credit Facility 150 Bn JPY	Secure 5.0–5.6 months’ worth of passenger revenue (Including credit facility)		
Management Resource Allocation	Resource Allocation	<div></div>	Accelerate efforts to achieve sustainable growth while improving risk resilience.	<div><div>Promoting investment for sustainable growth</div><div>Implement optimal resource allocation</div><div>Compliance with financial discipline</div></div>	
	Financial Discipline	<div></div>	Secure sufficient free cash flow for each fiscal period		
Shareholder Return	Dividends	FY2023: 75 yen/share	Achieve a dividend payout ratio of over 35% as soon as possible	Emphasis on stability and continuity of dividends	

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business assets, we're utilizing partially interest-bearing liabilities such as borrowing from financial institutions, issuing corporate bonds, and leasing aircraft.

In terms of capital investment as an allocation of management resources, while expanding the LCC business domain, we will also accelerate the group's growth by investing in and upgrading to the latest fuel-efficient aircraft. We strive to stably and flexibly secure the necessary funds for capital investment. To maintain financial discipline, we will effectively utilize internal and external funds, and in principle, capital investment will be within the scope of operating cash flow. However, we will consider increasing capital investment as necessary and actively investing for future growth. In addition, we will actively utilize ESG finance to promote ESG investment. The JAL Group is the first airline in the world to issue transition bonds and issued its third and fourth bonds in May 2024. The funds raised through these will be used for upgrading to fuel-efficient aircraft and together with increasing the carried amount of sustainable aviation fuel (SAF), we aim to achieve the goal of net zero CO₂ emissions by 2050.

Balancing and Strengthening Risk Resilience and Growth

Policy of Liquidity on hand

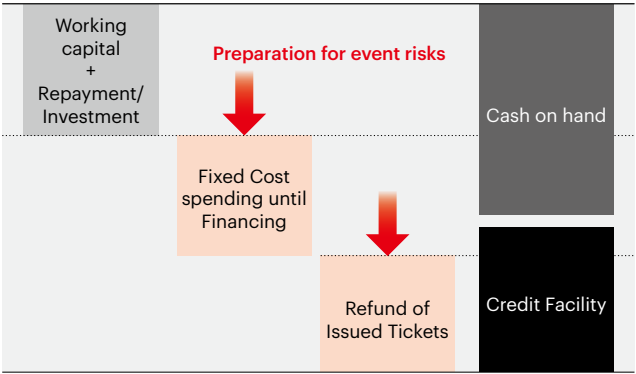
The JAL Group's performance indicators for strengthening risk resilience are set in preparation for risk events at pandemic-level scales. In regards to liquidity on hand, while partially utilizing credit line together with securing approximately 5.0 to 5.6 months of passenger revenue, we're aiming for approximately 50% of shareholders equity ratio based on credit rating evaluation by end of FY2025.

We expect to repay around 200 billion yen of debts (total amount of two years) to rebuild our financial base and have secured the liquidity on hand to cover for the payment.

Policy for Liquidity on Hand

After Covid-19, we secured the liquidity on hand at an appropriate level of 5.0 to 5.6 months of passenger revenue (at the end of each month).

- Securing a level which enables it to withstand risks (including utilizing credit lines) to correspond to a scale of passenger revenue that would be significantly affected when an event risk occurs.
- Securing an appropriate level of cash and deposits while taking asset efficiency into account.



Enhancement of portfolio management

To increase profit and growth through promoting business model reform, from FY2024, we will manage cost distribution in accordance with the latest situation of each business, further strengthen business portfolio management by grasping in detail revenue and expense in each business domain, and to realize management that leads to future growth in non-aviation business domains.

Visualizing Revenue and Expenses by Business Domain

- To improve the accuracy of revenue and expense segments, which was previously calculated in a simple manner, and promote business portfolio.
- To accelerate business model reform by clarifying management responsibilities and domains through visualization of revenue and expense by segments.
- To plan for expansion and growth of each segment : LCC, "Mileage, Finance, Commerce" and "Others".

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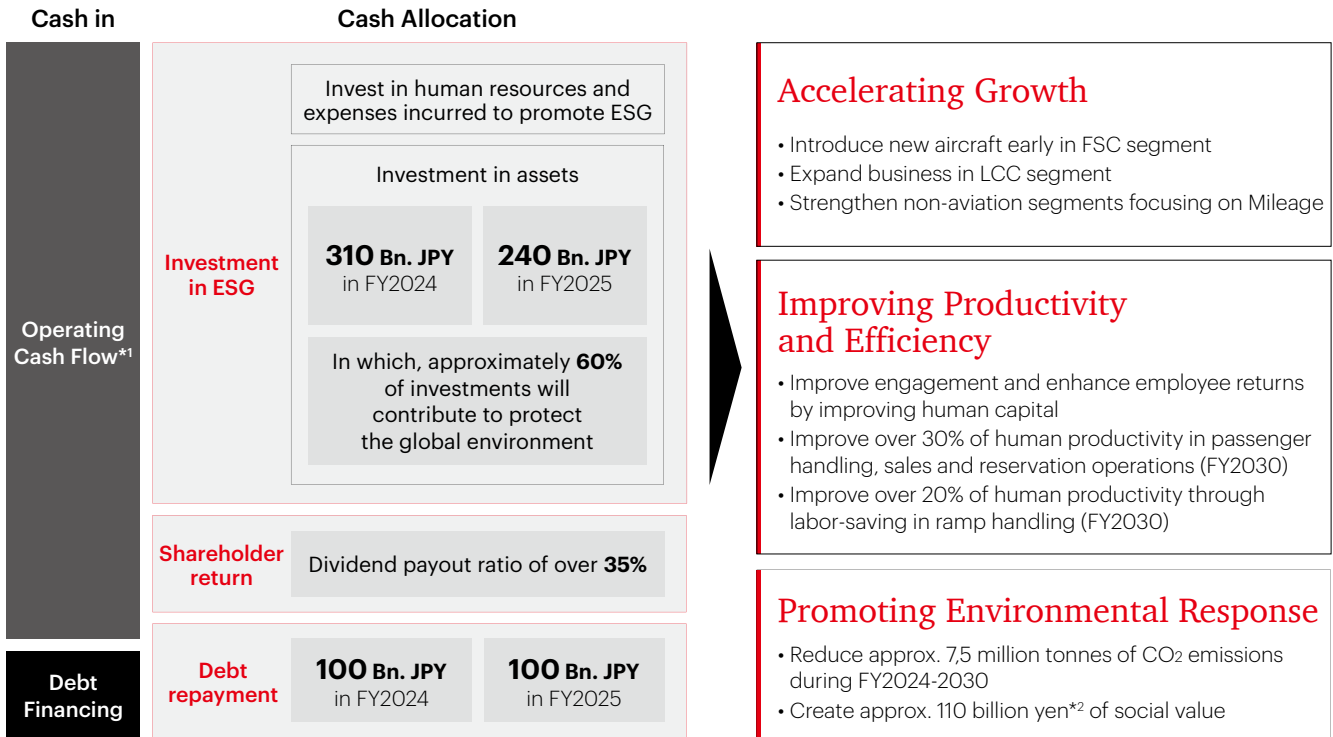
Allocation of Management Resource

Basic policy of ESG Investment

The JAL Group promotes investments to support ESG strategy and plans to invest a total of 550 billion yen in assets in FY2024-2025. We distribute approximately 60% of this amount to invest in contributions to global environmental conservation.

From the viewpoint of allocating management resources, while keeping the balance of shareholder return with the company's growth in the future and accelerating ESG strategy further, we are widely promoting growth investment to improve the productivity and efficiency of our workforce.

Allocation of management resources and trends in free cash flow



*1 Operating Cash Flow excluded human resources investment and ESG promotion costs *2 Calculation using ICP (Internal Carbon Pricing) of 15,000JPY/t

Sustainable ROIC

The JAL Group is also considering introducing a new investment efficiency indicator called “Sustainable ROIC (tentative name)” which takes social value into account. From a medium-to- long-term perspective, this indicator allows more appropriate evaluation of investment targets which bring social value, and is a part of our efforts to accelerate ESG investment.

Sustainable ROIC

$$\text{Sustainable ROIC} = \frac{\text{EBIT} + \text{Social Value}}{\frac{\text{Beginning and end of period Fixed assets average}}{2}}$$

Investment Criteria

While taking the diversity of each business domain based on business model reform, the JAL Group sets a different hurdle rate for each investment. Based on that, we are able to implement appropriate risk control and promote further the growth through investment (Utilizing ICP: Internal Carbon Pricing). Moreover, we also introduce a system that converts social value such as CO₂ reduction into monetary value and evaluates it as an investment effect. The introduction of this evaluation is an important step in promoting the creativity of social value through ESG strategy, which is the topmost strategy of the JAL Group.

Shareholder Return

JAL is taking shareholder return as one of the most important management matters. Our basic policy is to proactively return profits to shareholders by providing continuous and stable dividends and flexibly conducting buyback, while securing retained earnings to support investments for future corporate growth, to respond to changes in the business environment, in order to build a strong financial base. As for dividend amount, our target dividend payout ratio is approximately 35% with emphasis on continuity, stability and predictability. In addition,

we will proactively and flexibly implement buyback while paying attention to JAL's financial situation. Through this, JAL will strive to achieve roughly 35% to 50% of total return ratio, based on the total amount of dividends and buyback, by appropriately allocating periodic profits to stakeholders and management resources. Furthermore, we will continue to improve capital efficiency and pay close attention to the level of the total shareholder return which is the sum of total dividends and buyback divided by capital attributable to shareholders, and will strive to keep this indicator at over 3% roughly.

JAL's basic policy is to pay dividends twice a year, an interim dividend and a final dividend, and the General Meeting of Shareholders will make a decision for the final dividend while the Board of Directors decides for the interim dividend. The annual dividend forecast for FY2024 is 80 yen per share, and the dividend payout ratio is expected to reach 35%. In the future, we will continue to pay continuous and stable

dividends while securing funds for growth investments and a strong financial base.

For details, please see "Profit distribution" on page 129.

Building a Strong Financial Position

Through these financial strategic initiatives, the JAL Group is strengthening its foundation to maintain a stable management and realize sustainable growth even in an uncertain economic environment. Strengthening risk resilience and financial base, efficiently allocating management resources and investing for sustainable growth are key elements for the JAL Group to respond to unavoidable challenges, maintain competitive ability and achieve growth in the future. With those efforts, the JAL Group is building a system that can respond quickly and flexibly to changes of the industry and market trends, and accelerate the transition to a sustainable business model.

Especially, strategies such as ESG investment, introduction of sustainable ROIC or visualization of revenue and expense by each business domain, will demonstrate the JAL Group's stance in balancing social responsibility with sustainable economic growth. We expect that our efforts will increase stakeholders' trust and contribute to the corporate value improvement in the long-term.

Besides, by reviewing investment criteria and setting various hurdle rate, the JAL Group can utilize resources most effectively and focus on businesses that create the greatest returns. This will enable the JAL Group to identify new growth opportunities, to diversify our business portfolio and to pursue sustainable growth.

Through these strategic initiatives, the JAL Group aims to build a stronger corporate entity that can adjust to the new business environment in the post-pandemic and respond to changing customer needs.

Highlight

Strengthening Communication with Individual Shareholders

In addition to dialogue with institutional investors, we are actively working to strengthen interactive communication with our more than 400,000 individual shareholders. We disclose information disclosure by posting information related to management, such as Corporate Policy, management strategies, management plans, and business results, on our website, and by sending out IR e-mails, which provide IR-related information in a timely manner. In May 2024, we relaunched the JAL Shareholders Only Website. For the Ordinary General Meeting of Shareholders held in June, we accepted questions in advance on the website, and the director in charge answered all of the approximately 400 questions. By answering all the questions asked in advance, which was started in the previous year, we have realized interactive communication of higher quality and quantity, which is difficult to achieve in a general meeting where time is limited.

In addition, the JAL SKY MUSEUM Tour was conducted as an opportunity for participants to deepen their understanding of the JAL Group.

Furthermore, in January 2024, we offered a tour of Airbus A350, the new flagship of the JAL Group, to provide visitors with an opportunity to see the new inflight space and cockpit, and to become more familiar with our business.

We will continue our efforts to further enhance and improve the quality of our disclosure and to achieve a better dialogue with our shareholders and investors.



Shareholders-only event "Tour of Airbus A350"



JAL shareholder website (Japanese only)
URL: <https://jal.premium-yutaiclub.jp/>

Medium-Term Management Plan FY2021-2025 - Management Targets

Management Targets

The JAL Group has set management targets to be achieved by FY2025 based on the social environment, stakeholder expectations, the degree of impact through business, and the importance of the targets to management. Specifically, the JAL Vision 2030 sets targets for safety and peace of mind and sustainability, which are social values. For financial values, which are economic values, we have set management targets for each of these areas as our most important management targets to improve the well-being of our customers, society, and employees.

Safety and Peace of Mind

With regard to safety, which is a prerequisite for value creation, we will strive to reduce the number of flight accidents and serious incidents to zero as a leading company. Regarding peace of mind, which we define as CX, we will strive to create a world-class customer experience in all aspects of daily life, in addition to flight safety. We will strive to improve NPS, an objective measure of customer satisfaction.

Sustainability

With regard to environment, we have backcasted from achieving net zero CO2 emissions by 2050 and have set total emissions as our CO2 reduction target for 2025. In addition, we will thoroughly reduce single-use plastics, including the total elimination of new petroleum-derived materials. With regard to the movement of people and goods that enhance our relationship and societal connection with local communities, we will strive to expand domestic passenger and cargo transportation volume. In human resources our greatest capital, we have set a target for the proportion of women managers, aiming to have a diverse range of human resources in active roles in the workplace.

Finance

The management targets are profitability (“EBIT margin”), which is to be increased through business model reform, return on investment (“ROIC”), which is to exceed the cost of capital, and “EPS”, which is to exceed the pre-pandemic level.

FY2025 Targets		
Safety and Peace of Mind	Safety	Aircraft accidents and serious incidents: 0 occurrence (During the entire period of the Medium-Term Management Plan)
	CX*1 (Peace of Mind)	Top level customer experience both in air travel services and daily life NPS*2 : +4.0 pt (FSC international and domestic)
Sustainability	Environment	CO2 emission reduction Total emissions: below 9.09 million tonnes (FY2019 results)
		Reduction of single-use plastic*3 Cabins and lounges: No use of new petroleum-based plastics Cargo and airport: 100 % switch to eco-friendly materials*4
	Communities	Regional revitalization Domestic passengers*5 and cargo transport volume: +10 % vs. FY2019
	People	Promotion of DEI Group female manager ratio*6: 30 % Consistent efforts to encourage various human resources to demonstrate their potential
Finance	EBIT Margin (Profit margin on sales)	Achieve 10 % or higher
	ROIC*7 (Return on invested capitalist)	Achieve 9 %
	EPS (Net profit per share)	Approx. ¥290

*1 Customer Experience *2 Net Promoter Score: Objective indicator of customer satisfaction (compared to the beginning of FY2021)
*3 Single-use plastic products provided to our customers
*4 Items that do not use new or reduced petroleum-derived raw materials, such as biomass, recycled plastic, and certified paper
*5 Increase in passenger count between metropolitan and regional areas by stimulating tourism demand and creating new flows etc.
*6 Organizational management positions *7 Return on Invested Capital (ROIC) = EBIT (after tax) / average of fixed assets*8 at the beginning and end of the fiscal year
*8 Fixed assets = Inventories + non-current assets - deferred tax assets - assets for retirement benefits
Note: Aim to improve total shareholder return (TSR)

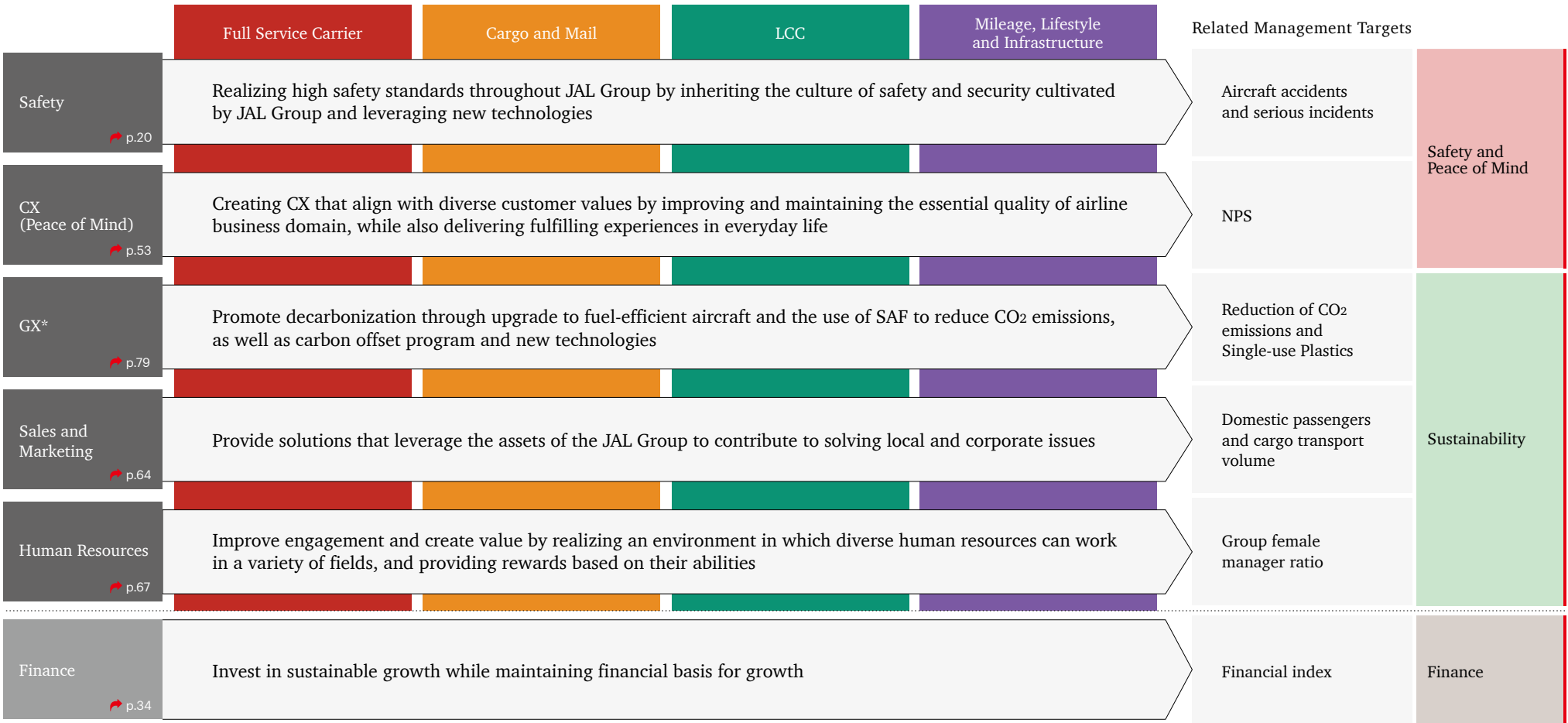
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Measures That Cross Business Domains to Achieve Our Management Targets

In order to achieve our management targets, in addition to initiatives in each of the following six areas (safety, customer experience (CX), green transformation (GX), sales and marketing, human resources, and finance), in addition to

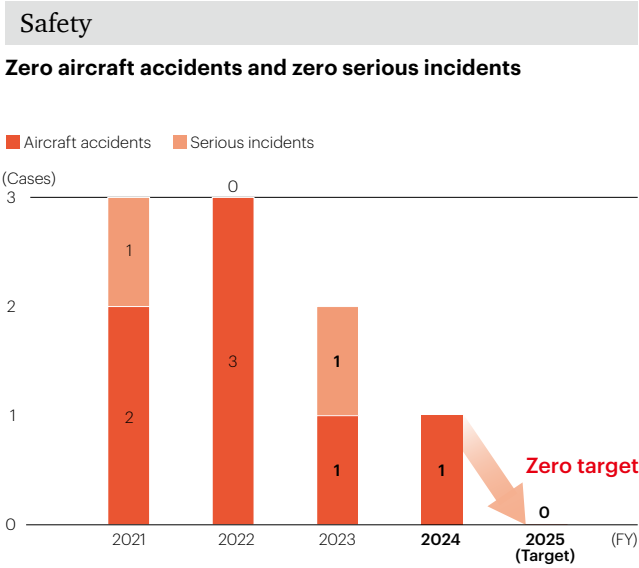
initiatives in each of the business areas of Full Service Carrier, Cargo and Mail, LCC, and Mileage, Lifestyle and Infrastructure Business, we believe it is important to support each business by promoting coordinated efforts across all business domains.

Through the achievement of targets in each business area and business collaboration in the six areas, we will achieve our management targets for FY2025, and beyond that, achieve sustainable growth in our business operations.

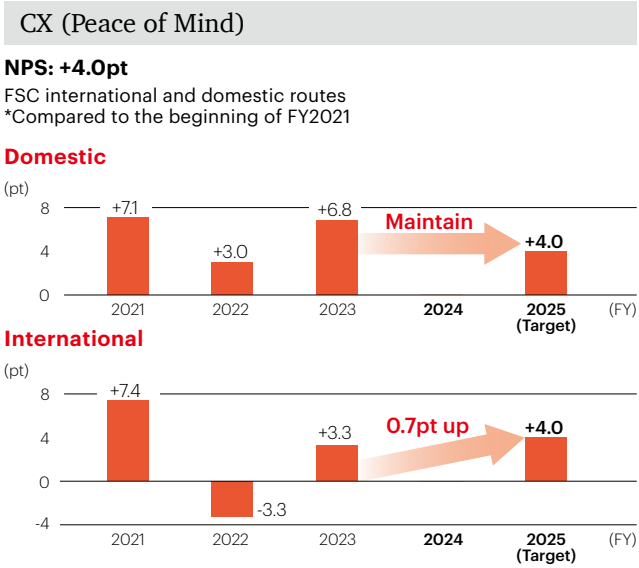


*GX: Green transformation

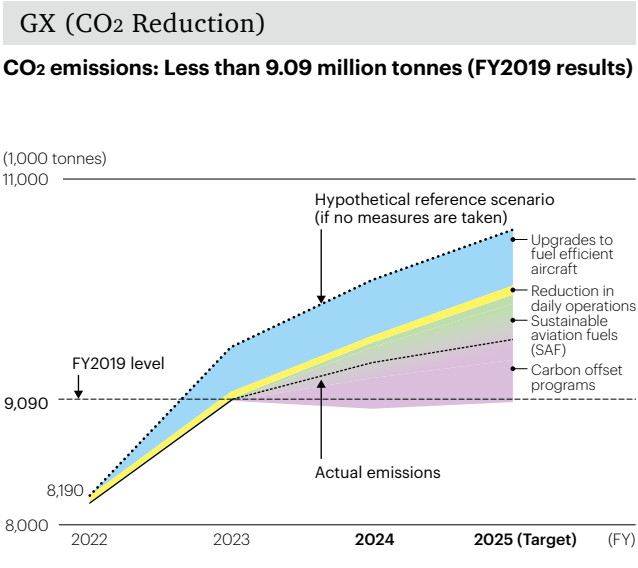
Progress on Management Targets and Future Initiatives



- Enhance safety with DX
 - Introduce a new system that automatically detects in-flight turbulence and shares the information with other aircraft
 - Promote efforts to predict and repair aircraft failures
 - Implement industry-wide measures to prevent runway incursions
- Pass on safety to the next generation
 - Launch of a program to develop experts to support actual operations
 - Implementation of initiatives to pass on safety to diverse human resources (Three actuals principle)
 - Establishment of a system to support the mental health of pilot crews



- Improve basic quality
 - Industry-wide improvements in quality of on-time operations
 - Provide a mobile app for self-service during flight disruptions
- Deliver close-to-the-heart customer experiences
 - Provide onboard experiences that allows you to design your own in-flight time
 - Stress-free digital experiences
- Provide experience of JAL's high-quality service in your daily life
 - Development of a status program that accumulates over a lifetime, even in everyday life
 - To improve the ease and usability of mileage in our daily life, and to deliver extraordinary and special experiences
 - Provide new value and attraction of the region by utilizing JAL assets, such as e-commerce sales of local products

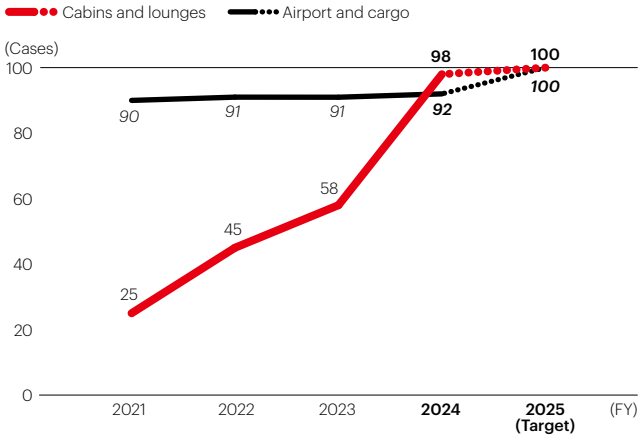


- Upgrades to fuel efficient aircraft
 - Introduce eleven A350-1000 aircraft
 - Continue to replace with new aircraft (A350/787) until 47% of fleet will be fuel-efficient aircraft
- Reduction in daily operations
 - Further promotion of JAL Green Operations*
 - Optimize air traffic control systems through public-private partnerships
- Sustainable aviation fuel (SAF)
 - 1% of total fuel on board is replaced with SAF by FY2025
- Emissions Trading
 - Reduce CO2 emissions through utilization of CORSIA-qualified credits, etc.

*Cross-organizational efforts by the JAL Group to reduce CO2 emissions through flight operation innovations

Reduction of Single-Use Plastics

Cabins and lounges: No use of new petroleum-based plastics
Airport and cargo: 100% switch to eco-friendly materials



• Cabins and lounges

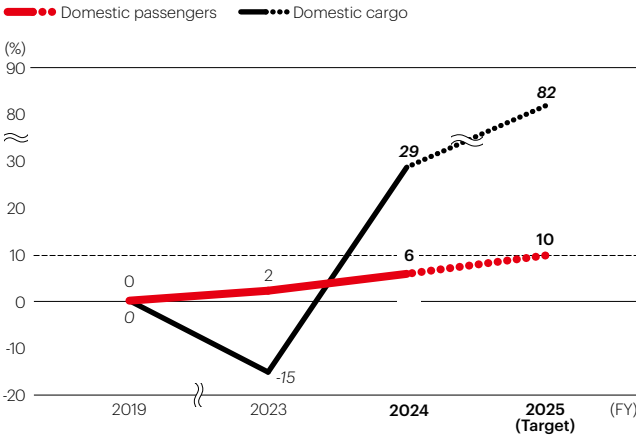
- Change of packaging materials (FY2024)
- Change in toothbrush materials (FY2025)

• Airport and cargo

- Airport: Achieved 100% changeover to environmentally friendly materials
- Cargo: Change to eco-friendly material for fixing film (FY2025)

Communities

Domestic passengers and cargo transport volume +10%
(vs. FY2019)



• Expand domestic passenger transport volume

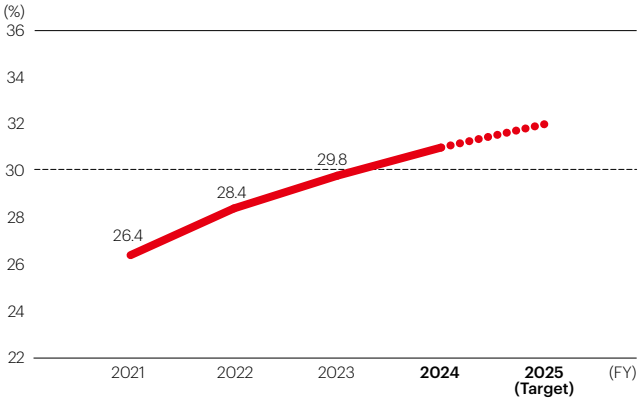
- Capture demand in the markets to/from the Kansai region on the back of Expo 2025 Osaka, Kansai
- Work with partnerships to attract inbound visitors to local areas
- Strengthen sales promotion of new tourism products, etc.
- Stimulate demand for younger customers (FSCs / LCCs)

• Expand domestic cargo transport volume

- Continuously capturing growing e-commerce demand, etc.
- Promote shift from land freight transportation to air cargo transportation in both passenger cargo space and freighter

People

Group female manager ratio: 30%



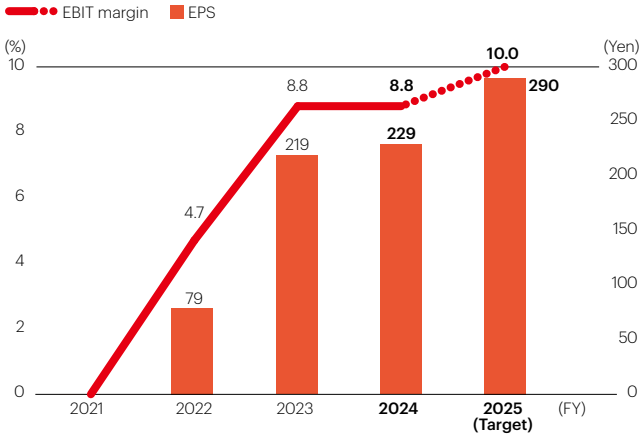
• Promote cross-organizational women's advancement

- Provide opportunities for cross-group activities that are not restricted to job professions (diverse assignments)
- Promote early promotion by reconsidering the current promotion requirements
- Facilitate senior employees promotion

Note: The proportion of female managers is calculated as organizational managers based on the September 4, 2015, "Law Concerning the Promotion of Women's Participation in the Workplace". The ratios based on the previous calculation method are as follows:
FY2020: 19.5%
FY2021: 21.9%
FY2022: 22.8%
FY2023: 23.5%

Profitability Indicator

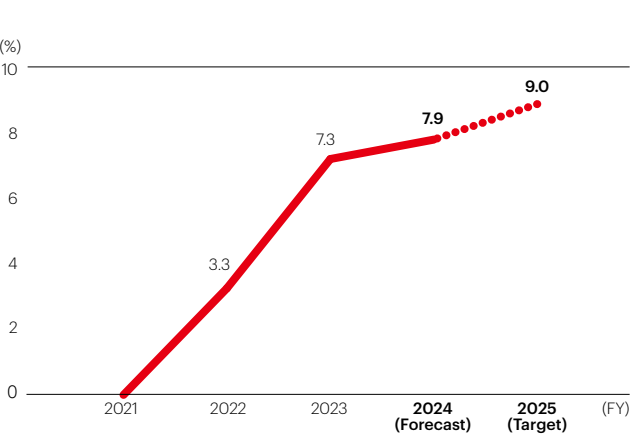
EBIT margin: Achieve 10% or higher, EPS: Approx. ¥290



- Improve efficiency of FSC domain with business management using unit profits [p.33](#)
- Improve profitability in Mileage, Lifestyle and Infrastructure business domain
- Driving proper cost saving and improve productivity

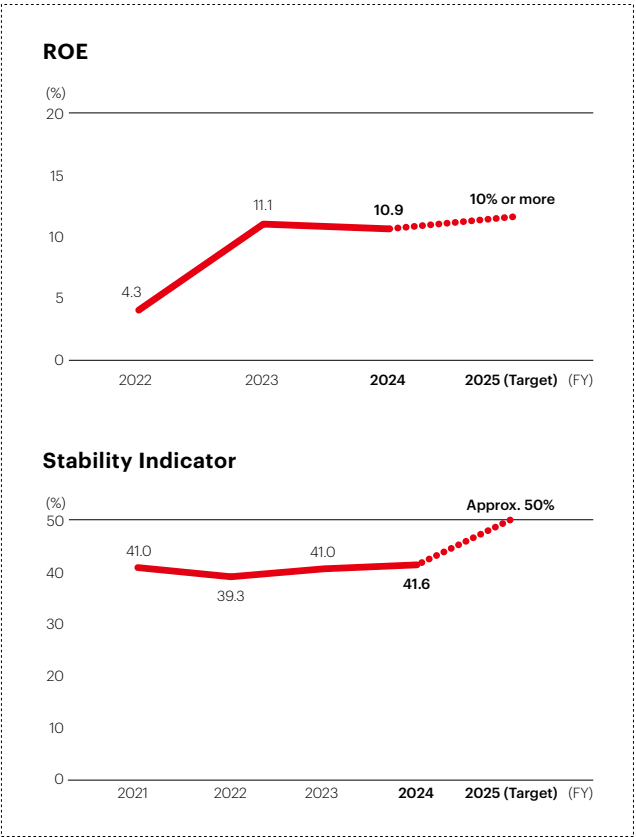
Efficiency Indicator

ROIC: 9%



- Efficient investment
 - Efficiency-oriented investment selections
 - Strengthen investment progress management and PDCA implementation

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Major Initiatives and Results Regarding Sustainability

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To address materiality issues created through our social and economic values and businesses created through air transportation and societal connections, we have set and managed progress in each of the three themes of (1) Creation of Relationships and Societal Connections (2) GX Strategy and other initiatives for global environmental preservation to pass on

precious Earth to the next generation, (3) Human Capital Management aimed by our Human Capital Strategy, and Governance which is the foundation of value creation and promote ESG management.

Four of these initiatives, namely “reducing CO₂ emissions”, “reducing single-use plastics”, increasing “the ratio of female

managers”, women managers, and “regional revitalization”, have also been set as management targets (sustainability). We will accelerate our efforts to achieve the management targets of the current Medium-Term Management Plan, realize JAL Vision 2030, and resolve the materiality issues through a backcasting approach.

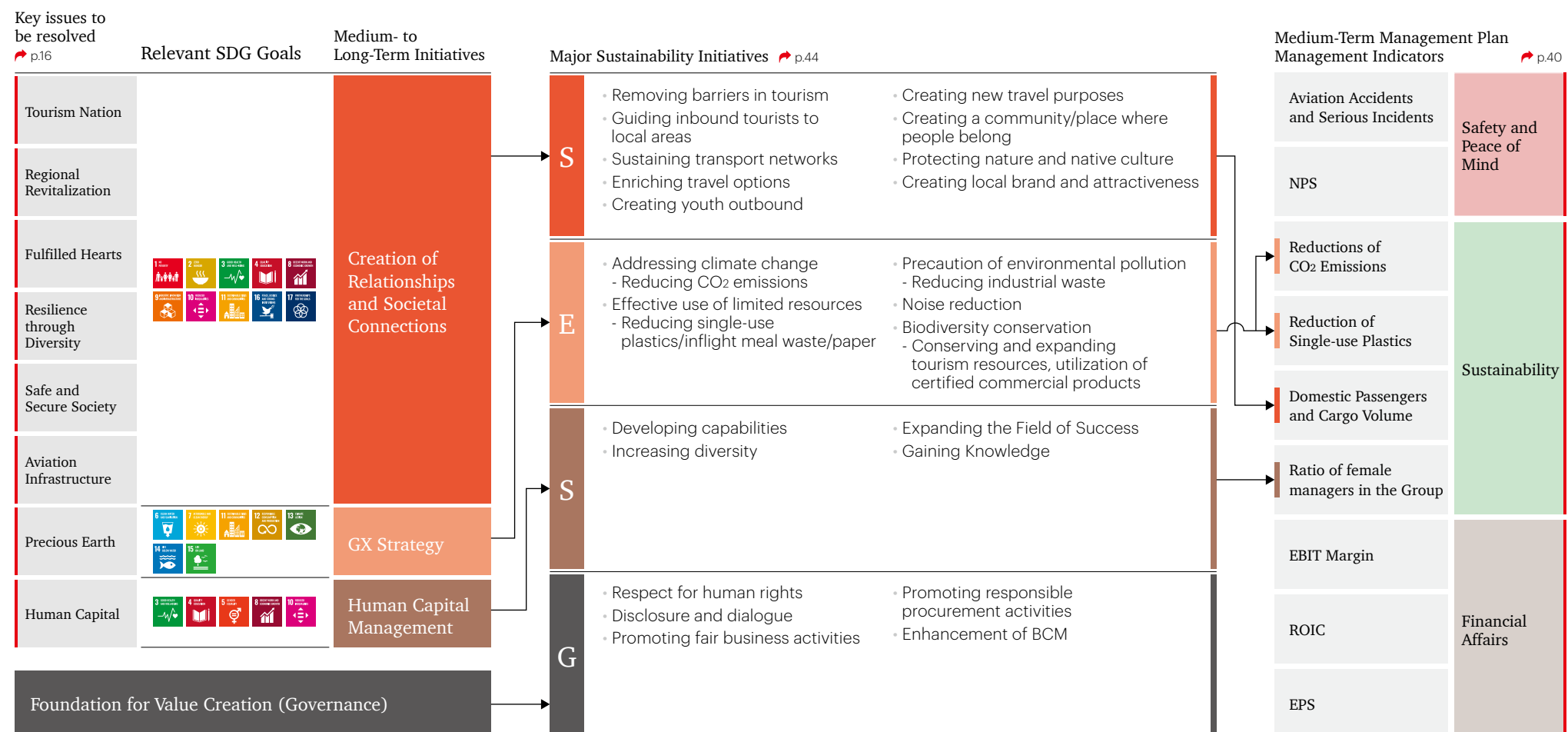


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S Creating Relationships and Societal Connections through Air Transportation

Initiatives	Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Targets for FY2025	Related Key Materiality
Increase in domestic passengers and cargo traffic	Increase ratio (Passengers)	—	-74.2% v.s. FY2019*1	-59% v.s. FY2019*1	-15% v.s. FY2019	+2% v.s. FY2019	+10% v.s. FY2019 Management targets	Tourism Nation
	Increase ratio (Cargo)	—	-30% v.s. FY2019	-34% v.s. FY2019	-17% v.s. FY2019	-15% v.s. FY2019		Regional Revitalization
Maintenance and development of regional route networks including outlying island routes	Number of domestic entry points (Including code share)	62 points	61 points	61 points	64 points	65 points	More than 65 points	Fulfilled Hearts
Expansion of services provided through increased contract orders	Number of passenger and cargo flights regarding ground handling for foreign carriers	87,000 flights	9,000 flights	17,000 flights	29,000 flights	66,000 flights	107,000 flights	Resilience through Diversity
Promoting the use of domestic flights to in-bound tourists	Number of users	701,240 people	49,188 people	121,844 people	582,180 people	912,578 people	1,505,000 people	Safe and Secure Society
Commercialization of drone logistics and eVTOL Air Taxi	Commercialization	—	—	—	—	Drone commercialization (operation) started	FY2023: Drone delivery commercialization FY2025: eVTOL commercialization	Aviation Infrastructure
Promoting air travel to customers who find it difficult to travel	Ratio of such passengers onboard	0.36%	0.29% (0.8 times v.s. FY2019)	0.64% (1.8 times v.s. FY2019)	0.71% (1.9 times v.s. FY2019)	0.81% (2.2 times v.s. FY2019)	2.5 times v.s. FY2019	
	Number of wooden wheelchairs which go through metal detectors	478 units	478 units	478 units	508 units	508 units	580 units	
Enhancing pharmaceutical transportation	Transport weight	610 tonnes	721 tonnes +18% v.s. FY2019	1,172 tonnes +92% v.s. FY2019	1,363 tonnes +123% v.s. FY2019	3,274 tonnes +437% v.s. FY2019*2 Including dedicated pharmaceutical temperature storage at Narita Airport.	+572% v.s. FY2019	
Enhancing transportation of fresh products	Transport weight	—	—	—	—	8,175 tonnes +54% v.s. FY2019	+142% v.s. FY2019	
Promoting workstyle research with outside stakeholders	Number of member organizations of study groups	—	—	—	52 organizations	77 organizations	200 organizations	
Promoting JAL Wellness & Travel	Number of municipal partnerships	—	—	—	4 cases	5 cases	10 cases	
Strengthening planning and sales of recycled products in cooperation with companies outside the JAL Group	Number of affiliated companies	—	—	—	—	5 companies	15 companies	
Promoting Dokokani Mile	Cumulative number of users	—	—	—	540,000 people	630,000 people	810,000 people	
Creating flow of people through the development of subscription-type travel programs	Number of users	—	—	—	—	64% v.s. FY2022	250% v.s. FY2022	

*1 Excludes flights operated by LCCs.

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E Precious Earth

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Targets for FY2025	Related Key Materiality
Addressing Climate Change	Reducing total amount of CO2 emissions	Scope 1 [Aviation] emissions	9.09 million tonnes	4.39 million tonnes	6.19 million tonnes	8.19 million tonnes	9.07 million tonnes	Less than 9.09 million tonnes Management targets	Precious Earth
		CO2 emissions per paid tonne-kilometer (RTK)	1.0648 kg-CO2/tkm	1.3763 kg-CO2/tkm	1.2751 kg-CO2/tkm	1.0829 kg-CO2/tkm	1.0040 kg-CO2/tkm	0.8187 kg-CO2/tkm	
		Scope 2 [Ground facilities] emissions	57,000 tonnes	51,000 tonnes	53,000 tonnes	56,000 tonnes	53,000 tonnes	54,000 tonnes	
		Percentage of fuel-efficient aircraft	82%	84%	85%	86%	86%	87%	
		Ratio of SAF to total fuel	0.0001% Loaded in all five A350 delivery flights	0.0000009% Domestically produced SAF loaded on domestic scheduled flights	0.0002% -Loaded on four A350 delivery flights -Loaded simultaneously on two types of domestically produced SAF for domestic scheduled flights	0.004%	0.012%	1% of all loaded fuel	
		Reduction through JAL Green Operations promotion (CO2 reduction through operational ingenuity)	157,000 tonnes (1.7% of emissions)	82,000 tonnes (1.8% of emissions)	142,000 tonnes (2.3% of emissions)	195,000 tonnes (2.4% of emissions)	217,000 tonnes (2.4% of emissions)	Reduction equivalent to 2.5% of CO2 emissions from aircraft	
		Number of JAL Carbon Offset website visitors		Tracked from FY2021		13,122 people (1.5 times v.s. FY2021)	21,215 people (2.4 times v.s. FY2021)	30,000 people (3.4 times v.s. FY2021)	
		Number of Carbon Offset users		Tracked from FY2022		385 people	1,785 people (4.6 times v.s. FY2022)	2,000 people (5.2 times v.s. FY2022)	
		Number of total contracted companies of JAL Corporate SAF Program (JCSP)			*Starting from FY2024			15 companies	
Effective Use of Limited Resources	Reduction of single-use plastic	Reduction ratio of new petroleum-derived single-use plastic items in in-house standard products used inflight and in lounges	2.5%	10.4%	25%	45%	58%	100% Management targets	
		Use of environmentally friendly materials in single-use plastics used in airports and cargo transportation	Starting from FY2020	87.6%	90%	91%	91%	100% Management targets	
	Reduction of inflight meal waste	Yield improvement	—	—	—	—	4.4%	Less than 4.3%	
	Paper reduction	Electronic air waybill (e-AWB)	—	—	25%	62.5%	82.6%	Finalized JAL flight e-AWB	

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Targets for FY2025	Related Key Materiality
Precaution of Environmental Pollution	Industrial waste reduction	Final disposal ratio	0.3%	0.6%	0.3%	0.6%	0.7%	Keep below 1%	Precious Earth
Noise Reduction	Low-noise aircraft operations	ICAO Chapter 14 standard compliant aircraft ratio	45%	40%	41%	42%	42%	46%	
Biodiversity Conservation	Conserving and expanding tourism resources	[Okinawa] Proliferating and regenerating sexually reproducing corals	—	600 colonies	1,000 colonies	1,700 colonies	1,150 colonies	1,000 colonies by 2026	Precious Earth
	Utilization of certified commercial materials	Ratio of paper items with international certification in consideration with forest resources	15.9%	66.5%	66.5%	87.8%	94.4%	100%	Tourism Nation
	Preventing illegal wildlife trade	Number of illegal wildlife transports	0 time	0 time	0 time	0 time	0 time	0 time	Regional Revitalization
	Consideration biodiversity in foodstuffs and commodity products	Number of violations of in-house guidelines for ESG risks in foodstuffs and products	—	—	—	0 case	0 case	0 case	
	Reducing ecosystem impact around the airport	[Tokyo] Number of incidents of inappropriate management of water containing hazardous substances	—	—	—	—	0 time	0 time	

S Human Capital

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Targets for FY2025	Related Key Materiality
Developing Capabilities	Providing opportunities for education and challenges to maximize individual potential	Training cost per person	¥449,480/person	¥109,321/person	¥84,469/person	¥138,651/person	¥164,103/person	¥338,000/person	<div>Human Capital</div>
Increasing Diversity	Providing opportunities to gain a variety of experiences regardless of attributes	Ratio of women in management	18.4%	19.5%	21.9%	22.8%	29.8%*1	30% Management targets	
		Employment ratio for persons with disabilities*2	2.62%	2.67%	2.64%	2.75%	2.90%	3.2%	
		Percentage of men taking childcare leave*3*4	81.8%	106.3%	99.3%	87.2%	80.5%	100%	
Expanding the Field of Success	Providing opportunities for growth and learning	Internal relocation through open recruitment	—	—	—	30 people/year	85 people/year	100 people/year	

Message from Our Executive Vice President (Group CFO)

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Initiatives	Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Targets for FY2025	Related Key Materiality
Gaining Knowledge	Deepen internal knowledge and acquire external knowledge	Career recruitment ratio	—	—	—	40%	50%	Human Capital
		Number of employees who took DX education	—	—	—	80 people	900 people	
	Organizational revitalization through the practice of the JAL Philosophy by organizational managers	Ratio of managers who took leader education	—	—	—	99.6%	100%	
Basement of Human Capital	Improving the ratio of health check-up	Employee consultation ratio	100%	100%	100%	100%	Keep 100%	
		Family consultation ratio*5	37.5%	36.0%	40.7%	To be disclosed within FY2024	75%	
		Ratio of mammography*3 (Employees)	—	—	58.9%	62.0%	61.4%	70%
		Ratio of mammography (Families 35 and over)	—	—	30.2%	33.4%	34.7%	40%
		Uterine cancer screening*3 (Employees)	—	—	54.1%	57.9%	57.4%	60%
		Uterine cancer screening (Families 18 and over)	—	—	25.4%	27.9%	29.8%	40%
Results of Human Capital Management	Increasing engagement	Percentage of highly engaged employees	54.4%	54.4% (No survey)	51.7%	51.7% (No survey)	53.8%	64.4%
	Value creation	Sales per capita	—	—	-50% v.s. FY2019	-2% v.s. FY2019	+13% v.s. FY2019	+38% v.s. FY2019
	Labor productivity improvement	Total work hours*3	1,862 hours/person	1,878 hours/person	1,890 hours/person	1,884 hours/person	1,876 hours/person	1,850 hours/person
		Percentage of usage of annual paid leave*3	79.0%	71.5%	74.5%	81.0%	84.5%	100%
		Average number of hours of overtime and holiday work per month*3	9.5 hours/person	8.0 hours/person	9.9 hours/person	10.5 hours/person	9.7 hours/person	4 hours/person (Linked to 1,850 hours of total annual labor)

*1 Changed calculation method from FY2023.
*2 Total value of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd., a subsidiary that hires people with disabilities.
*3 Japan Airlines Co., Ltd. only.
*4 Calculated based on the number of people in childcare leave applicants before FY2021.
*5 Until FY2020, the data was compiled for family members aged 35 and over. From FY2021, the data is compiled for family members aged 40 and over.

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G Governance

Initiatives	Performance indicators		Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Targets for FY2025	Related Key Materiality
Respect for Human Rights	Conducting human rights due diligence	Implementation ratio of human rights due diligence	—	—	—	100%	100%	100%	Resilience through Diversity
	Respect for human rights of suppliers	Completion of human rights investigations of new key suppliers	—	—	—	—	Completed	100%	
		Percentage of self-assessment questionnaires for significant suppliers (60 companies)	—	—	—	—	—	100% by 2024	
	Respect for human rights of customers	Attendance ratio of education related to respect for human rights	—	—	—	81.9%	75.5%	100%	
	Respect for human rights of employees	Ratio of employees who work long hours	—	—	—	1.98%	3.57%	0%	
Responsible Procurement	Supply chain management	Confirmation ratio of integrity of critical suppliers (461 companies)	18%	37%	62%	81%	100%	100%	
		Number of human rights audits conducted on key suppliers (23 companies)	—	—	—	—	—	100% by 2024	
		Number of aviation security audits of all caterer factories and machine supply depots	2 times	2 times	2 times	2 times	2 times	2 times	
Disclosure and Dialogue	Strengthening the dissemination of information on corporate website sustainability pages	Number of views	765,912	786,229	893,469	840,170	820,095	1 million or more	
	Strengthening the dissemination of information to individual shareholders and investors	Number of registered individual shareholders on the email newsletter list	—	—	1,805 people	7,464 people	18,290 people	15,000 people	
		Members registered to stockholders’ website	—	—	—	—	—	To be disclosed within FY2024	
Promoting Fair Business Activities	Preventing information leakage	Number of incidents	0 case	2 cases*6	0 case	2 cases	0 case	0 case	
	Prevent corruption and bribery	Number of incidents	0 case	0 case	0 case	0 case	0 case	0 case	
Enhancement of BCM	Improving the effectiveness of BCP	Number of BCP-based exercises	1 time	1 time	4 times	4 times	2 times	2 times	

*6 Number of information leakage incidents reported to authorities.

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Strategies for Each Business

(Business Strategy)

What We Want to Convey in This Chapter

- Strategies and progress in each business to realize our medium- and long-term management strategies
- Aircraft fleet plan to achieve both competitiveness and sustainability for growth in the aviation sector



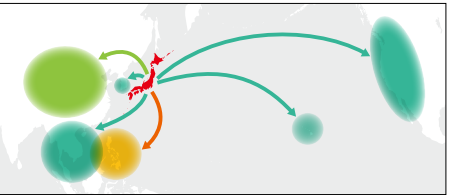
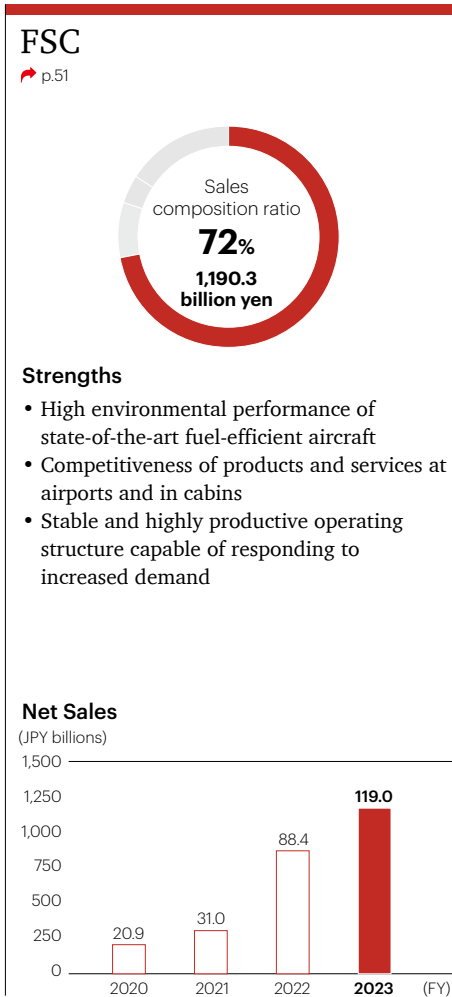
Photography by ABIKO Sachie

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Overview of Each Business



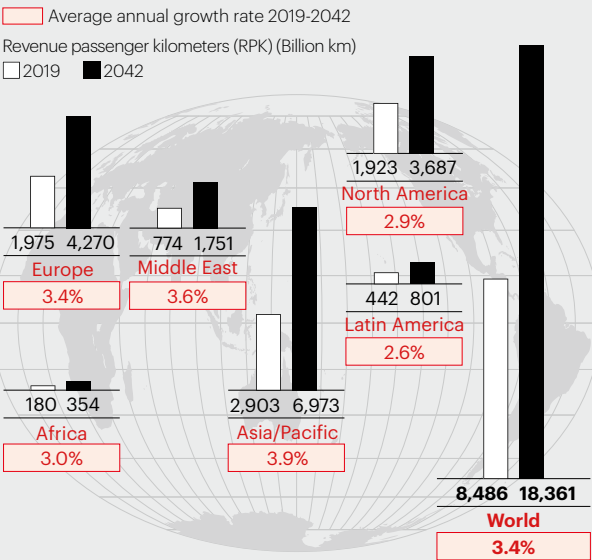
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“Maintain and expand networks while reducing environmental impact by introducing fuel-efficient aircraft, and stimulate interacting community”

Business Environment

Growth Opportunities	Risks
<ul style="list-style-type: none">• Further expansion of a strong inbound demand• “Increase in demand between North America and Southeast Asia.”• Expansion of route network through partnerships and code-sharing• Technological advances to improve productivity efficiency	<ul style="list-style-type: none">• Delayed recovery of outbound demand from Japan• High increase from foreign currency exchange and rising prices• Instability of the global situation, especially in Europe• Effects to flight operations from natural disasters, terrorism, infectious diseases, and large-scale accidents

Forecast of Air Transport Demand



Source: Japan Aircraft Development Corporation (JADC)

Medium-Term Strategy for FY2025

The FSC business offers high-quality products and services and a highly convenient network, and operates its flights based on the strengths of each company according to the scale of demand and route characteristics. In addition, by deepening partnerships with partner airlines, FSC is building a route network that is indispensable for business, tourism, and even daily life, connecting the world and Japan, cities and regions, and contributing to the revitalization of human flow and logistics.

Furthermore, we will promote the introduction of fuel-efficient aircraft, and promote initiatives to reduce environmental impact, such as the total elimination of single-use plastics derived from new petroleum in inflight services and lounges by FY2025.

To strengthen our competitiveness, we will provide customers’ safety and peace of mind and stress-free service by offering a stress-free digital experience and expanding the number of airports where JAL SMART SECURITY, which further

strengthens aviation security and reduces waiting time for inspection, will be introduced.

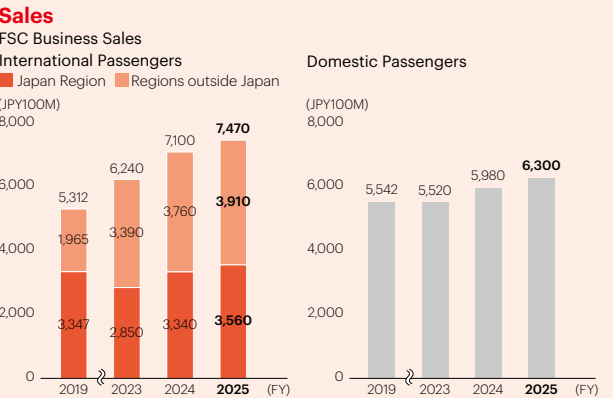
On international routes, we will strengthen our efforts to capture inbound demand, which is expected to grow, and accelerate efforts to reach the Japanese government’s target of 60 million total passengers visiting Japan by 2030.

On domestic routes, we will counteract rising costs due to price hikes, market conditions, and exchange rates by continuously improving unit prices, including the provision of pay-as-you-go options, and by increasing productivity through the use of DX and other measures, in order to build a stable business potential. In addition, we will promote the creation of new domestic human flows, such as the promotion of inbound travelers to local regions and new tourism, in order to increase revenues.

Progress Toward Achieving FY2025 Targets

FY2023	FY2024
Accelerate efforts to reduce environmental impact and restore and expand demand	Strengthen efforts to capture strong inbound demand and promote measures to respond to high costs
<ul style="list-style-type: none">• Route network expansion in response to demand recovery• Improve preference for fuel-efficient aircraft by deploying Airbus A350s• Promote development and provision of products and services that reduce environmental impact• Further promote ESG strategies by leveraging alliances and joint business	<ul style="list-style-type: none">• Strengthen efforts to capture inbound demand• Promote business structure reforms to counteract rising prices, yen depreciation, and other cost increases• Promote introduction of Airbus A350-1000• Provide stress-free travel• Promote productivity improvement through the use of DX

FY2025 Targets



	Market Environment	Initiatives and Results
International Flights	<ul style="list-style-type: none">• Demand from overseas tourists is strong for inbound and transit demand between North America and Asia. Continued expansion is expected.• Demand to and from Japan is slow to recover due to the impact of the weak yen and rising prices.• Unit price is expected to remain steady, especially for flights from overseas.	<p>Route network expansion in response to changes in demand after the COVID-19 pandemic</p> <p>On international flights, we will continue to capture strong inbound demand and increasing in demand between North America and Southeast Asia. and in January 2024, we will introduce a new aircraft, the Airbus A350-1000, which will begin service on the Haneda-New York route.</p> <p>The new service concept is Airlines for the Future. Under the concept of Design Your Story, in which each customer designs their own way of traveling from the beginning to the end of the journey, we will respond to diverse customer needs and strengthen our competitiveness. In addition, we aim to build a network of convenience by deepening partnerships with joint business partners and expanding new code-sharing opportunities to increase customer choices. We will strive to improve JAL brand recognition in regions outside Japan, particularly in North America and Asia, and further increase inbound demand.</p> <p>First direct flight by a Japanese airline to Doha in the Middle East</p> <p>Beginning with the summer flight schedule of 2024, JAL will launch a new route between Haneda and Doha, the first nonstop flight by a Japanese airline to the Middle East. Using the international route network of Qatar Airways, a member of the oneworld alliance, we will expand our network to conveniently travel from Doha to the Middle East, Africa, and South America.</p>
Domestic Flights	<ul style="list-style-type: none">• Business demand is expected to recover to 80 percent of CY19* levels• Tourism demand is expected to gradually recover to CY19 levels• Unit price is expected to be 120 percent of CY19 level in FY25	<p>Building a sustainable network that contributes to the creation of interacting community</p> <p>On domestic routes, although business demand will fall below the pre-COVID-19 pandemic level due to factors such as the establishment of remote conferences, we will work to capture passenger demand on par with pre-COVID-19 pandemic levels by creating new flows of people and expanding inbound passenger traffic to regional areas.</p> <p>As an important infrastructure supporting society, we will make maximum use of the resources of Group companies to maintain and optimize our route network, create travel demand, and create and promote regional attractions.</p> <p>The five EAS LLP airlines are JAL, ANA, and Japan Air Commuter Co., Ltd. (JAC), Amakusa Airlines Co. Ltd. (AMX) and Oriental Air Bridge Co., Ltd. (ORC), the three regional airlines in Kyushu that have outlying island routes, and will contribute to regional revitalization by creating a flow of people between cities and outlying islands.</p> <p>Opening new routes to support regional development</p> <p>In the winter timetable of 2023, we opened the Sapporo (Okadama) to Nemuro-Nakashibetsu route, the first new JAL Group domestic route to a new airport in 12 years. We will contribute to the development of local corporate citizenship activities by enhancing local medical convenience while contributing to the promotion of local industry. By strengthening the connection between Sapporo, which supports medical care and disaster prevention, and the Nemuro area, including the town of Nakashibetsu, we will contribute to the development of local corporate citizenship activities by enhancing regional medical convenience while contributing to the promotion of local industries.</p>

*Calendar Year

“

Comment

The New Haneda to Doha Route, the First Direct Flight to the Middle East by a Japanese Airline

On March 31, 2024, JAL flew the Tokyo Haneda to Doha route, the first direct flight for a Japanese airline to the Middle East. Also from Doha, the route network of Qatar Airways, a oneworld alliance member, this has expanded the access to the Middle East, Africa, and South America. The process of establishing new service to Doha, a foreign land for JAL, involved countless preparations, including the opening of a branch office and filing various applications with local authorities. Different countries have different business customs, different public holidays, different food habits. Although there were many complications, we were overjoyed when preparations were perfected and the first flight on the day finally went off without any difficulties.

Doha, the capital of Qatar, is well known as a transit point, but in fact it is a fascinating city that combines tradition and modernity, which is rare in the world.

Through the Haneda to Doha route, JAL will not only help more people experience the charm of Qatar, but also contribute to the promotion of exchange between Japan and countries in the Middle East, Africa, and South America, where further growth is expected in the future.

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KAWAZU Haruka
Airline Partnership
Strategy Department
Senior Staff of Partnership
Promotion Group

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 JAPAN AIRLINES

Special Feature 1

Introducing Our New A350-1000 International Aircraft

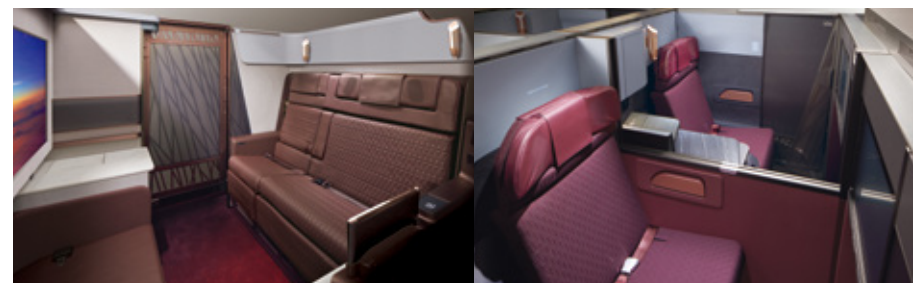
In light of the changing values in our society, we aim to enhance the value of our products and services from an ESG perspective. As part of this effort, we developed products and services for JAL's international Airbus A350-1000 flights. Under the concept of "Design Your Story", we expanded the options available so that our customers, regardless of gender, age, travel purpose or preferences, can design an experience that matches their own values. In addition to comfort and personalization, we also focus on sustainability and removing barriers to accessibility. We will create comfortable experiences that will lead to the future of air travel, in partnership with our customers.

An experience tailored to each customer

JAL's largest, most comfortable personal space to date

To spend the best ever comfortable and relaxing experience, we designed the seats in all classes.

Aiming to create a space where passengers can unwind, we emphasize personal space for a stress-free experience even on long flights. In For the first time, JAL is introducing fully private rooms in our Business Class cabin. In Premium Economy Class, the reclining function is automatically operated for the first time in the world allowing you to stay comfortable, aiming to improve preference with the most advanced and overwhelming quality.



First Class is limited to six seats. We seek to immerse our customers in the highest level of Japanese hospitality. With this in mind, we have developed a luxurious and spacious environment for our guests. Designed with high individual walls, your personal space opens up and features a large sofa that feels like you're relaxing in your own private living room.

New doors create a luxurious private space with more comfort than ever before. The featured seating reclines into a fully-flat bed that is more than 10 cm longer than conventional beds. Additionally, built-in speakers in every seat provide the option to enjoy a new inflight entertainment experience without headphones.

Inflight meals designed for well-being

We have expanded our inflight meal lineup through reservations to meet the preferences of all types of customers. In particular, the demand for special meals has increased due to the growing inbound tourists. In First Class and Business Class, vegan and vegetarian menus were renewed under the supervision of Chef YONEZAWA Fumio to develop healthy and delicious inflight meals. In Premium Economy and Economy Class, we commenced the service of upgraded paid inflight meal. We also contribute to reduce food waste by increasing the percentage of advanced reservations.



Enjoy a course-style menu crafted by Chef Fumio Yonezawa with a focus on food sustainability. Chef Yonezawa is dedicated to creating dishes that bring a smile to your face.

Paid Exclusive Meal in Premium Economy and Economy Class. Choose from Japanese or European cuisine.

*Advanced reservations are required Please check the JAL website for the international routes providing this service and how to reserve your meal.

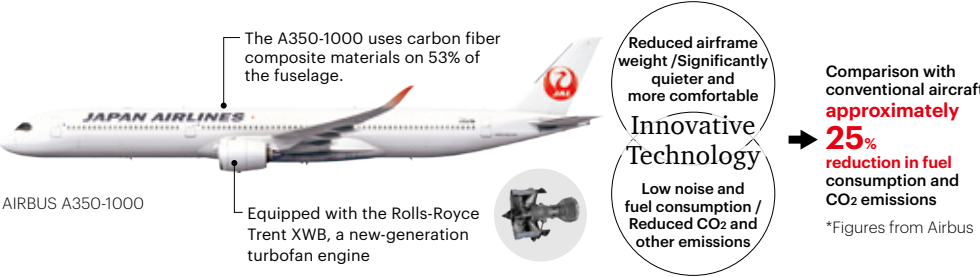


Sustainability

State-of-the-art technology reduces environmental impact

By combining innovative technologies, the A350-1000 achieves a significant reduction in noise and improved fuel consumption compared to aircraft of the same size. Fuel consumption in particular is expected to

improve by approximately 15-25%, contributing significantly to the reduction of CO₂ and other emissions. By systematically upgrading to newer models in the future, we will continue to contribute not only to improved comfort for our customers but also to reduced environmental impact.



All inflight supplies to be plastic-free

We are attempting to eliminate all new petroleum-based all single-use plastic products provided to our customers at cabins and lounges by 2025. On our meal tray, materials used for disposal containers and lids have been changing, and this time changed the packaging materials to plant-based materials for cutlery in Economy Class on our flights departing from Haneda and Narita, in addition to flights departing from overseas.



Packaging for Premium Economy and cutlery

Communicating diverse values through art

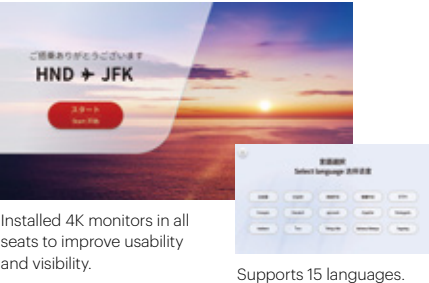
In collaboration with HERALBONY, an art agency creating a new culture and challenging preconceptions of disability through art, we use artwork by contracted artists on amenity kits and inflight meal containers. By creating social connections through these projects, we are to realize a society in which people can respect each other's diverse values.



Business Class Amenities

A pleasant visual and audio experience for all customers

The number of supported languages has been expanded to 15, and usability has been improved so that all customers can comfortably enjoy movies and music without stress. Various visual support functions, such as screen magnification and color correction, have been introduced to make it easier for people with disabilities to use the service. New accessibility settings, including a text-to-speech function, will be introduced in the future.



Screen magnification that can be set on the monitor.

Comment

JAL International Airbus A350-1000 Created by a Team

The Airbus A350-1000 aircraft project started in 2018 and took about five years to launch. Under "Design Your Story," each service was renewed with our passionate wish to "make every passenger safe, peace of mind and more comfortable, regardless of their travel objectives and needs.

Also, related to the in-flight amenities, we have introduced new relaxing wear in the Business Class so that customers can have a comfortable flight. The "Brand-new-relaxing wear" spec details were carefully selected so anyone can use them without stress.

For example, we designed "a pullover-style robe" to make it feel just like home, and it is possible to change clothes in their own seats, thereby creating a private cabin environment.

For comfort, we embraced thin, light, soft, highly absorbent and heat-retentive "Airy Touch" towels made by the long-established towel manufacturer UCHINO.

It was quite emotional to see how much our customers were looking forward to the first launch. We will continue to develop and improve our outstanding products to meet the diverse needs of our customers.

SATO Nanako
Supply-chain Management Group
Catering Administration Office
Products and Services Development Department

Creating a new flow of people through agile business development in response to the market.

Business Environment

Growth Opportunities	Risks
<ul style="list-style-type: none">• Increase in inbound demand due to increase in tourists• Increase in VFR* demand due to increase in non-Japanese residents	<ul style="list-style-type: none">• Structural cost increases due to the impact of yen depreciation and price hikes• Fluctuations in jet fuel market prices• Shortage of human resources for ground handling and other outsourcing companies

*Visit Friends and Relatives

JAL Group LCC Route Network

Medium-term Strategy towards FY2025

In the growing market where the needs are changing, the three LCCs will create a new flow of people and build relationships and societal connections by offering more options to meet the diverse needs and making air travel more accessible in terms of route and price. Furthermore, we will achieve high profitability and expand the scale of our business potential by expanding

inbound travel and creating demand for connecting flights through Narita Airport as the hub airport, where the three JAL Group LCCs are based.

In addition, through the collaboration with JAL, the LCCs aim to improve customer recognition and convenience by strengthening sales and enhancing brand power.

Progress Towards Achieving FY2025 Targets

FY2023

Stabilization of the three LCC business bases and steady route re-deployment

Number of aircraft: 14 aircraft (ZIPAIR: 8 aircraft SPRING JAPAN: 6 aircraft)
Number of routes served: 15 routes (ZIPAIR: 9 routes, SPRING JAPAN: 6 routes)

- Route network expansion with three new North American and Asian routes
- Stabilize revenue and expense plan by realizing agile Flight Frequency and Fleet Plan, and route network expansion on the China route
- Strengthening competitiveness and reducing environmental impact by introducing the Airbus A321LR

*Excluding Jetstar Japan
Excluding freighters

FY2024

Achieve high profitability through aggressive international route development

- Establish production system and develop new routes and services for further growth
- Further route network expansion and production system for China routes
- Secure inbound demand through expansion of international route network

FY2025 Target

Profit Target (EBIT)

FY	EBIT (JPY100M)
2023	33
2024	130
2025	More than JPY20 billion

*Total of EBIT of two (ZIPAIR and SPRING JAPAN) consolidated subsidiaries plus equity income of Jetstar Japan, an equity-method affiliate

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JAL JAPAN AIRLINES

	Market Environment	Initiatives and Results
ZIPAIR	<div>• Recovery of demand for international flights</div>	<div>Expansion of route network and improvement of profitability</div> <div>Although outbound demand is slow to recover due to the impact of the weak yen and other factors, inbound demand remains strong. In FY2023, three new aircraft was introduced, and airline network was expanded with three new routes to San Francisco, Manila, and Vancouver.</div> <div>We will continue to improve profitability by developing new routes and services, while building a production system for further growth.</div>
SPRING JAPAN	<div>• Recovery of inbound demand from China</div>	<div>Expansion of China route network</div> <div>With the gradual easing of immigration restrictions on China routes, we resumed the Narita to Shanghai (Pudong) route in December 2023 for the first time in three years and eight months.</div> <div>We will continue to contribute to the expansion of inbound travel from China, which is expected to grow, by expanding our network to China's major cities and rural areas as the market recovers on Japan-China routes. We will contribute to expand the inbound traffic from China, which is expected to grow, by leveraging the sales and brand power of Spring Airlines Group, which is the largest LCC in China and is highly recognized and competitive in the country.</div>
Jetstar Japan	<div>• Expand inbound demand</div>	<div>Expanding the international route network</div> <div>In December 2023, we expanded new domestic route networks in Narita to Asahikawa and resumed international services on the Narita to Shanghai (Pudong) route in order to capture domestic tourism and inbound demand.</div> <div>We will continue to capture the recovering domestic tourism demand and lead the growth of the domestic LCC market centered around the Tokyo metropolitan area. Additionally, we aim to gradually resume international flights to capture the strong inbound demand from Asia. We will also strive to improve our competitive advantage by introducing the latest environmentally friendly A321neo aircraft, which will improve fuel consumption efficiency and increase the cruising range of our aircraft.</div>


“

Comment

The One and Only Airline

At ZIPAIR Tokyo, where our employees work both as cabin crew and ground staff, we aim to be the one and only airline. In addition to cabin duties, I am also responsible for ground operations and training new and existing employees as an instructor.

When I joined the airline, I wanted to provide better services to our customers by breaking down the barriers between the cabin crew and ground staff while learning each other's duties. In the process of balancing both jobs, I have been able to make great use of the knowledge which I have gained from each job. For example, when I am asked at the check-in counter about the timing of inflight meal services, I can confidently answer the question based on my knowledge and experience as a cabin crew. In this way, I can provide services that other airlines do not offer based on my individual skills. Sharing information with other colleagues create in-depth communication that leads to meticulous services. Being an LCC does not limit the services, as there are many services we can provide, because we are ZIPAIR Tokyo, the New Basic Airline. I believe that it is part of my duty to convey these services to my colleagues. Please keep an eye on ZIPAIR Tokyo as it continues to evolve.



AOYAGI Yumi

ZIPAIR Tokyo Corporation
Passenger Operation Team

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JAL Group Integrated Report
JAL REPORT 2024

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 JAPAN AIRLINES

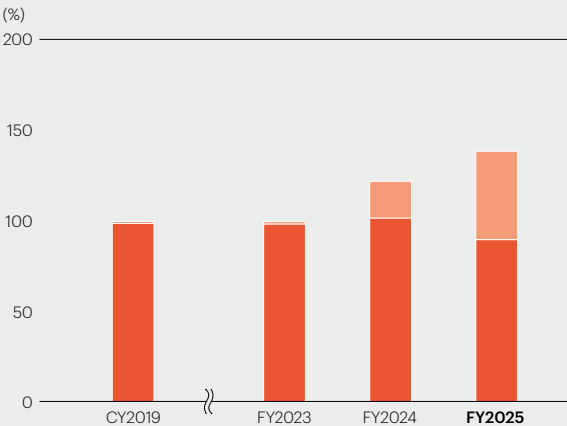
We aim to resolve issues in the logistics industry by leveraging the advantages of our air transportation and create a sustainable logistics network.

Business Environment

Growth Opportunities	Risks
<ul style="list-style-type: none">Expansion of international express/e-commerce marketExpansion of pharmaceuticals and Japanese regional products/fresh products transportation volumeModal shift from truck-based ground transportation due to the 2024 Issue	<ul style="list-style-type: none">Delay in recovery of Japan IN/OUT and domestic cargo demand

Capacity(vs CY2019)

■ Weight supply (passenger aircraft belly)
■ Weight supply (freighters)



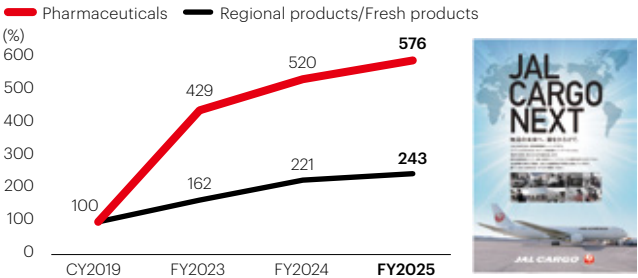
Medium-term Strategy Towards FY2025

In our freighter business, we will expand supply by introducing our own freighters. Also, we will utilize other companies' aircrafts to long-haul routes in Europe, the U.S., and other countries. Utilizing those supply combination, we will establish an agile and flexible flight plan strategy. In addition, as a challenge for our business growth, we will develop a new business model (a network strategy based on stable demand, which is different from the current strategy) through strong partnerships with major logistics companies and meet new customer needs.

We will build and strengthen an optimal route network for growing international express and e-commerce demand, and for resolving domestic "2024 Issue". Our strategy will also contribute to resolving social issues as a high-quality social and economic logistics infrastructure, and achieve our sustainable growth.

We have been focused on some commodities as our strategic commodities, such as pharmaceuticals, Japanese regional products, fresh products, international express and e-commerce. We maximize cargo transportation volume, taking advantage of air transportation and JAL Group's high transportation quality in addition to expand handling facilities.

Transported Weight of Strategic Commodities (compared to CY2019)



Progress Towards Achieving FY2025 Targets

FY2023

Focused on our strategic commodities cargo and secured revenues significantly higher than before COVID-19

- Maximize cargo weight, especially of our strategic commodities such as pharmaceuticals, despite difficult market conditions
- Commencement of our own 767 freighter operations from February 2024, focusing on East Asia routes with strong demand for International express and e-commerce

FY2024

Expanding freighter business and strengthening transportation of strategic commodities to achieve our business growth

- Establish and enhance an optimal route network for intra-Asia and Asia-Europe/U.S. route network by combining capacity of our passenger aircraft belly with our own freighters
- Expand transportation of strategic commodities, such as pharmaceuticals, fresh products and International express, taking advantage of air transportation
- Strengthen facilities and quality to expand pharmaceutical transportation



FY2025 Target

Sales

■ Passenger aircraft belly ■ Freighters

(JPY100M)

Year	Passenger aircraft belly (JPY100M)	Freighters (JPY100M)
CY2019	918	0
2023	1,330	0
2024	1,670	0
2025 (FY)	2,000	0

	Market Environment	Initiatives and Results
International Cargo	<ul style="list-style-type: none">• Delayed recovery of Japan IN/OUT cargo demand• Strong cargo demand of International express and e-commerce in East Asia	<p>In a difficult market environment, the Group focused on strategic commodities and achieved revenue exceeding the pre-COVID-19 pandemic levels.</p> <p>Under delayed recovery of Japan IN/OUT cargo demand, we strove to capture demand between Asia/China and North America, focusing on strategic commodities, such as pharmaceuticals and fresh products. Both cargo weight and unit price exceeded levels (weight+7%, unit price+57%), and revenues were significantly higher as well.</p> <p>Commenced operation of Boeing 767-300ER freighter, challenging new freighter business.</p> <p>In February 2024, we commenced our own Boeing 767-300ER freighter operation and as of August 2024, we are operating to Narita, Nagoya, Seoul, Taipei, and Shanghai. Based on our strong partnership with DHL express, a global logistics company, we strove to capture cargo demand in East Asia where International express and e-commerce demand is strong. We will respond to growing cargo demand of International express and e-commerce with a combination of our passenger aircraft belly and freighters. We will try to achieve sustainable growth of our Cargo and Mail business as a social and high quality logistics infrastructure.</p> 
Domestic Cargo	<ul style="list-style-type: none">• Delayed recovery of Japan domestics cargo demand• Delayed return to air transport demand that has shifted to other modes of transport during the COVID-19 pandemic• The 2024 Issue	<p>Recovery of domestic cargo demand has been slow and the market is sluggish. Maximize revenue by focusing on securing cargo weight.</p> <p>In addition to the delayed recovery of Japan domestic cargo demand, the return to air transportation that shifted to other modes during the COVID-19 pandemic remained still lower. Under those challenging market environments, we focused on shifting demand from other modes to encourage the return of air transportation and achieved a higher cargo weight than the previous YoY (+2% YoY). We will continue to secure cargo weight and maximize revenue.</p> <p>To establish a sustainable and robust logistics network using freighters in response to environmental changes.</p> <p>In response to the 2024 Issue (concerns about the decline in ground transportation capacity, mainly trucks, among others), the JAL Group and the Yamato Group have collaborated to launch freighter operations in April 2024 as a new means of transportation. As of August 2024, we operate between Narita, Haneda, Shin-Chitose, Kitakyushu, and Okinawa. Through utilizing our freighter, we will secure stable transportation capacity and expand domestic logistics networks, and provide added value such as speedy transportation. Our freighter business will contribute to Japan regional development and enhance our corporate value.</p> 

“**Comment**


Re-launching Our Own Freighter Business After 13 Years and New partners

In preparation for re-launching our own freighters after a 13-year absence, we have been improving our skills while striving to acquire new knowledge in a series of handling operations from cargo acceptance to loading.

Veteran staffs who handled freighters 13 years ago led younger staffs and prepared well for the launch day of our freighters, including a renewal of the education and training curriculum.

Regarding domestic freighters operated together with Yamato Holdings, we established a handling system, leveraging the experiences of SPRING JAPAN and JAL Group companies. Toward the goal of flying domestic freighters, we overcame various challenges and created our handling services in cooperation with other companies. The services have become a new and valued asset for us.

We will continue our efforts to maintain and improve service quality, secure stable transportation capacity, and make group-wide efforts to solve social issues in logistics such as the 2024 Issue. We will continue to do our best for the future of our Cargo and Mail business with the majestic flight of our new freighters.



MARUYAMA Kazuki
JAL Cargo Handling
Section Chief

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Fleet Plan

By allocating aircraft to growing areas and accelerating the renewal of fuel-efficient aircraft, we will maintain and expand the network and capacity while reducing our environmental impact and creating air transportation and societal connections.

Now Renewing to fuel-efficient Aircraft

In order to create air transportation and societal connections while reducing our environmental impact, we will accelerate the introduction of the next generation fuel-efficient aircraft to provide the best service to our customers while reducing CO₂ emissions. In the growing area of international flights, we will replace our existing Boeing 777, 767, and 737-800 aircraft with fuel-efficient aircraft such as the Boeing 787, Boeing 737-8, Airbus A350, and Airbus A321neo in order to expand the capacity. The aircraft renewal will improve fuel consumption per aircraft by approximately 20 percent compared to the existing fleet and will increase the ratio of fuel-efficient aircraft* to 76 percent by 2030.

Seventy-five aircraft to be introduced consisting of 21 Boeing 737-8, 10 Boeing 787-9, 33 Airbus A350, and 11 Airbus A321neo aircraft.

*Fuel-efficient aircraft: A350/787/A321neo/737-8

International

To achieve international network expansion and growth, we will increase and introduce larger aircraft mainly on routes to North America, Asia, and India, where future growth is expected. We will also expand the combined scale of our FSC and LCC operations by approximately 1.4 times in FY2030.

We will further promote the introduction

of the Airbus A350-1000, which began operating as the flagship fleet for international flights in FY2023. We will also introduce 20 new Airbus A350-900 aircraft, the main fleet for domestic flights, to international flights. An additional 10 Boeing 787-9 aircraft will be introduced for our international flights.

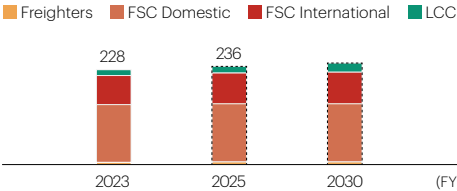
Domestic

JAL will enhance profitability by operating a sustainable fleet that meets the demand and environment. JAL will newly introduce 11 Airbus A321neo aircraft which will be introduced in 2028, mainly on routes to and from Haneda Airport. JAL will also consider the introduction of additional aircraft types to succeed the regional jets and propeller aircraft, depending on future demand trends in Japan.

Freighters

To meet the growing demand for express and e-commerce services, JAL will operate three Boeing 767BCF aircraft and three Airbus A321-200P2F aircraft as freighters.


Total Number of Aircraft



Future Fleet Plan

International


- Increase capacity (ASK) by approx. x1.4 (FSC/LCC) by increasing the number and size of aircraft
- Route network expansion with a focus on growth markets
- Focus on medium- and long-haul routes with large and medium-sized aircraft to improve profitability



Domestic

- Introduce two aircraft types (737-8/A321neo) of different sizes to improve profitability and fuel consumption by matching supply to market demand

	Current aircraft	▶	New aircraft
Medium size aircraft	767-300ER	▶	A321neo
Small size aircraft	737-800	▶	737-8

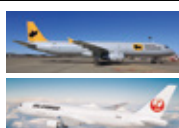


Freighters

- Agile and flexible supply through the introduction of freighters

A321P2F

767BCF



Breakdown of New Aircraft Types Scheduled for Introduction from Airbus and Boeing in the Future (as of March 31, 2024)

	Airbus A350-1000	Airbus A350-900	Boeing 787-9	Airbus A321neo	Boeing 737-8
International	Ten aircraft	Twenty aircraft From FY2027 onwards	Ten aircraft From FY2028 onwards		
Domestic		Three aircraft		Eleven aircraft From FY2028 onwards	Twenty-one aircraft From FY2026 onwards

Mileage, Lifestyle and Infrastructure (Mileage/Finance and Commerce)

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The JAL Mileage Lifestyle helps to enrich the lives of our customers.

Business Environment

Growth Opportunities	Risks
<ul style="list-style-type: none"> Establish a digital communication infrastructure with mobile apps Penetration of cashless payment 	<ul style="list-style-type: none"> Establish a business model that is not dependent on air transport demand Differentiation from loyalty point providers by increasing the value of miles Differentiation through expansion of products and stores with high affinity to JMB members

Target for Miles Issued for non-air transport services



Medium-term Strategy towards FY2025

Further increase the value and attractiveness of miles and maximize revenue

Towards FY2025, we will further expand our mileage services and maximize revenues to establish a business model that does not rely on air transport demand, which was reaffirmed through the COVID-19 pandemic. In FY2023, we worked to improve customer convenience and build a communication infrastructure to promote the JAL Mileage Lifestyle, including the release of the JMB app, JAL Pay, and JAL Mall, as well as the launch of JAL Life Status Program, our new status program. In doing so, the JAL Mileage Lifestyle will continue to evolve into a service that allows our customers to earn miles not only from JAL flights

and JALCARD spending but also from JAL Pay and a wider variety of everyday situations - and then redeem those miles for not only award tickets but also priceless and special awards, such as tickets for sporting events with limited seating and hotel suite stays. Through the JAL Life Status Program, we aim to achieve our Medium-term plan by further expanding our customer base by reaching out to younger and less frequent air travelers in addition to heavy airline users.

Through these efforts, we will capture environmental changes such as the future nationwide penetration of cashless payment and the growth of the e-commerce market and achieve growth through the promotion of the JAL Mileage Lifestyle.

Progress towards Achieving FY2025 Targets

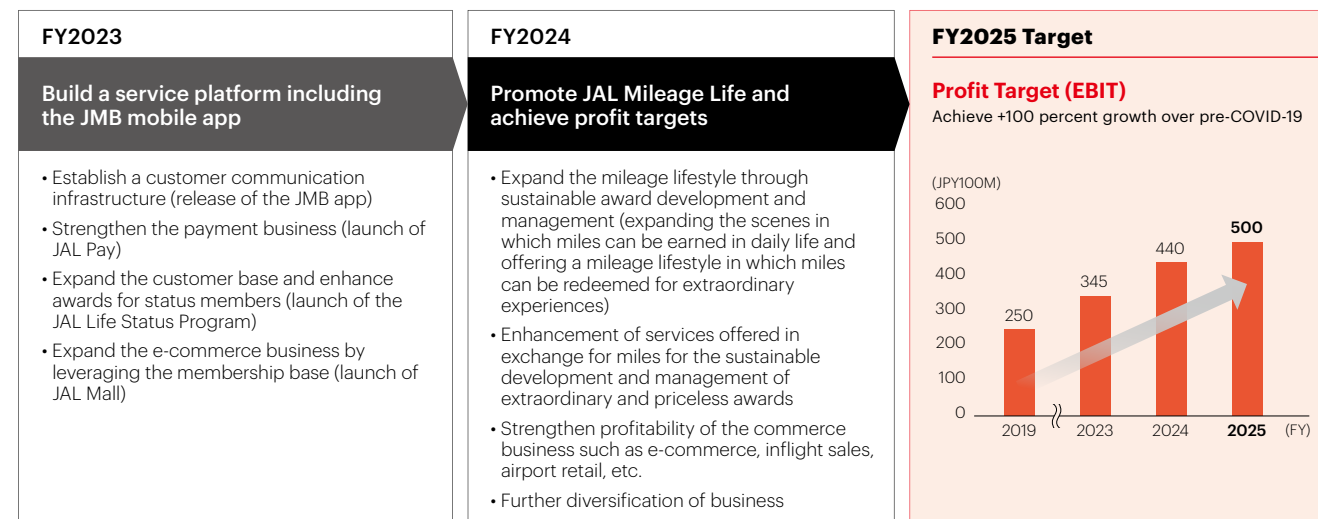


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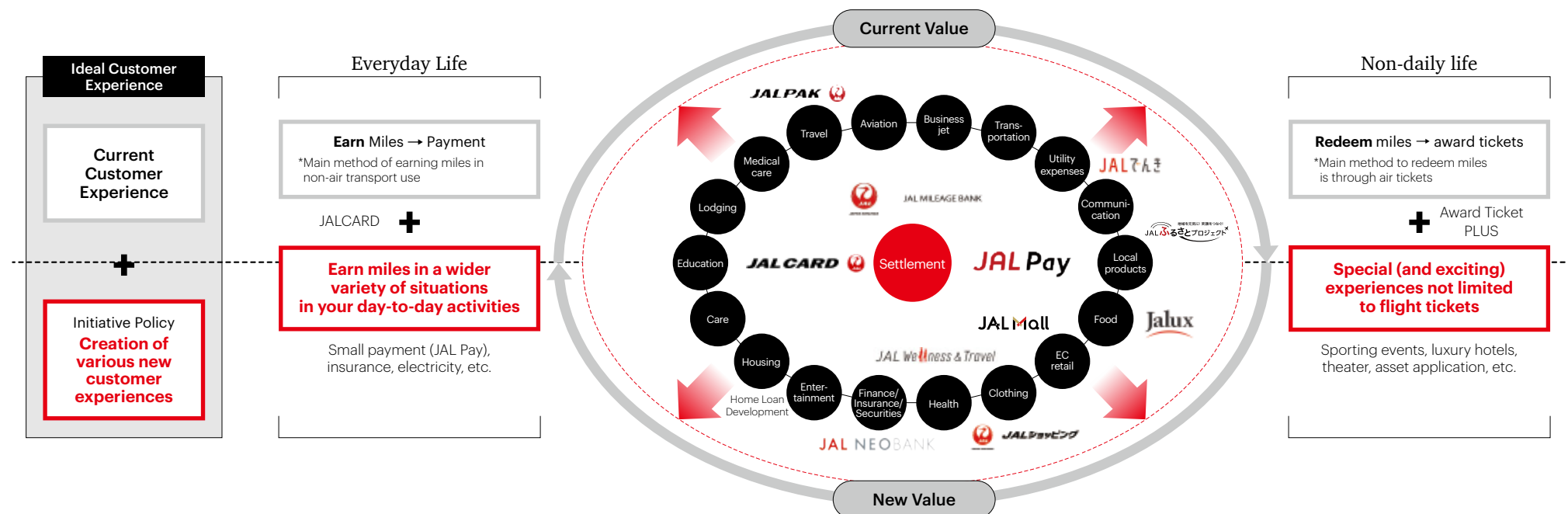
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In the promotion of the JAL Mileage Lifestyle, we will further expand the situations for issuing and redeeming miles by fully leveraging platforms such as the JMB app and the mileage partnerships that have been expanded to date. While increasing the situations to earn miles in everyday life such as with JAL Pay, more options other than award tickets will be offered to redeem miles, such as tickets for sporting events with limited seating, theater tickets, and other experiences (priceless awards). We will promote the value and attractiveness of miles in a way that has never been seen before.



Expand and raise awareness of the JAL Mileage Lifestyle

In addition to the products and services and programs released to date, new products and new partnerships for miles will be accelerated in FY2024 and beyond. We will also combine platforms such as the new status program and the JMB app to maximize the value and attractiveness of the JAL Mileage Lifestyle, in order to increase recognition and maximize earnings.

Sustainable development and management of Priceless Awards

In addition to the JAL Premium Experience Awards offered in exchange for miles, a system will be established to further enhance mileage awards in cooperation with partner companies and other divisions.

Expand the Commerce Business

We aim to achieve growth in the commerce business by strengthening our product capabilities and data analysis to meet customer needs, while building a solid business structure that is not affected by air transport demand.

Diversifying Business

Consider and implement strategies to not only expand the existing mileage commerce business, but also to further diversify the business portfolio, including strengthening the financial domain, in order to expand the revenue base and mileage awards.

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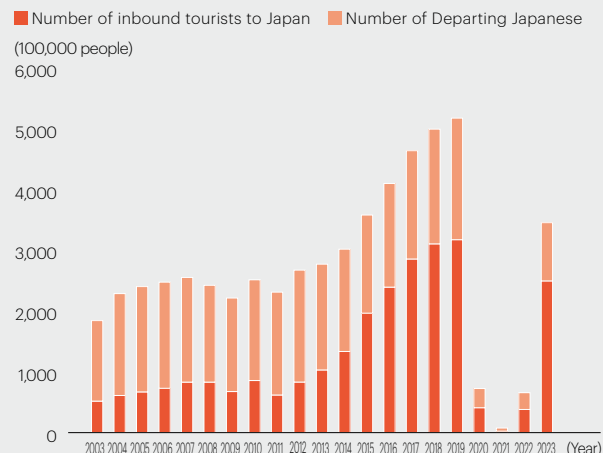
Contribute to a tourism-oriented nation by creating an inflow of people and goods logistics to Japan.
Pursuit of further quality and profit increase as a leading company in outsourced contracting.

Business Environment

Growth Opportunities	Risks
<ul style="list-style-type: none">• Increase in inbound demand and government promotion of acceptance• Momentum to expand the ground handling industry, including the establishment of an industry association• Expand the market for pharmaceutical transportation• Changes and diversification in the aviation industry (drone logistics, practical application of EVTOL)	<ul style="list-style-type: none">• Inadequate systems (personnel, equipment, airport facilities to name a few) to accommodate the expected growth of inbound demand• Sudden reduction in demand due to event risks

Inbound Sales Increased Steadily.
The government target for 2030 is 60 million people.

Number of Inbound Tourists to Japan and Number of Departing Japanese



Medium-term Strategy Towards FY2025

Building a highly profitable structure and driving the Group's business restructuring.

Supported by the strong inbound demand, the number of foreign airlines operating flights to Japan has been steadily increasing. While positioning FY2024 as the growth phase, we will transform ourselves into a highly profitable business. We will take the following measures while maintaining our competitive advantage in the top-class service quality that supports the handling of JAL Group flights and the largest coverage network in Japan.

• Establish a production system to meet the strong demand

In order to promote the creation of a sustainable structure to prepare for the future decline in the workforce, we will improve productivity and quality by promoting the use of technology. We will also provide opportunities for a diverse range of human resources, including experienced workers and non-Japanese workers. At the

same time, we will work to create an environment in which employees can remain active for a long period of time, including compensation and other benefits.

• Early development of volatility risk response

In order to enhance volatility to resist withdrawal of foreign airlines and event risks, we will proceed to expand the production system while reaching out to industry associations, local governments, and other stakeholders.

• Sales and marketing based on market needs

In order to increase revenues for the group as a whole, we will differentiate ourselves from competitors by setting the fees of our customer airlines that appropriately reflect market values. We will also offer comprehensive packages that straddle the three domains of airports, cargo, and maintenance, which are the unique strengths of airlines.

Progress Towards Achieving FY2025 Targets

FY2023

Profit target profit target and recovery and restructuring of the number of ground handling flights of the production system that decreased during the COVID-19 pandemic.

- Respond to requests for increased flights from the governments of Japan and China, local governments, and other stakeholders to the greatest extent possible
- Establish a system by developing outsourcing contractors at each airport.
- Implement price revisions to ensure a sustainable production system
- Participate in the Ground Handling Association
- Expand ground handling contracts for maintenance of engines, landing gear, and the like, and new businesses utilizing maintenance know-how

FY2024

Transition to a sustainable, highly profitable structure as we enter a growth phase

- Establishment of a public-private partnership to accommodate a greater number of flights than the number of flights during the pre-COVID19 era
- Further promotion of price revisions for foreign airlines
- Entry into new businesses such as contracted aircraft maintenance, component maintenance, and drone maintenance

FY2025 Target

Profit target number of flights commissioned



* Profit targets include profits from contracted maintenance and contracted freight services.

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Provide New Value in Mobility that create connections and relationships.

Business Environment

Growth Opportunities	Risks
<ul style="list-style-type: none"> Expanding needs to various air transportation measures Increase in demand to maintain transportation infrastructure Advances in digital technology 	<ul style="list-style-type: none"> Reduction of transportation infrastructure due to labor shortage (MaaS) Delay in Cultivation of social acceptance and technical development

Creating New Mobility Value

Contribute to the maintenance and development of transportation infrastructure by integrating ground, and sky.



Image of eVTOLs Source: Ministry of Economy, Trade and Industry website (https://www.meti.go.jp/policy/mono_info_service/mono/robot/aam_eng.html)

Medium-term Strategy towards FY2025

Deepening service integration to realize a new MaaS platform

Aim at realizing an optimal support (operation platform) for the air mobility business in order to operate drones and eVTOLs economically, safely and with peace of mind, utilizing JAL's expertise in flight safety.

• Air Mobility

We established Amami Island Drone Co., Ltd. (AID), with the aim of solving social issues such as the aging population and depopulation in the region. From FY2024 drone operations (phase-free model) are to assist regular delivery of everyday goods to support the lifestyle in islands with measures during disasters in mind, active use of drones to assess damage through aerial photography and transport of relief supplies in the face of heightened disaster risk, and other services to

provide flight safety and peace of mind to achieve these goals.

In addition, preparations are underway with local governments and others for full-scale commercialization of the eVTOLs. In the future, a network of eVTOLs will be deployed in various regions, including multimodal transport from airports.

• JAL MaaS

In order to realize safety and peace of mind in air transportation that creates relationships and societal connections, we will expand JAL MaaS to provide seamless transportation for our customers from the point of origin to the point of destination by linking all modes of transportation. In the future, we aim to realize a revolution in air transportation, including a network of eVTOLs, that will meet the transportation needs of each individual customer.

Progress towards Achieving FY2025 Targets

FY2023	FY2024	FY2025
Establish an operational platform and expand the air mobility market		Realize a new MaaS platform Create transportation and travel-related services
<p>Air Mobility</p> <ul style="list-style-type: none"> Established Amami Island Drone Inc. (AID) and started Drone service in Setouchi Town. Accelerated efforts towards the societal adoption of drones through a capital and business alliance with KDDI SmartDrone Corporation. Conducted a trial of eVTOL operation <p>MaaS</p> <ul style="list-style-type: none"> Deepened MaaS services in cooperation with local and existing operators Realized seamless travel, including the introduction of digital ticketing services 	<p>Air Mobility</p> <ul style="list-style-type: none"> Provide services to support advanced drone operations, such as remote operation Provide drone-based solutions to local governments and businesses to accelerate the use of drones. Establish an eVTOL operation company with Sumitomo Corporation in preparation for commercialization. <p>MaaS</p> <ul style="list-style-type: none"> Further expansion of route search and digital ticket service. Provide new MaaS peripheral businesses 	<ul style="list-style-type: none"> Deepen cooperation between customers and local communities through the creation of new services

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Special Feature 2

Creating Flows of People and Commodity to Solve Social Issues

Creating Societal Connections between People and Goods through Community Revitalization Solutions



Evolution of Solution Sales, Creating Relationships and Societal Connections through Air Transportation

Toward the creation of relationships and societal connections, a theme we will address over the medium to long term, we will expand the flow of people, commodities, and logistics to create societal connections among people and goods in order to solve social issues, especially to revitalize local communities.

In FY2023, as the first year of solution sales, we took stock of the JAL Group's assets and created a framework for their utilization and were able to put proposal-based sales on a certain track, focusing on products such as education and training and business jets. Going forward, we will focus on three key areas: evolution of solution sales, creation of new flows of people and contribution to regional revitalization, and solving issues through new value creation through regional

products, in order to contribute to solving social issues faced by customers, regions, and companies, and to develop our business together with society.

Evolution of solution sales

As an example, we proceed to prepare specific assets for problem solving. In solution sales, each region sets up a set axis of issues and creates a story to solve the problem. For example, in the Tohoku region, we have established easy-to-understand axes such as creating liveliness, while in the Western Japan region, we have established eliminating overtourism, and we are preparing specific assets to solve these issues.

Resolving regional issues by promoting the flow of people

In addition to travel products that help solve

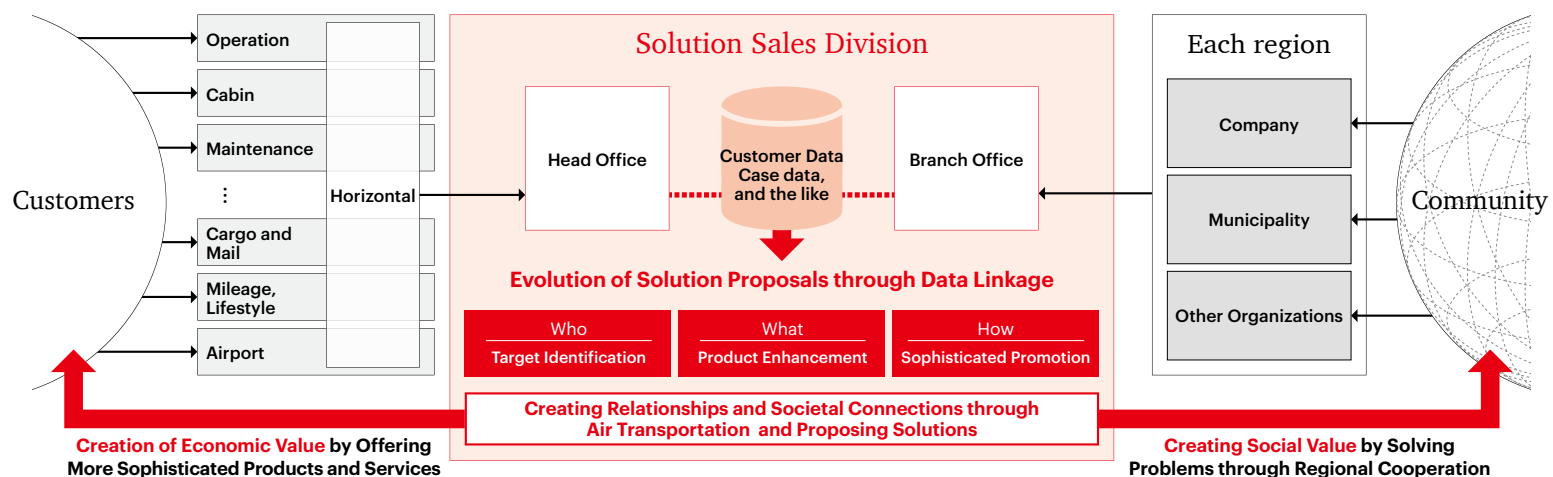
social issues, we will promote solutions to the issue of human resource shortages in the region and encounters between people and the region by matching regional needs with human resources in the metropolitan area. (See CASE 1 "JAL FURUSATO (hometown) Musubi")

Solving local issues through local products

Through the development of local products and the expansion of sales channels, we will discover and disseminate new values and attractions of the region. (See CASE 2 Yamagata Cherries.)



Solutions expansion conference



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CASE 1 JAL FURUSATO (hometown)

A new platform to connect the region and the city.
Matching users who want to get involved with the community
and program owners who want to come to the community
in a variety of ways.

The JAL Group provides a platform to create opportunities for local communities and urban residents to engage with each other and to expand the associated demand, promoting in-depth experiences and exchanges that cannot be obtained through mere sightseeing trips. Over the past three years, we have implemented the Study Abroad in Agriculture and JAL FURUSATO (hometown) Working Holiday programs. These programs provide opportunities for those interested in immigrating, settling down, or becoming farmers with a two-week immigration experience, lectures on how to become a farmer, building relationships with the local community, and experience of local industry. In FY2024, we launched a new platform service called JAL FURUSATO (hometown) Musubi to connect local communities and urban areas as an extension of the

relationships, knowledge, and experiences gained through this program. This system provides information on a variety of programs, events, and personnel recruitment in the region so that users who want to visit the region and program owners who want to come to the region can be matched.



Image of "JAL FURUSATO (hometown) Musubi"

Issues	Solutions	Results
<ul style="list-style-type: none">• Shortage of labor due to declining and aging population in the region• Difficulties to immigrate and settle• People who are willing to participate in activities in the community cannot find information	<ul style="list-style-type: none">• Provide a variety of programs<ul style="list-style-type: none">-Community Experience Program-Community Contribution Program-Recruitment Program-Community exchange co-creation type project-Workplace Programs	<ul style="list-style-type: none">• Build ties and relationships with the local community by experiencing firsthand the charms of the region through hands-on farm work, traditional craft experience, and participation in local festivals and events.• Increase in the number of positive, involved people who want to be part of the corporate citizenship activities of the community and strengthen ties with the local people.• Promote immigration and settlement by finding new careers in the region

CASE 2 Yamagata Cherries

Support the flow of commodities and logistics of the region's rich local products.
To increase the value of the primary industry and to realize a future in which a variety of goods can freely move back and forth.

The JAL Group is working to enhance the economic value of the region by acting as a bridge to create connections and relationships between consumers and the region through local products. We are working to relieve labor shortages during the harvest season of cherries, a specialty of Higashine City, the home of Yamagata Airport, as well as to support high-speed fresh transportation by air cargo to enhance the value of primary products through our route network, and to expand sales channels to increase awareness of local products.

As a solution to the shortage of manpower, JAL Group employees support farm work such as sorting and packing cherries, creating the effect of well-being for employees. In the area of logistics, JAL is also working to address the 2024 problem by providing air transportation

to Haneda and Itami airports during the peak shipping season on the Yamagata route, which normally does not handle air cargo. In addition, to expand sales channels, we are taking on the challenge of shipping to overseas markets, promoting new varieties and Yamagata products to local importers and influencers. We also held a tourism fair along with the sale of cherries at Haneda and Itami airports to help promote the attractiveness of the region.



Cherry transportation



Cherry selection process

Issues	Solutions	Results
<ul style="list-style-type: none">• Shortage of labor during harvest season• Foods that tend to lose their freshness are consumed in smaller numbers in large metropolitan areas with large populations.• Among the many local resources, from food to crafts, it is unclear which ones to focus on.	<ul style="list-style-type: none">• JAL Group staff support for farm work• High-speed freshness transportation by air freight forwarding• Support for sales channel expansion• Promoting the appeal of primary products	<ul style="list-style-type: none">• Air transportation of people• Realization of well-being• Increase the value and recognition of primary products• Expand distribution of local products

4 Strengthening Management Resources

(Human Resources, DX, GX)

What We Want to Convey in This Chapter

- Maximize human capital values, the source of growth
- Utilize intellectual capital to create new innovations and challenges to increase productivity (DX Promotion)
- Measures towards a sustainable natural capital, the basis of a sustainable value creation



Photography by ABIKO Sachie

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Maximizing the Value of Human Capital (Human Capital Management)

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Instill the Significance of Human Capital Management in All Employees to Enhance Value Creation

OHORI Tetsu

Managing Executive Officer
Senior Vice President,
Human Resources Division

Enhance Engagement and Value Creation through Ongoing Investment in Human Capital

The JAL Group defines the ideal candidate profile as one who respects diverse values, takes on the challenge of creating new value, and sparks change. Underlying this definition is the recognition that the driving force behind ESG management is nothing other than human assets, in other words, our employees. We believe that increasing the capabilities and diversity of

individual employees and enhancing their human capital will lead to stronger promotion of ESG management, and that this is also the significance of human capital management as described in recent years.

Looking at our current situation from this perspective, I can confidently say that the strength of our diverse talent is the greatest strength of the JAL Group. At the same time, however, I am concerned that despite the diversity of our talent, there may not be enough opportunities for them to fully demonstrate their individual abilities, and that the environment may not be conducive to this.

In addition, looking at the external business environment, there is the issue of difficulty in securing talented human resources as the birthrate declines and the population ages at an accelerating rate. The volatility risk in the airline industry has become apparent in the wake of the COVID-19 pandemic, and there is a strong sense of urgency that the industry as a whole is becoming less attractive as a place to work.

As senior vice president of Human Resources Division, I will design and promote an effective human resource strategy that can flexibly respond to changes in order to resolve these internal and external issues. The core of this strategy is to prepare a diverse field in which diverse human capital can play an active role through human capital investment to improve engagement* and raise values, thereby creating a virtuous cycle in which the enhancement of creative capabilities is realized, and the results are returned in the form of the next investment in human capital. Investment in human capital enhances each employee's ability to create value, which in turn becomes a competitive edge for the Group and improves its performance. By returning the economic value thus gained to employees, employee engagement will increase. Furthermore, understanding how their business contributes to corporate citizenship activities and how much social value they create will also increase engagement. Increasing employee motivation and ability in terms of both economic and social value will also lead to the creation of new value. Realizing and accelerating this cycle is the human capital management that the JAL Group aims for.

From this perspective, the JAL Group has set indicators for engagement, value creation, and return as the outcomes that human capital management aims to achieve.

*In the Medium-Term Management Plan-Rolling Plan (MRP) 2024, we have positioned the improvement of engagement as one of the results of our investment in human resources. The percentage of highly engaged employees, which is used as an indicator, currently stands at 53.8 percent, and we are working toward our goal of increasing this to 65 percent by FY2025.

Percentage of Highly Engaged Employees

2018	2019	2020	2021	2022	2023	(FY)
56.8	54.4	54.4	51.7	51.7	53.8	(%)

Have Employees Empathize with Human Capital Management

In the Human Resource Strategy Rolling Plan 2024 announced this time, the ideal candidate profile, recognition of issues, and direction of measures remain the same, but the contents and expressions have been slightly changed. This is the result of careful consideration on how to communicate clearly the significance of our human resource strategy and investment in human resources to the employees, and how to make them perceive it as their own matter.

No matter how diverse our talents are, if their vectors are not aligned, it will not lead to the strength of the entire organization. Although the JAL Group has up to now been thoroughly committed to the basic perception of flying aircraft safely, I feel that the awareness of the challenge of creating new value has not fully penetrated throughout the Group. We felt that it was necessary to send a clear message to each and every employee about where we are going so that we can improve our operational efficiency in our existing businesses and become a small but elite organization, while at the same time taking on the challenge of creating new value in new businesses and other areas.

In this plan, the specific initiatives were organized into four categories defined as the medium-to-long term objectives of human resource investment: "Developing capabilities," "Increasing diversity," "Expanding the field of success," and "Gaining

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knowledge,” along with “Foundational initiatives.” Additionally, by setting specific numerical targets for each category, we clearly communicated to employees “what kind of talent we want them to grow into.”

Emphasis is placed on our foundational initiatives. In other words, to build a base where our diverse human resources can act in a variety of areas. Personally, I find this to be the first and foremost continuous measure that should be implemented. To do so, there are two pillars, namely to practice JAL Philosophy (refer to page 24), which summarizes the attitude and values that all JAL employees must hold, and to promote Health and Productivity Management where each and every employee can display their individuality and abilities. JAL Philosophy, which has been penetrated within the JAL Group, must be handed down to the next generation. Organically linking the practice of JAL Philosophy in each department will also evolve in building new value creative measures.

The content and progress of each initiative will be described in detail in the following pages. If I would choose one point, it would be the focus on DX Human Resource Development, which is part of gaining knowledge. Building digital value is an indispensable element in future sustainable growth. Regardless of the division or specialty, it is necessary for each and every employee to possess the mindset and knowledge to examine how they can incorporate digital technology into their jobs. Of course there is a difference in the extent of knowledge required in each job, but we are considering measures under this understanding and enabling each and every employee to fully demonstrate his or her individuality and abilities.

Work to Strengthen Human Resources as a Representative of the Employees

In assuming the important responsibility of senior vice president, Human Resources Division, I see my role as a representative of the employees as well as a part of the top management.

Looking back on my own career, I realize that there are many capable employees around me, both senior and junior, and I truly feel that the JAL Group's talent is second to none. On

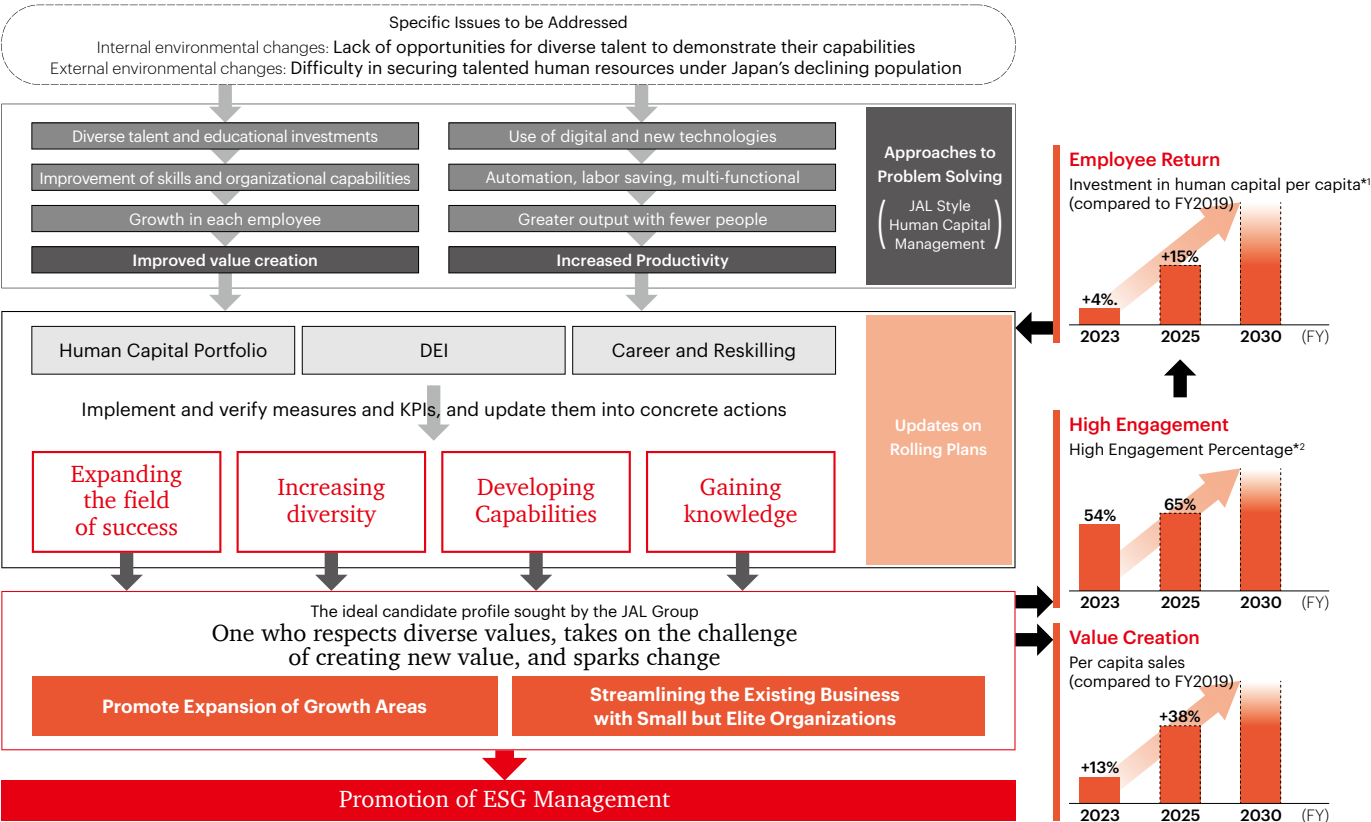
the other hand, I often feel that it is a waste of talent for the Group if the employees are unaware of their own value or do not fully utilize it. My mission is to further enhance the value of human assets, and to link this to the overall value improvement of the Group.

Therefore, what I emphasize is maintaining close communication with our employees. As an example, we gathered young and mid-career employees from various organizations to thoroughly discuss what our human resource policies should

be. The ideas from these discussions are being utilized in the initiatives we are currently working on. Feedback from the employees is positive, such as, “It is concrete and easy to understand,” and “I feel a change in how deeply we are delving into these matters.” We are definitely feeling a change.

We promise to continue to work together with our employees to confirm and verify the results of our human resource strategy and human capital investment.

Update on Human Resource Strategy



*1 Basic wage per employee + development investment amount *2 Ratio of employees, who selected 4 or 5 in the 5 scale employee awareness survey.

Human Resource Policies ① Expanding the Field of Success

When aiming at creating value by leveraging diversity, and with the increase of human resources with a diversity of attributes and experiences, there were restrictions in appointing and arranging the activities of our employees due to a uniform of standards based on the number of working years and age. In order to enable the JAL Group's talent to maximize their individual abilities, we are removing these constraints through three measures: "abolishing the seniority system and allowing young employees to be promoted earlier," "internal transfers through open recruitment" and "promoting active participation of senior employees."

By creating an environment in which employees of all ages can play an active role with greater motivation and autonomy, the JAL Group will work to improve productivity and create new value.

System to abolish the seniority system and promote younger employees

As the business environment changes rapidly, operations are becoming more sophisticated and complex. It has become important to encourage employees to develop in a faster pace than ever before, and to lead them to further success. To this end, from FY2024, we have revised the system to enable employees with high ability, regardless of age or years of experience, to be assigned and promoted to posts and grades according to their ability. We plan to proactively publicize examples of successful appointments within the Group to promote the growth and success of our employees. In this way, we will create an environment where diverse talent can take on

Details of the Revised System

- (1) Introduction of a system for selection and promotion regardless of the year of appointment
- (2) Elimination of the applicable period of time in grade and post-hire period requirements from the promotion review process

Measures and KPIs	Indicators	FY23 Results (Estimate)	FY24 Target	FY25 Target
A system that abolishes the seniority system and allows younger employees to be promoted at an early stage	—	Finalized the system design	Expand appointments	
Internal and external transfers through open recruitment	Number of transfers	85 persons per year	100 persons per year	
Promoting active participation of senior employees	—	Finalized the system design	Expand the role	

challenges and demonstrate their abilities, leading to the creation of value for the Group.

Internal and external transfers through open recruitment

We are building an environment in which each employee can develop their own career based on their own abilities and interests, and on their own initiative and responsibility, allowing them to proactively design their careers and demonstrate their abilities even in rapidly changing business environments. Transfers through open recruitment was introduced with this concept in mind and was initiated as part of the autonomous career policy. In FY2022 there were 30 such transfers, but in FY2023, the number increased to 85 across the Group, with a gradual increase in domains, including transfers to head office departments, airports outside Japan, group airlines, and other locations. Open recruitment was also held for the new Doha branch office which began operation from April 2024. We will

continue to work towards our goal to transfer 100 employees per year.

In addition to this open recruitment system, in



JAL staff in Doha who transferred to the Doha branch through internal recruitment process

FY2023 we introduced a new Self-nomination Assignment System that allows employees to raise their hand to be assigned to a department where they can envision their own career path. The system allows employees who meet certain criteria to specify the department they wish to transfer to, undergo selection, and if they pass the screening, be assigned to the desired department. In FY2023, the first year of the program, two employees were transferred under this system. We will continue to periodically implement this program to improve employee autonomy. Through these two measures, we are expanding the career options of our employees.

Promoting the active participation of senior employees

For the JAL Group to achieve sustainable growth and increase its corporate value, the active participation of each individual talent is indispensable. Senior employees with abundant experience and skills are expected to demonstrate their abilities even more.

From October 2024, we will revise systems related to senior employees.

The new system will expand their roles, revise job descriptions and remuneration, and promote further active participation of senior employees through their proactive involvement in duties and talent development. This will enable senior employees to envision career plans that leverage their experience and allow them to remain active for longer, thereby enhancing engagement.

Human Resource Policies ② Increasing Diversity

The JAL Group aims to be diverse in both attributes and knowledge including experience. We will transform ourselves into a highly diverse company to enhance our corporate value and business potential over the medium to long term. Through measures such as “promotion of women to management positions,” “hiring non-Japanese employees in Japan,” “dispatching overseas employees to Japan,” and employment of people with disabilities,” we will create an organization where diverse human resources work and incorporate various perspectives, experiences, and knowledge.

We will continue to strive to create opportunities to play an active role without being bound by stereotypes, and to become a company where everyone can develop their own career in their own way.

Promoting more women to managerial positions

We continued our efforts to achieve a 30 percent ratio of female managers in the JAL Group. As of March 2024, the proportion of female managers has increased to 29.8 percent.* We appointed our first female representative director, and as of April 2024, there are eight women executives, bringing the ratio to 22.9 percent. We are making steady progress in diversifying the decision-making bodies at all levels and are striving to enhance corporate value through the creation of new value by ensuring diversity.

Women being promoted to branch and regional managers and airport station managers in each region has accelerated, bringing the total to 27, an increase of four from last year. We continue to expand opportunities for the active roles for women by promoting them cross-functionally based on their abilities. We are also promoting women to management positions in male-dominated workplaces, focusing on narrowing the gender gap in the workplace.

We have also established an ability-based advancement system, including early advancement, and a career support system to create a workplace where not only women but also

Measures and KPIs	Indicators	FY23 Results (Estimate)	FY24 Target	FY25 Target
Promotion of women to management positions	Proportion of female managers	29.8%	Expanding appointments	
Employment of non-Japanese in Japan	Number employed	88 persons per year	Scale of 80 persons per year	Scale of 100 persons per year
Dispatch of overseas hired staff to Japan	Number of dispatches	64 persons per year	Expanding the scope	
Employment of people with disabilities	Number of jobs (vs. FY2022)	+15%	+20%	+30%

everyone who are highly motivated can pursue their desired career. We support the autonomous career development of each employee through various means, such as the JLCAREER, a self-career dock by in-house career consultants, autonomous career development training that allows employees to experience work in other departments, and internal transfers through open recruitment. By creating a workplace where all employees with diverse backgrounds can play an active role, we will maximize the power of the organization and enhance corporate value through the creation of new value.

*This tabulation has been changed to managers who lead the organization (organizational managers) since FY2024.

Proportion of female managers



Active participation of non-Japanese employees

In FY2023, we hired 88 non-Japanese employees in Japan, mainly in the ground handling and maintenance areas. In addition to various types of training and on-the-job training, we also provide Japanese language education, support to blend into Japanese culture, daily life assistance, and promotion of in-house understanding of the culture of the country of origin. We also clearly define career paths and enable career development regardless of nationality. By increasing interactions among employees with diverse cultural backgrounds, we expect to further foster a global mindset and create new value.

Active participation of employees with disabilities

The JAL Group employs over 800 employees with disabilities. Each company within the JAL Group actively promotes employment, enhancing diversity in experience, sensitivity, and values in areas that make the most of individual abilities. In addition to creating an internal environment in which employees with disabilities can work with vigor, we continue to provide various training and programs to deepen the understanding of disabilities among all JAL Group employees. In addition, as new areas of activity, we continue to take on challenges such as plans to improve accessibility for our customers, and provide services like hand-drip coffee and shoe polishing at the JAL First Class Lounge for international flights at Haneda Airport.

Human Resource Policies ③Developing Capabilities

We believe that in developing individual abilities, it is necessary to have a wide variety of experiences outside the Group and abroad, as well as experience in taking on the challenges of major goals. To this end, we will provide numerous opportunities for employees to develop their abilities through initiatives such as “secondments and dispatches within and outside the Group,” “overseas and external dispatches within the first ten years of employment,” and a “performance-based remuneration system.”

We attempt to realize a business structure reform by having employees with diverse experiences inside and outside the JAL Group as well as overseas, work with high motivation to achieve major goals and maximize and further develop their abilities.

Secondments and dispatches within and outside the group

The JAL Group actively promotes the secondment and assignment of employees within and outside the Group to gain a wide variety of experiences in different environments.

Due to the significant reduction in the number of flights during the COVID-19 pandemic, many of our employees, including cabin attendants, were seconded to positions outside the company. As a result, they were able to gain a variety of experiences that they would not have had under normal circumstances. These experiences led to the development of each employee’s abilities, and now they are contributing to the creation of new businesses and other future projects that are contributing to the growth of the JAL Group. Thus, even after the COVID-19 pandemic was contained, we have continued this system.

In FY2023, we conducted secondments and dispatches for approximately 450 employees annually, allowing them to gain a wide variety of experience in various industries outside the Group, including public organizations such as national and local government agencies, and private enterprises such as various industry organizations, transportation infrastructure, trading firms, and start-up companies. We will continue to do so in the future with a target of 500 employees per year.

Measures and KPIs	Indicators	FY23 Results (Estimate)	FY24 Target	FY25 Target
Secondment and dispatches within and outside the Group	Number of secondments in the Group	450 employees per year	Scale of 500 employees per year	
Overseas and external assignments within the first ten years* of employment	Number of assignments	46 employees	Scale of 100 employees per year	
Performance-based remuneration system	Number of posts introduced	Expanded to nine posts	30 posts	100 posts

* Planning for Japan Airlines businesses

Overseas and external assignments within the first ten years of employment

By proactively sending employees overseas and outside the Group at an early stage in their careers, particularly those within their first ten years of employment, we aim to place them in environments where they can challenge themselves while being exposed to diverse values, thereby expanding their range of experiences, and adding depth to their subsequent growth. We believe that this will provide employees with experiences that they would not be able to gain from domestic internal positions, and we will work to expand their capabilities through this program.

In FY2023, 46 employees were newly dispatched overseas and outside the Group. As an example, our employees were assigned to our overseas branch offices as well as short-term employment at companies in different industries in Asia, and



Training in the U.S. A. as part of an overseas dispatch program

training to companies in Silicon Valley in the U.S.A. We will continue to dispatch young employees with the goal of 100 persons per year.

Expanding the performance-based remuneration system

The JAL Group expects high performance from Group companies that play a central role in business structure reform. Therefore we introduced a remuneration system with a significantly higher performance-linked ratio for the presidents of certain Group companies, effective from FY2022. The introduction of this system will create a virtuous cycle that motivates and encourages employees to take on further challenges by creating opportunities for them to gain experience in achieving major goals, thereby developing their abilities, and rewarding them with remuneration commensurate with the results they have achieved. This will encourage the creation of new value, such as business expansion in new business areas and diversification of revenue sources.

In FY2023, we increased the number of eligible Group companies. Currently we have introduced this system for a total of nine positions. We are aiming to expand the number of positions covered by this system to 100 by FY2025. We plan to achieve this ambitious goal not only by increasing the number of Group companies covered by the system, but also by gradually expanding the system to positions other than president roles.

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Human Resource Policies ④ Gaining Knowledge

In order to enhance the sustainability of the JAL Group’s business potential, it is necessary to deepen the experience and knowledge in areas that the JAL Group has cultivated over the years, such as aviation, while at the same time proactively incorporating the experience and knowledge from outside the Group that is needed in new areas. Through “Career Recruiting,” “Human Resource Policy for Highly Specialized Personnel,” and “DX Human Resource Development,” we will incorporate both types of experience and knowledge to ensure the sustainable growth of the JAL Group.

Expanding career recruitment

JAL Group actively recruits people in order to acquire human resources with skills and experience honed in various industries and environments for the future diversification of our business. Many of our experienced employees are working in fields that require a high level of knowledge, such as business creation and digital promotion, and are working to create new value by leveraging their diverse knowledge from outside the Group.

Many career hires are promoted to management positions and are involved in important decision-making in the Group.

From FY2022, we have established a platform called JAL Next Career GATE and have begun year-round recruitment. We also offer the JAL Alumni Network as a platform for interaction between JAL and former employees who have since moved on to other fields, facilitating career return hires through this network. Furthermore, from FY2023, we have also introduced referral recruitment as a way to accept highly trusted human resources as colleagues through referrals from employees.

Through these various recruitment methods, we have set a target of increasing the ratio of career hires to 50 percent per year in FY2025. In FY2023, we already covered 40 percent, and will continue our efforts in career recruitment to achieve this target. We will continue to actively incorporate knowledge from outside the Group by hiring people with a high level of expertise and diverse knowledge and experience, thereby increasing the

Measures and KPIs	Indicators	FY23 Results (Estimate)	FY24 Target	FY25 Target
Career Recruitment	Career Recruitment Ratio	40% of annual hiring	50% of annual hires	
Human Resource Policy for Highly Specialized Personnel	—	Finalized policy design	Policy Implementation	
DX Human Resource Development	Training participants	Specialized education 80 students	Basic training/all employees, specialized training/900 employees	

diversity of knowledge within the Group and leading to the sustainable growth of the JAL Group.

Introduction of a human resource policy for highly specialized personnel


Since FY2024 the JAL Group introduced a Human Resource Policy for Highly Specialized Personnel due to the importance and scarcity of highly specialized talent with the increasing diversification of business and sophistication of operations.

Under the previous system, career paths were limited to those aiming for managerial positions in the organization, making it difficult for them to develop their careers based on their expertise, despite the increasing importance of highly specialized talent. In addition, because the Group did not have a system in place to appropriately reward highly specialized talent, it was unable to systematically train and secure the human resources needed to carry out its business potential. In response to these issues, we have changed the career paths of our employees to a double-track system that allows employees to aim for either traditional managerial positions, which require organizational management, or highly specialized positions, which require highly specialized skills. In addition, we have established a system in which highly specialized talents are evaluated based on the substitutability and scarcity of their expertise, and their compensation is determined. The system will be applied to both the aviation business domain and the growth domain for the positions that fall under this system.

This will enable new career paths for personnel with highly specialized duties to support the airline business domain and growth areas, increase employee engagement, further promote value creation by leveraging advanced expertise, and promote the development of human resources for the targeted duties.

Human resource development programs

The qualities expected of JAL Group employees are defined in the JAL Philosophy, and we conduct personnel exchanges that transcend the boundaries of companies and job categories within the Group. In addition, we are developing leaders and safety and service professionals through specialized training for each job category and each company’s own education and training. To create new value, we will continue to expand our investment in human resources and increase more development opportunities inside and outside the company.

 JAL Group Basic Education and Training Program
<https://www.jal.com/en/sustainability/human/career/#training>

DX Human resource development

The JAL Group is promoting its DX strategy through Customer Experience (CX) and Employee Experience (EX). To accelerate a systematic DX, under the acknowledgement that a human resource development program is indispensable, we launched a DX Human Resource Development Program in November 2023.

We have defined the roles and required skills for each human resource profile and are currently developing DX human

resources through six programs. To ensure the effectiveness of the development, we will not only provide training programs, but also integrate them with career paths, assign and place them to actual projects, monitor and follow up on training and results, and establish a system that enables the creation of sustainable business results and the formulation of improvement measures.

Among the six programs, the Strategy Program and the Transformation Promotion Program include not only classroom learning but also case studies and practical coaching. These programs aim to develop human resources who can understand business and customer experience challenges, comprehend digital technologies, conceptualize DX strategies, and embody project planning and promotion. The Utilization Program also goes beyond classroom learning, using case studies and practical support to develop human resources who can identify optimal solutions and digital tool usage from business challeng-



Snapshot from a Design Thinking Lecture

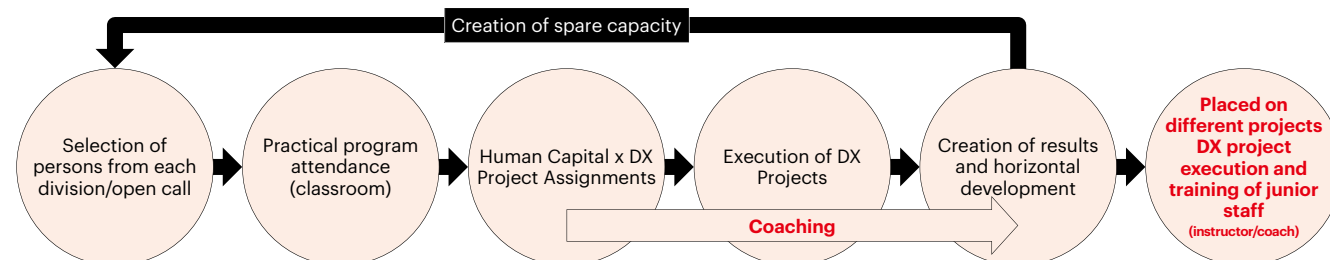
es and independently drive improvements in their immediate work environment.

In addition, the Awareness Program for all JAL employees involves creating a common language and fostering a mindset for the formation of a DX culture through dialogues among employees in workshops. We will continue to systematically develop DX human resources.

Outline of DX Human Resource Development Program

Program	The Kind of Human Resources We Aim For	Learning
Executive Program	People who "drive the formation" of DX culture	• Transformation mindset • Deepen and promote understanding of DX
Digital Strategy Program Management for Vice Presidents	People who "design" DX	• Transformation mindset • Deepen and promote understanding of DX
Digital Strategy Program in Practice	People who "plan and execute" DX	• Mindset and skills for DX strategy development
Digital Transformation Promotion Program	People who make everyday work inconveniences "easier"	• Improve operations with digital tools
Digital Utilization Program	People who make DX "take root as a culture"	• Creation of a common language and mindset for the formation of DX culture

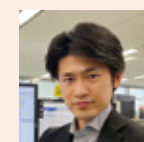
System to Realize Both Human Resources Development and Business Results



Comment

To be the center of the vortex and create a great wave of change

This program was a very practical opportunity for me to learn not only the skills and knowledge, but also the thinking necessary for a leader to promote change and solve actual business problems. I strongly feel that I would like to use what I learned to create new value for the airline group, not only in my position at the Airport Operations Division, but also through collaboration in many other areas beyond the boundaries of the division and the Group. I also consider it my mission to pass on what I have learned through the program to my colleagues in the workplace, and I will work to help build momentum for change throughout the JAL Group.



MATSUSHIMA Juntaro
JAL SKY Co.,Ltd.
Station Operation Administration, Narita
Deputy Vice President

DX is accessible and easy for everyone

After attending the Digital Utilization Program, I felt that DX should be something that is familiar and can be handled by anyone. The instructor told us that it is important not to suddenly create a perfect program, but to gradually improve a small program with colleagues. In order to achieve this, I would like to deepen my understanding of DX by first deploying what I have learned in my own organization, and then creating an environment where my colleagues can actually use the program I have created and easily improve it, so that they can feel more familiar with DX.



KAKEGAWA Kohei
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Human Resource Policies ⑤ Foundational Initiatives

The JAL Philosophy and Health and Productivity Management are the very values of the JAL Group and the foundation of the JAL Group's human capital. We believe our human resource strategy will thrive on this foundation. Through initiatives to “revitalize the organization to put the JAL Philosophy into practice by organizational managers” and “promote Health and Productivity Management,” we aim to strengthen our foundation, increase engagement, and maximize the power of our diverse talent, which is the greatest strength of the JAL Group.


Organizational revitalization through the practice of the JAL Philosophy

Human resources are the driving force to enhance the sustainability of our business and create social and economic value. One of the measures we are taking to increase the depth of our human resources is to focus on developing managers, who are the key to organizational vitality, based on the JAL Philosophy.

The true leader that the JAL Group aspires to be is a leader who can accomplish their assigned tasks, is respected by their subordinates, and can build trusting relationships with them.* For managers who are in constant contact with team members, it is crucial to look after, talk to, and encourage them in their daily work.

The JAL Group has established workshops for managers and opportunities for continuous interaction with external organizations as a chance to reflect on our own actions based on the JAL Philosophy, returning to this fundamental yet challenging issue. The Leader's Workshop for managers provides an opportunity for participants to bring their own organizational issues and find clues to solving them through cross-occupational advice. It also serves as a forum for building a vertical and diagonal network of managers through candid discussions. To create new social and economic value, we value opportunities for managers to broaden their perspectives as members of society and to create connections within and outside the Group.

*Based on the JAL Philosophy Pocketbook “Follow the Merit System”

Measures and KPIs	Indicators	FY2023 Actual (Estimate)	Target for FY2024	Target for FY2025
Organizational revitalization for organizational managers to practice the JAL Philosophy	Participation rate of organizational managers in Leader's Workshop	99.6%	100%	
Promotion of Health and Productivity Management	Selected as a Health and Productivity Stock Selection (JAL)	Selected	Selected	
 健康経営銘柄 2024 Health and Productivity	Number of companies selected for Certified Health & Productivity Management Outstanding Organizations Recognition Program (compared to FY2022)	+13% (26 companies)	+20% (+20%)	+30% (+30%)

Promotion of health and productivity management

JAL has been selected as one of the 2024 Health & Productivity Stock Selection for the sixth time, and 26 companies in the JAL Group have been certified as 2024 Certified Health & Productivity Management Outstanding Organizations Recognition Program. We will continue our efforts, reaffirming that health is the main foundation in taking care of the valuable lives of our customers.

Both Wheels Supporting Health and Productivity Management

As part of JAL Wellness 2025, we will collaborate with each and every member of the JAL Group and the Japan Airlines Health Insurance Association to address the five key issues: lifestyle-related diseases, cancer, mental health, tobacco control, and women's health. Our goal is to achieve well-being for employees and their families and realize our Corporate Policy.

Additionally, based on our basic policy on Occupational Safety and Health Policy, we will deepen our efforts with the ultimate goal of achieving zero occupational accidents, create a workplace environment where employees can work safely and with peace of mind, and improve productivity. For flight crew health management, industrial physicians, medical specialists, public health nurses, and nurses meticulously monitor the physical and mental health of each individual, providing appropriate support to ensure the safe operation of every flight.

With the strong belief that the health of all JAL Group employees supports aviation safety, we will continue to work on Health and Productivity Management, the foundation for

improving employee engagement and creating value, by creating a work environment where each of our diverse talent can fully express their individuality and abilities.

Highlight

Athlete Employee Activities

Ten athlete-employees work for JAL, among which three participated in the Paris 2024 Olympics and won three medals. Our JAL athlete-employees hold JAL Athlete Academies across Japan to teach children the joy of sports and give advice on improving their athletic skills. This activity helps increase interaction and connection with the local communities, contributing to the development of the next generation and the growth of related population. JAL will continue to support our athlete-employees as a united team, taking on challenges together and creating value that leads the way. Through these efforts, we aim to contribute to the progress and development of society.



Photo:YUTAKA/AFLO SPORT Photo:NIKKAN SPORTS/AFLO Photo:USA TODAY Sports/Reuters/AFLO

Japan Airlines is an official supporter of TEAM JAPAN in the category of passenger air transportation services.

From left to right, the athletes who participated in the Paris 2024 Olympics: KANO Koki (Fencing - Épée), MURATAKE Rachid (Athletics - 110m Hurdles), KITAGUCHI Haruka (Athletics - Javelin Throw).

Accelerate the Creation of New Value through the Use of Advanced Technology

SUZUKI Keisuke

Executive Officer
Senior Vice President, Digital Technology Division



Establish a New Digital Organization

In April 2024, the JAL Group established a new Digital Technology Division by integrating the existing Digital Innovation Division and IT Planning Division in order to strongly promote company-wide DX.

The purpose of this integration is to break down the organizational barriers of “offensive IT” and “defensive IT,” unify

DX strategies and chain of command, and consolidate digital human resources. By combining the digital value creation cultivated by the Digital Innovation Division with the IT Planning Division's expertise in system infrastructure construction and stable operation, we will have a stronger driving force to realize company-wide DX involving all divisions.

DX as a Source of Corporate Value Creation

The rapid environmental changes that have occurred in recent years surrounding the digital world have presented us with a strong sense of urgency. Digital technological innovation and its penetration into society has accelerated, and digital has become an integral part of all business activities and consumer behavior. From the perspective of intellectual capital utilization, new technologies such as generative AI and robotics are emerging one after another, fundamentally changing business structures.

Under these circumstances, it is important for companies to make effective use of the wealth of customer data accumulated by their business units on a company-wide scale. Another major challenge is the shrinking of the productive workforce due to the declining birthrate and aging population. In order to maintain and improve service quality with a limited number of staff, it is necessary to increase operational efficiency through digitalization.

The Group needs to shift to value-creating work that only people can do, and employees need to shift to value-creating work that only people can do. This is precisely what is required: an optimal relationship between people and digital technology. Digital is not just a tool; it is the foundation of corporate activities and the source of business competitiveness and differentiation.

DX, which enhances a company's ability to create value through the use of digital and data, is a pillar of our business strategy and a driver of sustainable growth. Based on this recognition of the current situation, we will rethink the conventional DX by Business Division and by organization and accelerate Group-wide DX by aligning our efforts under a Group-wide strategy and policy.

DX Vision

In order to make this aim clear both internally and externally, together with the announcement of the Rolling Plan 2024, we have set forth the DX Vision of “providing new social and economic value through transformations brought about by the use of digital technology, and realizing a society and future where many people and many things can freely move in and out of each other's lives, and where people can feel at home.

DX Vision is to create greater value for our customers and society through three transformations. The first is a company that continues to grow (i.e. change the company). We will evolve into a company that is resilient to change by taking on the challenge of new business areas through data-driven strategies and decision-making. The second is services that exceeds expectations (i.e., changing the customer experience). From the customer's perspective, we will provide a smooth, comfortable, and stress-free service experience. The third is a sustainable future (i.e. a changing society). We will contribute to corporate citizenship activities to revitalize local economies in cooperation with all types of transportation services, and through GX promotion and other initiatives, we will actively work to solve environmental problems and achieve a sustainable society.

These transformations will be driven by both Customer Experience (CX) and Employee Experience (EX). We aim to provide personalized services by carefully understanding the needs of each individual customer, integrating and centralizing the valuable customer data accumulated by the JAL Group, and providing optimal services and information based on the customer's needs and behavioral history. At the same time, we will also provide personalized CX services for airport and in-flight operations. At the same time, by introducing IoT to airport operations, in-flight operations, and other operations, we will build an environment where employees can provide more customer-oriented services. For example, the automation of baggage transfer using sensors will reduce workload and ensure safer and more reliable transportation. Through these efforts, we will provide customers with high-quality services and employees

with a rewarding work environment.

DX, a company-wide challenge

In order to successfully promote DX, it is essential that the Digital Technology Division not only take the lead, but that the business units that are actually responsible for the business collaborate deeply with each other and create a “co-creation” relationship together. In order to unify the entire company, strong promotion from both the top-down and bottom-up perspectives is also important. Based on this concept, it is important for top management to establish a DX promotion policy, plan.

The Digital Strategy Board was established as a forum for discussion and progress management toward achieving the company-wide DX roadmap by clarifying plans, prioritization, etc. Furthermore, by appointing a DX promotion leader from each division to the Digital Technology Division, we aim to strengthen collaboration with business units and shorten the distance between the division and the frontline, thereby facilitating smoother cooperation. Through these efforts, we aim to improve corporate value by establishing a truly data-driven corporate culture in which the entire organization and each and every employee can make maximum use of digital technology.

Accelerating Transformation through IT Infrastructure and Human Resource Development

In order to accelerate value creation, we need an environment where each and every employee can take on the challenge of new transformations by making full use of digital technology. To this end, we are focusing on the development of a “DX promotion environment. Specifically, we will realize an environment where employees can both feel secure and take on challenges without being restricted by time or place, based on the two pillars of strengthening IT infrastructure and DX human resource development involving all employees.

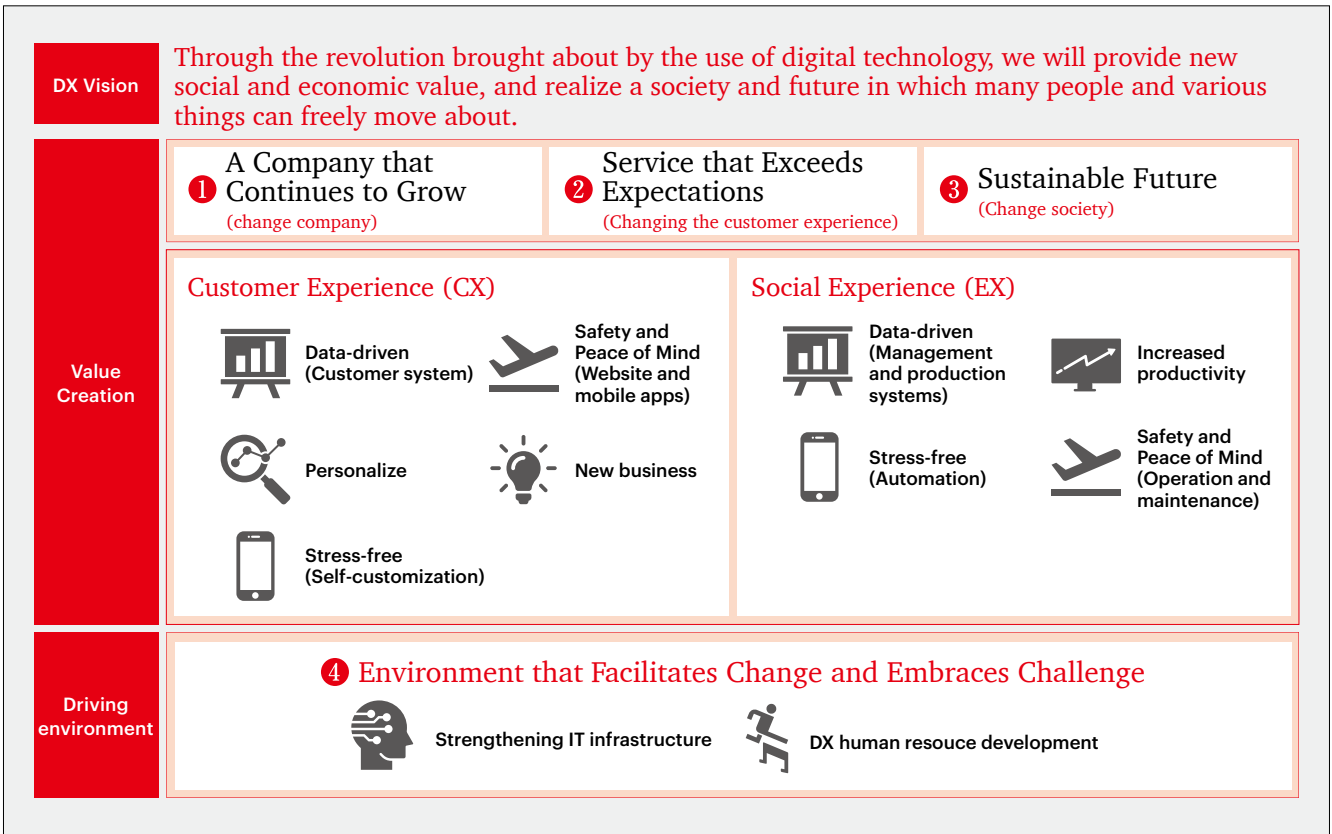
Under IT Infrastructure Enhancement, the JAL Group will enhance security and fault handling to create a flexible and scalable system. By utilizing cloud services and advanced

technologies, the JAL Group will create an environment that can respond quickly to business needs. We will also create an environment in which employees can focus on creative work by improving operational efficiency through AI and promoting information sharing through data collaboration, thereby improving productivity and ensuring stable system operation. Furthermore, by deploying a secure IT environment on a global basis, we will promote flexible workstyle and aim to improve employee work comfort and productivity.

The DX Human Resource Development Program has been

launched for all Group employees in FY2023 to promote a change in awareness DX is a means to achieve transformation, and human resources are the key to this transformation. The program aims to shift from a workstyle that relies on experience and intuition to a logical, data-driven workstyle, and to foster a culture that accelerates the use of digital technology. We aim to improve the digital skills of all employees by providing step-by-step training programs tailored to their respective roles, from digital awareness for all employees, to digital utilization, digital transformation promotion, and even digital strategy planning and management.

Overall DX Strategy



Measure Heretofore

JAL is evolving in the areas of CX/EX, IT infrastructure, and security, aiming to create new experience value for customers and create a rewarding work environment for employees by combining the power of diverse human resources and digital technology. In FY2023, JAL will make significant progress in the areas of data, AI and advanced technologies, and mobile, we have made great strides in creating a stress-free travel experience by digitally and seamlessly connecting all customer touchpoints.

In the CX area, we have expanded the number of airports where JAL SMART AIRPORT is available, enhanced the functions of the JAL mobile app (flight cancellation and delay handling, expanded payment methods), and created an environment that provides a more seamless travel experience for each and every customer, from the airport to inflight through boarding procedures using facial recognition technology. In addition to airline services, we are also striving to provide a more comfortable experience through the JAL brand in everyday life, such as JAL Pay and JAL Mall.

In the EX area, JAL Engineering, which is responsible for the JAL Group's aircraft maintenance, has set a vision of Zero Zero 100 and is promoting predictive maintenance using digital technology. Since 2016, JAL Engineering, which is in charge of aircraft maintenance for the JAL Group, has been collaborating with partner companies possessing cutting-edge digital technology to predict aircraft failures and perform maintenance before they occur, aiming for zero defects for both customers and employees and a 100% on-time departure maintenance service rate. In FY2023, we further deepened the development of (1) failure prediction algorithm development, (2) image diagnostic tool development, and (3) aircraft maintenance plan optimization mobile app development by utilizing AI and quantum computing technologies.

Our IT infrastructure is ready to respond flexibly and quickly to the rapidly changing business environment and diverse business challenges through the use of advanced

technologies. In addition to advanced initiatives such as Generative AI, quick development through the use of cloud computing, and introduction of low-code and no-code development products, we have also developed an IT-BCP that utilizes cloud computing services. Through these initiatives, we are developing new business at an unprecedented speed and enabling user departments to take the initiative in developing applications in a flexible manner. Furthermore, we have established a team dedicated to promoting efficient application development using cloud technology and are vigorously promoting DX from both software and hardware perspectives. As a result, an IT environment that supports diverse workstyles has been realized. The introduction of secure PCs that can be taken outside the office has enabled flexible workstyles from

any location, even for contact center work that was previously difficult to work from home and for work that requires high-specification computers.

On the security front, the company implemented a Secure Access Service Edge (SASE) product throughout the entire company to enhance safety in Internet-based operations. In addition, by converting from traditional e-mail and on-premise file sharing to cloud-based communication tools and storage services, the company has achieved greater operational efficiency and secure information sharing.

This is the second consecutive year that the JAL Group has been selected as a DX Issue 2024 by the Ministry of Economy, Trade and Industry, the Tokyo Stock Exchange, and the Information-technology Promotion Agency, Japan.

Highlight

DX promotion in the maintenance department in pursuit of Zero-Zero-100

(1) Failure prediction algorithm development

To improve failure prediction, which was based on the knowledge and experience of engineers and aircraft maintenance engineers, we have been developing algorithms using big data since 2016; in 2021, we will introduce data-driven analysis technology using AI; in 2023, together with the expansion of external partners, we will search for relevant data from the vast amount of data and begin to validate the usefulness of anomaly detection technology to address known and unknown failures. Along with improving the accuracy of advance line maintenance, the technology contributes to reducing line maintenance disruption and CO₂ emissions.

(2) Diagnostic imaging tool development

In 2019, we will begin a joint research project with Cresco Inc. on image analysis in engine endoscopy. By applying image recognition AI technology and machine learning in the field of ophthalmology to aircraft maintenance, AI can learn engine endoscopy and more reliably detect signs of malfunction, enhancing safety and peace of mind.

(3) Development of a mobile app to optimize aircraft maintenance plans

Aircraft line maintenance plans are developed by taking into account a

vast array of constraints, including aircraft usage, number of maintenance engineers, deadlines for maintenance items, hangar capacity, airports where maintenance is performed, number of maintenance equipment, to name a few. Starting in 2021, A-Star Quantum and Quantity Trial using quantum computing technology was initiated, and over a period of two years, the know-how of veteran employees was converted into data, leading to the development of a practical mobile app that takes into account the constraints of the project. This will enable more efficient maintenance work and advance maintenance and will also contribute to social application of quantum computing technology and resolution of social issues.



Future Vision Focused on AI

The JAL Group is using JAL-AI, AI available in natural language, to improve customer service and promote efficiency and automation of internal operations. The evolution of digital technology, especially the rise of generative AI, is transforming the digital space into a new arena for value creation. Capturing this trend, DX using AI will be accelerated.

Specifically, we aim to realize an AI-Centre, a digitally interconnected world centered on AI. This will serve as a new foundation for the use of systems and data, enabling more accurate demand forecasts and customer analysis through the latest AI capabilities, data integration, and enhanced collaboration with external partners. Furthermore, by developing a flexible digital infrastructure that leverages cloud services, we will maximize the potential of AI and data. This will enable an unprecedented personalized service delivery tailored to the needs of each individual customer.

Through AI-Centre, the JAL Group will contribute to the

long-term enhancement of corporate value by innovating the customer experience, employee experience, and the creation of business value, and by ensuring the stable operation of the system.

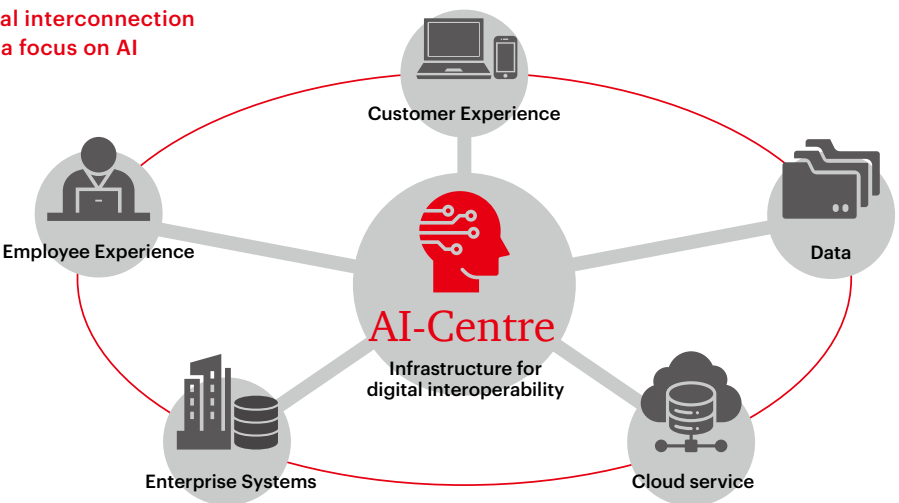
Realizing Purpose with DX

Our purpose is to become "the world's most preferred and valued airline group". To achieve this grand goal, new value creation through DX is indispensable, and we will proactively work to enhance profitability and build competitive advantage through the promotion of DX to realize the Medium-Term Management Plan and create a sustainable and profitable business portfolio for the future.

For the JAL Group, DX is not a temporary initiative, but a permanent effort to transform our corporate culture itself and to encourage each of us makes JAL what it is.

The Group will accelerate DX promotion to achieve our Purpose.

Digital interconnection with a focus on AI



Highlight

JAL-AI

The latest JAL-AI, equipped with GPT-4, is capable of creating and translating documents, as well as taking minutes from voice data. JAL-AI will be a source of new value creation.

In FY2024, we are aiming at a eight percent work efficiency when in use at our head office departments. JAL-AI will become a new value creation source by promoting AI in each business domain.



Trial to identify travel needs in Hokkaido using "confidential cross-statistics technology".

JAL Group and DOCOMO will use confidential cross-statistics technology on the Sapporo Okadama-Nemuro-Nakashibetsu route to enhance transportation and create human flow in the East Hokkaido area based on the findings from the movement data. The analysis will be conducted while protecting personal information and will lead to the revitalization of the local economy.



The Group promotes sustainability to pass on Precious Earth to the next generation.

NODA Yasushi

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



Encouraging all employees to think about what they can do for Precious Earth

Since the concept of sustainability covers a wide range of areas, it is necessary to clarify the key issues (materiality) that should be prioritized and addressed. Since FY2019, the JAL Group identified our materiality. After the COVID-19 pandemic, however, while being driven in introducing structural reforms such as diversifying our business, other than providing flight safety and peace of

mind and contributing to the SDGs, we found it indispensable to look more broadly at corporate citizenship activities and proactively address the issues facing society as a whole. Thus in FY2023, the issues were organized into eight topics. (See pages 16 to 18). This is a powerful message that encourages each and every one of our employees to continue to think about what they can do for society.

I feel that Precious Earth is a very beautiful theme, which we set forth in one of our activities. The global environment is not only the source of our business activities, such as the flow of people, commodities, and logistics, but also the common property of human kind. It is the common mission of the current generation to pass on this wealth to the next generation.

Of these, the JAL Group should place particular emphasis on Addressing Climate Change, recognizing that as a business that emits large amounts of CO₂. It is under the intense scrutiny from society that addresses the strong sense of urgency regarding the survival of the business itself. With the risks and opportunities of climate change in mind, JAL Group is strategically working on the disclosure of information in line with the TCFD.

We also recognize that Biodiversity conservation is an element directly related to building a strong social infrastructure, and we intend to comprehensively address this issue by working in tandem with Addressing Climate Change. Our emphasis is on creating positive value for the natural environment through our business activities. For example, as the COVID-19 pandemic restricted the flow of people, making it difficult to maintain and manage satoyama, rare species and vegetation are being lost. For this reason, we planned adventure tours that allow people to experience the great outdoors, which have been well received by both participants and the local community. This is a good example of value creation through ESG strategies, where relationships and societal connections are built through air transportation, leading to solutions to social issues.

Furthermore, to realize a recycling-based society, we are committed to the Effective Use of Limited Resources and have set the reduction of petroleum derived single-use plastics as a management target.

Toward achieving our industry-leading goal of Net Zero CO₂ Emissions by 2050

In 2020, the JAL Group declared its goal of becoming the first Japanese airline to achieve Net Zero CO₂ Emissions by 2050. We consider this to be a challenging goal that cannot be easily achieved but we formulated the GX Strategy in the Medium-Term Management Rolling Plan (MRP) 2023, based on the belief that we must clarify the roadmap to reach this goal. In addition to the conventional measures of Reduction in Daily Operations, Upgrading to Fuel-efficient Aircraft, and Use of Sustainable Aviation Fuel (SAF), the Group has drawn up a reduction scenario through various initiatives, including the utilization of Emissions Trading and Development of New Technologies that will contribute to the reduction of CO₂ emissions.

The most influential of these is Upgrading to Fuel-efficient Aircraft. Our plan is to increase the ratio of new aircraft that can reduce CO₂ emissions by 15 percent to 25 percent compared to conventional aircraft. In 2023, we ordered 42 aircraft and will increase the reduction ratio to 76 percent by 2030. As for the Use of SAF it is essential to strengthen the domestic supply system, including lower prices. The public and private sectors are working together on this issue, as can be seen by the capital expenditure (CAPEX) being promoted by the distributor companies with the support of the government.

Emissions Trading will be assigned an obligatory offset amount based on CORSIA* from FY2024, but currently there are uncertainties, such as the limited number of credits that meet the requirements. We intend to strengthen information gathering from a global perspective while strengthening cooperation among industry, government, and academia, including participation in the GX League, so that we can participate from the rulemaking stage, not only in emissions trading but also in the domestic production of SAF.

Regarding Development of New Technologies, we have focused on negative emission technology that removes CO₂ from the atmosphere. In March 2024, we made contributions to a U.S. startup company with proprietary technology in this field through a corporate venture company (CVC). I would like to continue to

drive the discovery of effective cutting-edge technologies by utilizing the personal connections and knowledge I developed during my time in the Innovation Division.

In order to continue these efforts efficiently, we will actively promote GX-promoting investments while utilizing internal carbon pricing (ICP), which quantifies the benefits of environmental investments. For example, we will use ICP to make investment decisions at all levels of our operations, such as converting shop maintenance lights to LED, in the hope that this will help raise awareness among our employees.

The JAL Group's efforts have been recognized by outside organizations. For the second consecutive years, JAL was selected as a component of the Dow Jones Sustainability Asia Pacific Index (DJSI), a leading ESG investment index (top score in the global airline industry in 2023). In March 2024, the Group was selected in the newly established "SX Brands 2024". Being acknowledged by these organizations is a great encouragement to our employees. We will continue to steadily promote the GX Strategy and firmly communicate its aims, significance, and progress to society.

* CORSIA: A system adopted by the International Civil Aviation Organization (ICAO) that requires airlines operating international flights to purchase SAF and carbon credits for 85 percent of their CO₂ emissions in excess of 2019 emissions.

All employees working in unison on both the proactive and conservative fronts

In the future society, sustainability will be a factor directly related to corporate value. In the past, the JAL Group took a conservative attitude to reduce negative environmental impacts such as CO₂ emissions. Going forward we will also take on a proactive attitude to link the solutions of social issues through business to economic value. By working on both fronts should lead the JAL Group to being sustainable.

Based on this recognition, we place great importance in promoting sustainability by integrating our individual efforts across the entire company. The role of the Sustainability Promotion Committee is to foster this sense of unity. I believe that

my mission as chair is to lead the committee to involve not only departments related to the environment but also all organizations so that the Group will be aligned with the same vector.

Sustainability is not something to be assigned a role, but something that all employees should take on themselves. In order

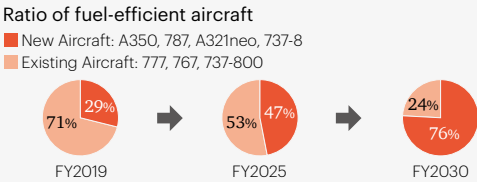
to foster such a mindset, we believe that the first step toward achieving the Group's vision and goals is to continue to communicate in an easy-to-understand manner how the daily efforts of each employee are linked to the sustainability of the JAL Group and of society.

Issues to be solved for conserving the environment and positioning of GX strategy

- Environmental Policy** <https://www.jal.com/en/sustainability/environment/environment-management/policy/>
- **Addressing Climate Change (GX Strategy)** <https://www.jal.com/en/sustainability/environment/climate-action/>
 - **Effective Use of Limited Resources** <https://www.jal.com/en/sustainability/environment/limited-resources/>
 - **Precaution of Environmental Pollution** <https://www.jal.com/en/sustainability/environment/pollution-prevention/>
 - **Noise Reduction** <https://www.jal.com/en/sustainability/environment/noise-reduction/>
 - **Biodiversity Conservation** <https://www.jal.com/en/sustainability/environment/biodiversity/>

GX Strategy

Upgrade to Fuel-efficient Aircraft
CO₂ Reduction (FY2025 -> FY2030)
370,000 tonnes
➔ 1.2 million tonnes



CO₂ emissions (compared to existing models)



Use of SAF
CO₂ Reduction (FY2025 -> FY2030)
80,000 tonnes
➔ 800,000 tonnes and more

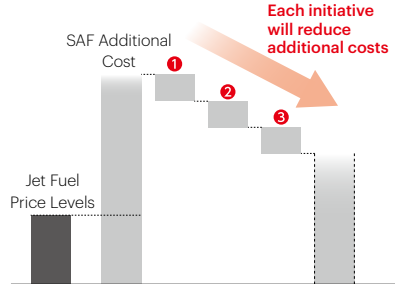
- From FY2024 onward, moves toward CORSIA offset obligation and the start of production and mass production of domestically produced SAF will be in full swing
- Deepen partnerships with domestic SAF manufacturers
- Expansion of overseas SAF procurement points

SAF usage (FY2030)
400,000 KL and more
(10% of total weight of loads)

SAF Additional Cost Reduction Initiatives

- 1 Lower prices through joint procurement and long-term contracts
- 2 Public and private partnership to promote stable supply and utilization of domestically produced SAF
- 3 Provide offset measures to companies and shippers (sales of CO₂ reduction certificates)

Fuel Price Image



Reduction in Daily Operations
CO₂ Reduction (FY2025 -> FY2030)
80,000 tonnes
➔ 100,000 tonnes

- Further promotion of JAL Green Operations
- Advanced air traffic control systems (shortening flight times with CARATS, operating hours with separate upper and lower control systems, and increasing flexibility in selecting altitude and flight course)

Emissions Trading

Procure the required amount of credits at the appropriate time

New Technology

Partnership with a company with negative emission technology to remove CO₂ from the atmosphere (CVC funding to Captura in March 2024)



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Special Feature 3

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Environmental Management, TCFD and TNFD Governance and Risk Management

Environmental Management System

Based on the JAL Group Environmental Policy, we have established an Environmental Management System (EMS) to promote environmental conservation activities in a precise manner while making continuous improvements. Goals and action plans tied to our management targets such as reducing CO₂ and single-used plastics is set and carried out by each subsidiary and division. We confirm legal compliance, system conformity, and achievement of targets through quarterly reviews and annual internal audits. When nonconformity is detected, corrective actions, analysis of causes, and review of effectiveness of actions are conducted. In addition, those with high urgency are addressed within the framework of a risk management program.

JAL Royal Catering Corporation, which provides inflight meals, obtained ISO 14001:2015, the international standard for Environmental Management System (EMS), in 2021 and has passed the renewal audit in 2024.

From FY2024, we will utilize the knowledge and networks of the entire JAL Group to promote ESG strategies on a Group-wide basis and sublimate them into concrete initiatives. The EMS promotion system is utilized to assign ESG promotion

managers and ESG coordinators to build a system to reduce overall ESG risks and maximize ESG opportunities.

Integrated Response to TCFD and TNFD

The JAL Group aims to comprehensively address climate change and biodiversity, which are particularly important issues for the sustainability of society, because the preservation and restoration of nature strengthens the social infrastructure. Based on an analysis of the risks and opportunities that various sustainability issues, including environmental challenges, pose to society and businesses, JAL Group began disclosing information in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in 2021, and in 2023, JAL Group began prioritizing information in accordance with the Task Force on Nature-related Financial Disclosures (TNFD).

Governance

The JAL Group's Board of Directors receives regular reports (four times in FY2023) regarding executive initiatives on climate change and biodiversity, and exercises a strong supervisory function. In execution, the Sustainability Promotion Council, chaired by the president, formulates basic policies, sets important targets and manages progress, and deliberates and decides on policies to deal with issues. The Sustainability Promotion Committee, chaired by the senior vice president of General Affairs Division, deliberates on individual issues identified through the Environmental Management System (EMS) and issues confirmed through the GX Related Officers Committee (eight meetings in FY2023), whose secretariat is the specialized division for GX strategy launched in April 2023.

The Board of Directors has identified eight key issues (materiality) in overall sustainability to address social issues through business. The Medium-Term Management Plan incorporates addressing climate change into its management strategy. Based on our strong will to achieve sustainable business operations and increased corporate value through

steady efforts to address these issues, we reflect external ESG assessments and CO₂ emission reduction targets as indicators in our officer remuneration.

In addition, we place respect for human rights and biodiversity conservation at the core of our management issues. We promote sustainable business strategies in line with the TNFD framework, and strive to build a sustainable supply chain, including respect for human rights and appropriate labor practices.

Agenda Items for the Board of Directors Meeting and Sustainability Promotion Council Meeting Bodies for FY2023

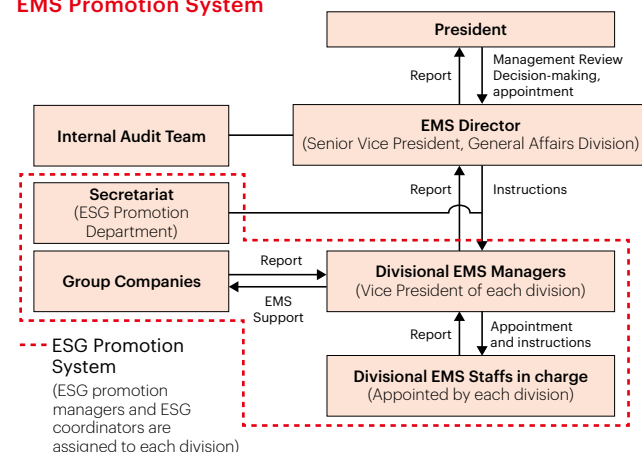
- Development of goals related to addressing climate change (transition plan), and annual results.
- GX Strategy to achieve Net Zero CO₂ Emissions by 2050
- Disclose information on TCFD and TNFD, EMS review
- Monitoring and evaluation of human rights due diligence

*Please refer to p.18 for the Governance Structure

Risk Management

The JAL Group defines risk as an event or action that may impede the achievement of the organization's mission, objectives, or goals, and conducts semiannual risk surveys and assessments. Those assessed as particularly important are positioned as priority risks, and the Group Risk Management Council, chaired by the president, confirms the status of risk management and deliberates and decides on countermeasures. With regard to environmental issues such as climate change and biodiversity, which are key issues in our management strategy, we implement risk management through the PDCA cycle based on the Environmental Management System (EMS), while taking into consideration relevant laws, regulations, and policy trends in the international community.

EMS Promotion System



Basic Concept

The JAL Group recognizes that an action to climate change is a particularly important issue for the sustainability of society. In June 2020, we announced our commitment to achieve Net Zero CO₂ Emissions by 2050, in order to steadily promote various initiatives, including the reduction of CO₂ emissions in order to fulfill our responsibilities as an air transport operator.

For more information, please refer to our TCFD disclosures.

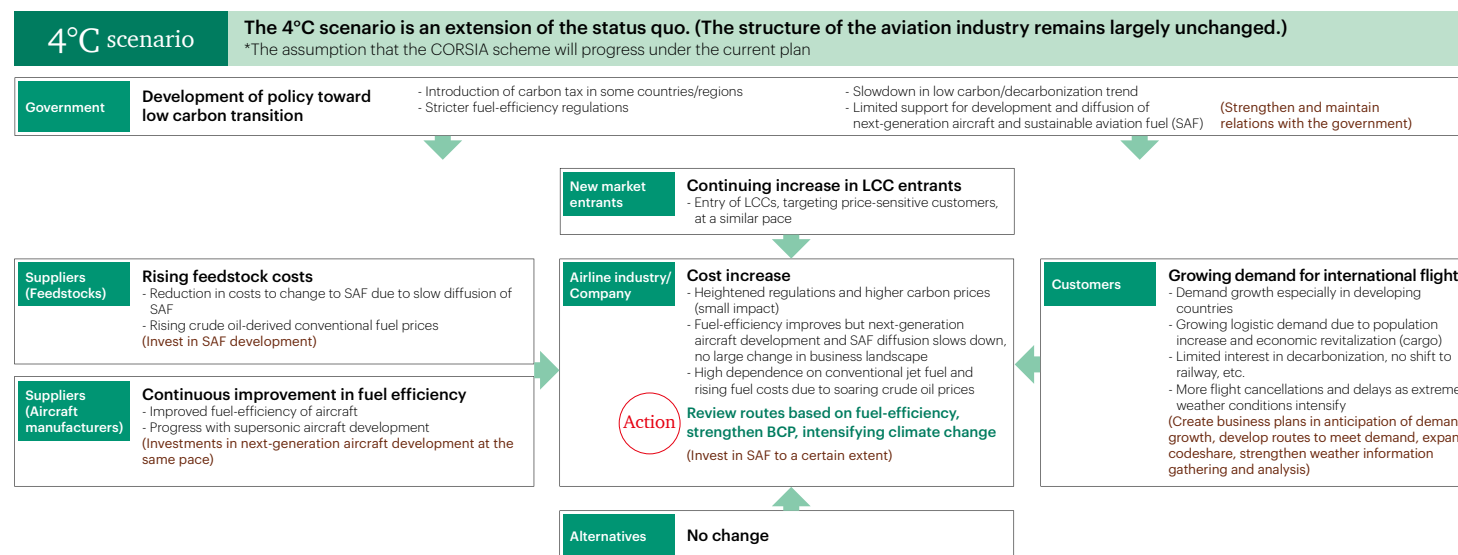
Corporate website: Addressing Climate Change
<https://www.jal.com/en/sustainability/environment/climate-action/>

Strategy Scenario Analysis

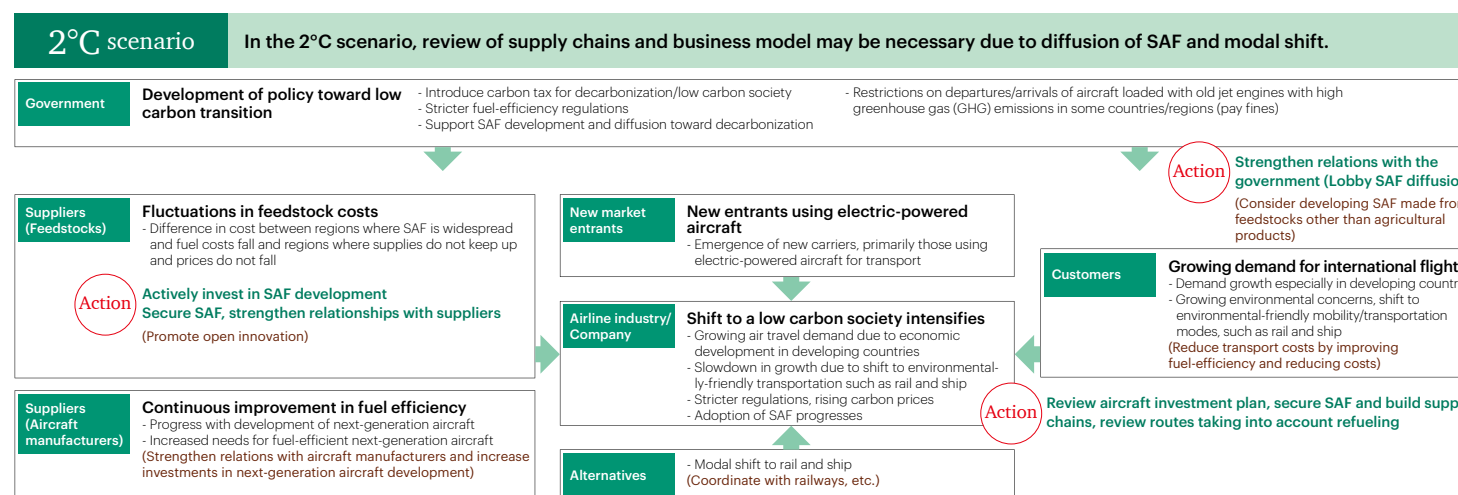
The international community is rapidly moving toward a 1.5°C scenario as the benchmark for addressing climate change, with tighter environmental laws and regulations in Europe, the United States' return to the Paris Agreement, Japan's Carbon Neutral Declaration and a major review of its national reduction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

^{*1} RCP8.5 scenario: High-level reference scenario in the IPCC Fifth Assessment Report (scenario corresponding to maximum greenhouse gas emissions in 2100)

^{*2} RCP2.6 scenario: Low-level stabilization scenario in the IPCC Fifth Assessment Report (lowest emissions scenario developed with the goal of limiting future temperature increase to below 2°C)



Continue efforts to improve fuel-efficiency, implement measures against rising fuel costs, consider measures to prepare for physical risks



Engagement with suppliers, industry associations, and government is essential to ensure SAF stability

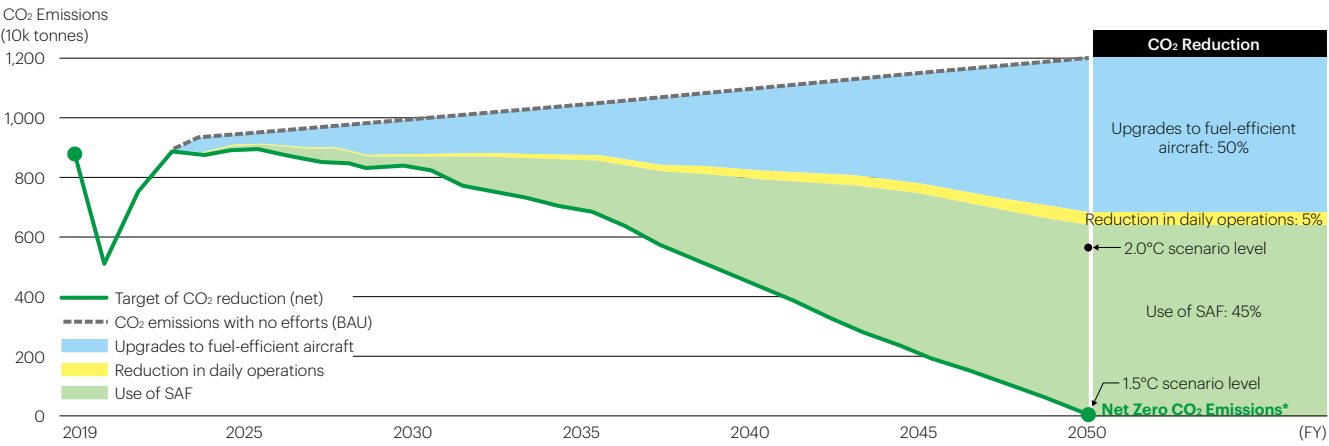
Transition Plan to Achieve Net Zero CO₂ Emissions

Based on the 1.5°C scenario, the JAL Group announced a target of Net Zero CO₂ Emissions by 2050 at its shareholders' meeting in June 2020. Road map on the right was created in consideration of risks and opportunities based on the IEA SDS*³ scenario and other factors, which was reflected in the FY2021-2025 JAL Group Medium Term Management Plan Rolling Plan 2021 and in the same Rolling Plan 2022, and the GX Strategy was formulated in the same Rolling Plan since 2023.

With regard to the reduction of CO₂ emissions from JAL Group aircraft, we are studying CO₂ emissions reduction scenarios targeting by 2050, with reference to the latest study materials at ICAO, IATA and the latest scenarios such as WAYPOINT 2050*⁴ from ATAG*⁵, and discussing future issues and measures. In preparing the scenarios, we calculated the total CO₂ emissions by 2050 by setting the growth of Revenue Tonne-Kilometers (RTK) based on total demand for both international and domestic flights, and reflected the effects of each initiative.

*³ IEA SDS Scenario: Sustainable Development Scenario, a roadmap to fully achieve the Sustainable Development Goals of the IEA (International Energy Agency).
*⁴ Reference: WAYPOINT 2050
<https://aviationbenefits.org/environmental-efficiency/climate-action/waypoint-2050/>
*⁵ Air Transport Action Group (ATAG): A globalization coalition that promotes sustainability in the airline industry.

JAL Group's Road Map towards Net Zero CO₂ Emissions*



- Upgrades to fuel-efficient aircraft** Utilizing the latest fuel-efficient aircraft today and aim to introduce aircraft using new technologies in the near future, such as hydrogen and electric powered aircraft
- Reduction in daily operations** In addition to "JAL Green Operations" to reduce CO₂ emissions in daily operations, promoting collaboration across the entire industry, including air traffic control agency, airlines, and airport operators
- Use of SAF** Collaboration with stakeholders to aim for a decarbonized society to secure SAF supply and reduce costs

* Achieve a balance between actual CO₂ emissions from business activities and reductions through measures = Net Zero Emissions (including emissions trading and CCS (CO₂ absorption technology) by using of emissions trading from 2024 and by using of CCS in the future, residual emissions (10%) will be reduced as of 2050))

Highlight

Formulated a plan to promote decarbonization of the air transport services

In January 2024, we formulated, applied for and received approval by the Ministry of Land, Infrastructure, Transport and Tourism for a decarbonization promotion plan for the air transport service that includes quantitative targets and process charts for FY2030 and FY2050 with respect to the use of SAF, improvement of flight operations, and introduction of new aircraft environmental technology, among others.

Participation in the GX League

From April 2024, we are participating in the GX League, a cross-industry domestic framework for decarbonization. We will contribute to the promotion of decarbonization in Japan by working together with the national government and companies from other industries in cooperation with the public and private sectors towards the creation of a legitimate evaluation mechanism for the setting of emission reduction targets and implementation of decarbonization in companies and the creation of a GX market for emissions trading.

Utilization of Internal Carbon Pricing (ICP)

In April 2023, we incorporated ICP as one of our investment decision criteria setting a base price of 15,000 yen per tonne of CO₂ emissions. We will promote the implementation of our decarbonization measures by ICP and accelerate decarbonization efforts. (Case studies: four cases)

Utilization of emissions trading and negative emissions technologies

Although SAF can reduce CO₂ emissions through its life cycle, there are residual emissions because of emissions in the process of the manufacturing and transportation. To offset residual emissions that is difficult to reduce within our business domain, we will continue to utilize such as emissions trading and CCS.

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Risks and Opportunities

Climate change will have a negative impact on the air transport services, which is based on the premise of operating in a “safe and secure society,” and as a result, it may pose an enormous risk to the business continuity.

In addition, addressing climate change, including the reduction of CO₂ emissions by airlines, may have various financial impacts, such as upgrading to fuel-efficient aircraft and responding to carbon pricing.

The JAL Group organizes and examines these factors that affect our business in accordance with the TCFD classification of risks and opportunities related to climate change and lists them in the table below. The categories of timing and impact of occurrence are as specified on the right list.

The table of risks and opportunities are reviewed annually. The following list was reviewed at the Board of Directors meeting on July 17, 2024.

Classification	Time of Impact
Short-term	FY2024 - FY2025 (the period covered by the current Medium-Term Management Plan)
Medium-term	FY2026 - FY2030 (the period up to JAL Vision 2030)
Long-term	FY2031 - FY2050 (the period to achieve Net Zero CO ₂ Emissions)

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

Risks

Classification	Risk Overview		Period of Event	Impact of Risks	Our Response to Risk Reduction
Transition Risks - Policies and Regulations - Technology - Market - Reputation	Emissions Trading	Increase in credit cost by stronger national CO ₂ emission regulations	Short- to Long-term	Small to Medium	- Procurement of credits at stable and reasonable prices - Public-private partnership through the Scheduled Airlines Association of Japan for analysis of supply-demand balance and cost projections for CORSIA Eligible Emission Units, etc. - Lobbying for fostering a market for CORSIA Eligible Emission Units (ICAO, IATA) - Participation in the GX League to formulate a domestic emission trade market
	SAF	Shortage in supply due to delays in the development, manufacture and dissemination of SAF and bias in supply areas	Short- to Long-term	Medium to Large	- Long-term and price-competitive SAF procurement from suppliers individually or with alliance members - Active involvement in domestic SAF production and expansion of SAF procurement sites - Request for assistance regarding the supply and production and use of SAF to the government and various related parties in cooperation with the aviation industry, energy industry, etc. - Lobbying to extend distribution of CORSIA Eligible Fuel (CEF) (ICAO, IATA)
		Impact on balance of payments due to high prices of SAF, hydrogen fuel, etc.			
	Ground Vehicles	Increased costs to introduce electrical vehicles in airports to comply new laws and regulations Delays in upgrading to electric vehicles and associated infrastructure improvements at airport facilities	Short- to Medium-term	Small	- Requests for support to the government and other related agencies for upgrading to electric vehicles and improving airport infrastructure, among others
		Shortage of alternative diesel fuels supply and unbalancing situation in regions for supply areas			
	Aircraft	Delay in the development of aircraft using new technologies such as hydrogen and electrical power and in the development of airport infrastructure	Long-term	Medium	- Collaboration with the next-generation aircraft startups - Coordination and consultation with airframe and engine manufacturers - Participate in the Public-Private Council on New Technologies for Decarbonization of Aircraft with the government and other relevant parties to formulate a New Technology Roadmap for Decarbonizing of Aircraft - Establish a new department dedicated to the utilization and promotion of next-generation aircraft and new technologies (April 2024)
Demand	Declining in customer preference due to delayed response to climate change and slowdown in air transport demand in Japan due to modal shift	Medium- to Long-term	Small to Medium	- Advocating the value of aircraft mobility after thorough efforts to reduce CO ₂ - Building momentum by strengthening communication of environmentally conscious measures, such as the Sustainable Challenge Flight project, communication of SAF's planned procurement progress, and participation in symposiums	
Physical Risks - Acute Risk - Chronic Risk	Operations	Impacts of the decrease in the number of passengers and the increase in flight cancellations caused by climate disasters due to the intensification of extreme weather events and changes in precipitation and climate patterns	Medium-term	Medium	- Strengthen crisis management capabilities and enhance BCP in response to disasters - Public-private partnerships, including participation in the Study Committee on Natural Disaster Countermeasures at Airports
	Demand	Impact of the outbreak of a pandemic of infectious diseases caused by ecosystem changes due to the increase in average temperature on air transport services	Medium- to Long-term	Large	- Provide a safe and secure air transportation environment through measures to prevent infectious diseases - Develop flight plans based on passenger demand

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Opportunities

Classification	Opportunity Overview		Period of Event	Impact of Opportunities	Our Response to Expand Opportunities
Opportunities - Resource Efficiency - Energy Source - Resilience - Market - Products and Services	Operation Aircraft	Reduction of fuel consumption and CO ₂ emissions (reduction of credit purchase costs) by improving fuel efficiency through operational innovations, aircraft technology improvements, and infrastructure improvements such as more sophisticated air traffic control	Short- to Long-term	Medium	- Reduction of CO ₂ emissions by innovations in daily aircraft operations and aircraft modifications - Collaboration with manufacturers, the government, and related organizations for the introduction of aircraft with advanced air traffic control and new technologies - Diversified financing (issuance of transition bonds) - Steady introduction of fuel-efficient aircraft (Domestic: Boeing 737MAX8, Airbus A350, Airbus A321neo) (International: Airbus A350, Boeing 787)
	SAF	Diversification of fuel supply sources to ensure a stable supply of aircraft fuel and reduce prices and costs	Short- to Long-term	Small to Medium	- Procurement of SAF consisting of multiple manufacturing methods - SAF promotion activities together with Japanese various industries through such as ACT FOR SKY - To build a domestic SAF supply chain, established and began a system with local governments and companies to collect used cooking oil at local base stores from households for use as feedstock of SAF - Collaboration between the public and private sectors, including public-private councils, to resolve technical and economic issues in domestic SAF production, such as CAPEX support for SAF production and supply side through GX Transition Bonds, support for business operation costs including SAF feedstock procurement, and the ideal form of incentive support - Launched JAL Corporate SAF Program which requires companies that use JAL flights to pay a portion of SAF purchase costs, reduces SAF purchase costs and decarbonizes the entire supply chain
	New Technologies	Diversify CO ₂ reduction methods by utilizing CO ₂ removal technologies such as Direct Air Capture, which captures CO ₂ from the atmosphere	Long-term	Medium	- Invested in Captura, a U.S. startup with negative emissions technologies that remove CO ₂ from the atmosphere, through a CVC
	Ground Vehicles	Reduction of CO ₂ through the use of alternative fuels to diesel oil and the use of special airport vehicles that combine various power sources	Short- to Long-term	Small	- Procurement of biodiesel fuel and use of electric special vehicles - Promoting decarbonization at airports through public-private partnerships
	Demand	Enhancing preferences and expanding aviation demand through appropriate responses to diversifying customer needs	Short- to Long-term	Medium	- Providing low-carbon and environmentally friendly products and services (JAL Corporate SAF Program, JAL Carbon Offset) - Expansion of information disclosure on measures to address climate change including reduction of CO ₂ emissions - Build momentum by strengthening communication of environmentally conscious measures, such as the Sustainable Challenge Flight project, communication of SAF's planned procurement progress, and participation in symposiums
		Securing new sources of revenue through the creation of new businesses based on low carbon	Short- to Long-term	Large	- Creation of new businesses utilizing JAL Group assets (e.g., LCC business) - Promote investments that contribute to CO ₂ reduction through internal carbon pricing (ICP) (ICP is used as one of the evaluation items in the selection of new medium-sized aircraft) - Fostering human resources to lead a decarbonized society

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Metrics and Targets

Direct emissions from aircraft account for approximately 99 percent of the JAL Group CO₂ emissions, and we are addressing the reduction of CO₂ emissions from aircraft as a top priority issue. In addition, we have set high targets for the reduction of CO₂ emissions from non-aircraft sources, such as ground facilities and ground vehicles, which account for approximately 1 percent of total emissions, and we are working across the organization to achieve these targets. In order to overcome various challenges related to technological innovation and market formation, we will lead the industry with cutting-edge initiatives while strengthening cooperation and collaboration with various stakeholders in Japan and overseas, in line with the international framework for CO₂ reduction and consistent with the Clean Energy Strategy of the Japanese government.

Key initiatives and issues to work on towards sustainability (metrics and targets)
<https://www.jal.com/en/sustainability/initiatives/>

Targets and Initiatives to Reduce CO₂ by 2030

As a milestone toward achieving Net Zero CO₂ Emissions by 2050, in May 2021, the JAL Group became the first Japanese airline to set a specific target for FY2030 (10 percent reduction in total emissions compared to FY2019), and has taken the lead in promoting the decarbonization of the global airline industry through joint procurement of SAF with alliance members and the use of ESG finance when renewing aircraft. We will continue to accelerate our existing efforts, including the steady renewal of fuel-efficient aircraft based on a stable financial base, the steady implementation of daily operational innovations (JAL Green Operations), and the strategic procurement of SAF with specific onboard targets, as well as consider the use of negative emission technologies such as removing and collecting CO₂ to achieve our goals.

In Japan and other regions, the government's Basic

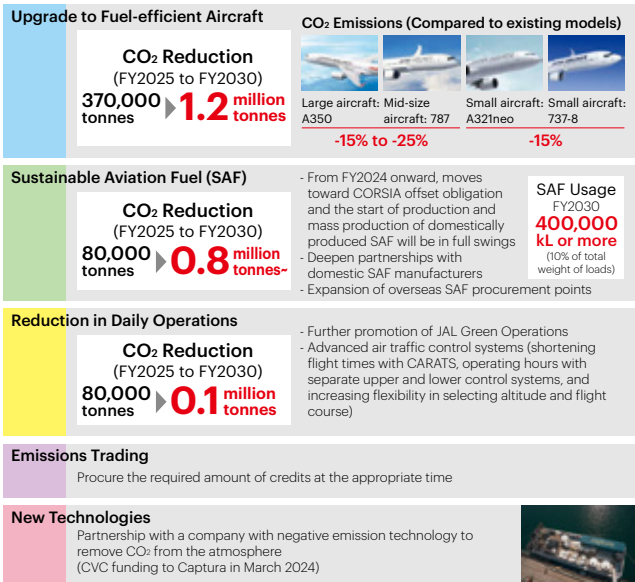
CO₂ Reduction Targets and Results

		Base Year	Year 2023	Year 2025	Year 2030	Year 2050
Direct Emission	Aircraft	FY2019 Results 9.09 million tonnes	FY2023 Results 9.07 million tonnes	FY2025 CO ₂ Reduction Target Total emissions: less than 9.09 million tonnes *Less than FY2019	FY2030 CO ₂ Reduction Target Total emissions: less than 8.18 million tonnes *90% compared to FY2019	Net Zero
	Non-aircraft	FY2019 Results 96,000 tonnes	FY2023 Results 84,000 tonnes		Total emissions: less than 62,000 tonnes *65% compared to FY2019	Net Zero
Indirect Emission		FY2013 Results 80,000 tonnes	FY2023 Results 53,000 tonnes	Total emissions: less than 54,000 tonnes *67% compared to FY2013	Total emissions: less than 40,000 tonnes *50% compared to FY2013	

Policies for Economic and Fiscal Management and Reform 2024, Grand Design and Action Plan for New Capitalism, Clean Energy Strategy, and Basic Policy for the Realization of GX clearly state that it will promote the production and distribution of SAF. In order to realize the ambitious goal of replacing more than 10 percent of all onboard fuel with SAF by FY2030, the JAL Group is actively working toward the commercialization of SAF through public-private partnerships and collaboration with domestic and international stakeholders.

In addition, we have set targets for indirect emissions, which we have steadily reduced, and we have now set a target for direct emissions on the ground (vehicles and ground facilities), which will result in a 35 percent reduction in non-aircraft emissions in FY2030, compared to FY2019. This will accelerate our efforts to reduce non-aircraft emissions furthermore.

Accelerate initiatives to reduce CO₂ emissions*1 from the projected emissions*2 of 11 million tonnes in FY2030



*1 10% less vs. FY2019 *2 Projected emissions without measures

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Priority Measures

Upgrading to Fuel-efficient Aircraft

The JAL Group is currently upgrading our fleet to more fuel-efficient and low noise models. The latest models reduce approximately 15 percent to 25 percent CO₂ emissions compared to previous.

Since January 2024, we introduced the Airbus A350-1000 aircraft for international flights. From FY2027, we will introduce 20 new Airbus A350-900 aircraft, which are currently our mainstay aircraft for domestic flights, into our international flights. The Group decided to introduce 10 additional Boeing 787-9s, to our 50+ aircraft already in operation within the JAL Group. On domestic routes, in addition to the introduction of 21 Boeing 737-8 aircraft from 2026 to substitute our 737-800 aircraft, JAL has decided to introduce 11 Airbus A321neo aircraft from FY2028 as the successor to the Boeing 767 aircraft currently in operation.

As the development of next-generation aircraft equipped with new technologies powered by electricity and hydrogen is gaining momentum, we are actively collaborating with airframe and engine manufacturers to promote technological innovation. Because the development of infrastructure is essential for next-generation aircraft, we will work with the government, airport companies, and other stakeholders to improve the environment.

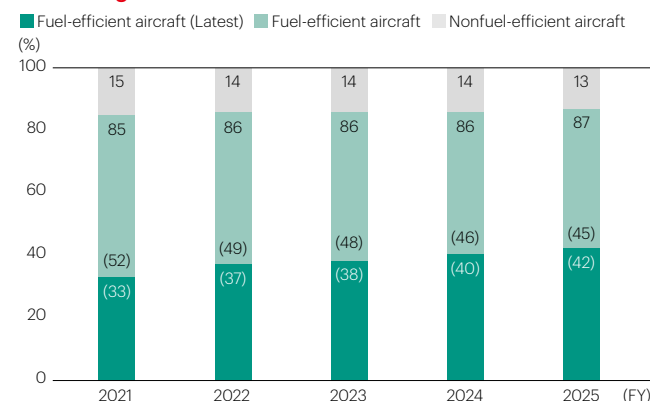
Issuance of Transition Bonds to Procure Fuel-efficient Aircraft

In March 2022, the JAL Group issued the world's first transition bond in the aviation industry in order to steadily renew our fleet of highly fuel-efficient aircraft (Airbus A350, Boeing 787 and etc.) We were selected as a model case study for the 2021 Climate Transition Financing Model Project by the Ministry of Economy, Trade and Industry. In March 2023, we became Japan's first airline to finance a transition-linked loan with a specific use of funds, and the loan was selected as a recipient of the Ministry of Economy, Trade and Industry's FY2022 Subsidy for Global Warming Countermeasures Promotion Project. We are actively

and continuously utilizing ESG finance by issuing transition bonds for the second time in June 2023, the third and fourth time in May 2024. We are also engaging in dialogue with investors to gain their understanding of our initiatives.

Reference site: ESG Finance
<https://www.jal.com/en/sustainability/esg-finance/>

Percentage of Fuel-efficient Aircraft



Fuel-efficient aircraft (latest): Airbus A350, Boeing 787, ATR42-600/72-600
Fuel-efficient aircraft: Boeing 777/737-800, Embraer E170/E190
Current aircraft: Boeing 767, SAAB, Q400

Use of SAF

The JAL Group has set a goal of replacing 1 percent of all fuel on board (FOB) with SAF by FY2025 and more than 10 percent by FY2030. To achieve this goal, we will promote SAF procurement in Japan and overseas. In Japan, we are working with stakeholders across industry boundaries to promote the use of domestic production and commercialization of SAF. We are also actively participating in the development of future generation SAF, as represented by e-fuel, to promote and expand the use of SAF.

Issues and Initiatives for SAF Procurement

In order to achieve our procurement target of replacing 1 percent of all FOB with SAF by FY2025, we are working to reduce costs by promoting procurement from countries and regions that have subsidies or incentives for SAF production and

Comment

First Japanese Airline to Collaborate with a Hydrogen Aircraft Startup Company

A basic agreement has been signed with a company that develops hydrogen-fueled propulsion systems in order to study the safety, economic efficiency, and maintainability of hydrogen-fueled next-generation aircraft, which can reduce CO₂ emissions in flight to net zero, with the aim of introducing them into Japan's skies.

In April 2024, the newly established Advanced Technology Utilization & Promotion Group in the Engineering Department of JAL Engineering is advancing the technical review of hydrogen aircraft. We will continue to collaborate extensively with various companies to contribute to the design and development of hydrogen aircraft that meet the strict safety standards required for flight safety in Japan, utilizing our expertise in flight safety and line maintenance as a Japanese airline company. We will also work firmly to create momentum for the introduction of hydrogen aircraft, thereby promoting activities to create a safe, secure, and sustainable future sky, and to lead the introduction of hydrogen aircraft into Japan's skies through the united efforts of our new group.



(From Left)
HIRAI Shingo, HOSODA Mitsuru, KIMURA Luna, TSUKAMOTO Haruka, AMANO Yusuke
Advanced Technology Utilization & Promotion Group,
JAL Engineering Co.,Ltd.

use, and by implementing procurement strategies such as joint procurement and long-term contracts.

On the other hand, as global demand for SAF increases, in order to achieve the ambitious target of more than 10 percent by 2030, it is essential to create an environment for a stable supply of domestically produced SAF at internationally competitive prices by collaborating with stakeholders in Japan, transcending industry boundaries, while expanding overseas procurement points. The JAL Group is actively communicating its commitment as an end-user of SAF through participation in the SAF Public-Private Council, forming the Air Transport

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Industry Decarbonization Promotion Plan, and participation in the GX League. The industry worked together to request support and contributed to the realization of support for the production side that contributes to lower SAF prices, such as production equipment subsidies funded by GX Transition Bonds in 2023 and a tax on the production infrastructure for strategic goods. We will continue to support the production and mass production of domestically produced SAF in order to contribute to the establishment of a supply chain of domestically produced SAF for local production for local consumption that has a high reduction rate and meets CORSIA eligibility criteria. (For details of the JAL Group's domestic SAF initiatives, please refer to "Special Feature 3: Working to Promoting Domestic SAF" on page 91.)

To promote the use of SAF, focus on the value of decarbonization through SAF based on corporate customer feedback, we launched the JAL Corporate SAF Program in April 2024. Through this program, we will build momentum for the use of

SAF and contribute to the promotion of decarbonization in the supply chain.

Reduction in Daily Operations

JAL Green Operations is the name given to our various efforts to reduce CO₂ emissions in our daily operations, including the timing of controls and devising of maneuvering during flight, reducing the weight of the aircraft, and shortening the flight route. We monitor actual flight routes on a daily basis and create flight plans with flight routes that match actual conditions in order to achieve optimization of FOB. JAL Group companies are working together to further reinforce and promote in-flight efforts such as the early acceleration and climb method, which has been actively implemented for some time.

Together with JAXA, O-well Corporation and Nikon Corporation, we are conducting the world's first flight demonstration test using an aircraft with a riblet applied to the exterior

surface coating (illustration below). When this technology is put into practical use, it is expected to improve fuel consumption by up to 2 percent and contribute significantly to CO₂ reduction.

Going forward, we are planning to expand this technology to our aircraft on international flights in the future.



In November 2023, riblets were applied to a total area of approximately 25m² on the lower fuselage of a Boeing 737-800 aircraft.

Highlight

Launched JAL Corporate SAF Program

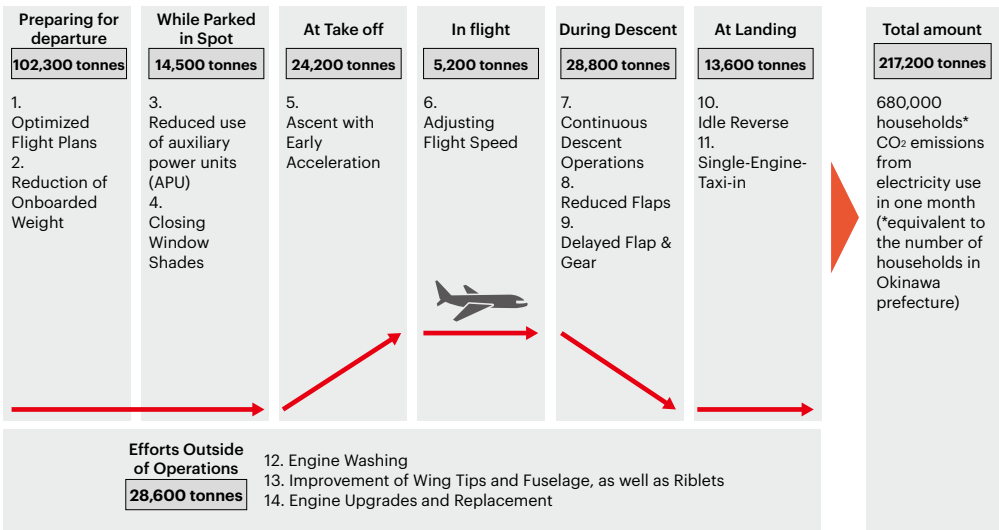
In April 2024, JAL launched the JAL Corporate SAF Program, a new project to contribute to the reduction of CO₂ in the supply chain together with corporate customers who use JAL flights. Under this program, JAL visualizes the amount of CO₂ emissions based on our customers' traffic data and employees' business trips, calculates the amount of CO₂ reduced by SAF, and at the same time, certifies and sells the environmental value of the reductions.

This certificate is transparent and socially credible, having been validated by a third-party organization. Together with our corporate customers, we will promote and expand SAF to decarbonize the airline industry and contribute to sustainable air travel.

Reference site: JAL Corporate SAF Program *Japanese Only
<https://www.jal.com/ja/sustainability/jcsp/>

JAL Green Operations

CO₂ reduction



*Actual reduction amount for FY2023.

In FY2023, 2.4% reduction compared to the FY2025 target of 2.5% of total emissions

Other initiatives and data on operational innovations are also available on our website.

JAL Green Operations
<https://www.jal.com/en/sustainability/environment/climate-action/co2-emissions/>

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Efforts to Reduce CO₂ in Ground Facilities and Vehicles

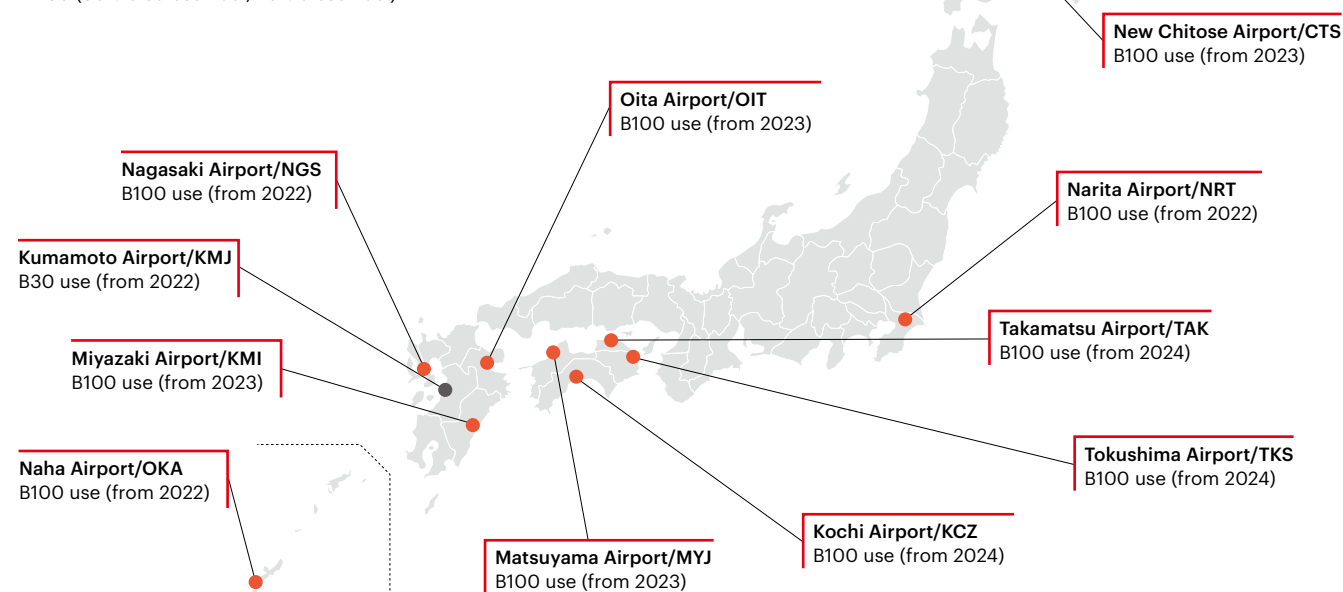
The JAL Group has set a target of reducing unit energy consumption in the ground facility field on average by one percent or more. Under the Operator Classification Evaluation System of Act on the Rational Use of Energy (Energy Conservation Act) implemented by the Ministry of Economy, Trade and Industry, the JAL Group has been certified as an excellent operator classification (S Class) for nine consecutive years since 2015. We are promoting initiatives to achieve the 2030 carbon half (indirect emissions) target, including further promotion of LED in facilities, introduction of air conditioning control systems, and purchase of non-fossil certificates (JAL SKY MUSEUM's exclusive areas are operated at practically net zero emissions).

In addition, to reduce CO₂ emitted by special vehicles at airports, we are promoting the deployment of electrically powered special vehicles and the increased use of biodiesel fuel. Starting with the trial at Kumamoto Airport, the JAL Group, in cooperation and collaboration with local communities and society, is successively using the biodiesel fuel, a locally produced, locally consumed, recycling-based energy, in airport vehicles (Kumamoto Airport: concentration 30 percent, other 10 airports: 100 percent concentration) at 11 airports across Japan. (As of June 2024)

In order to use special vehicles at airports, it is essential to expand airport infrastructure and collaborate with companies in the vicinity of airports. The JAL Group will continue to promote the use of locally produced, locally consumed, recyclable energy at airports throughout Japan.

Expand Use of Biodiesel Fuel (As of June 2024)

- B100 (100% biodiesel fuel)
- B30 (30% biodiesel fuel, 70% diesel fuel)



Special Vehicles at Airports (powered by electrically or biodiesel fuel)



Lithium-ion-battery-powered Ground Power Unit (eGPU)



The first operated electric towing car in Japan at Naha Airport



High-purity biodiesel fuel, a locally produced, locally consumed, recyclable energy source, is used in airport vehicles.

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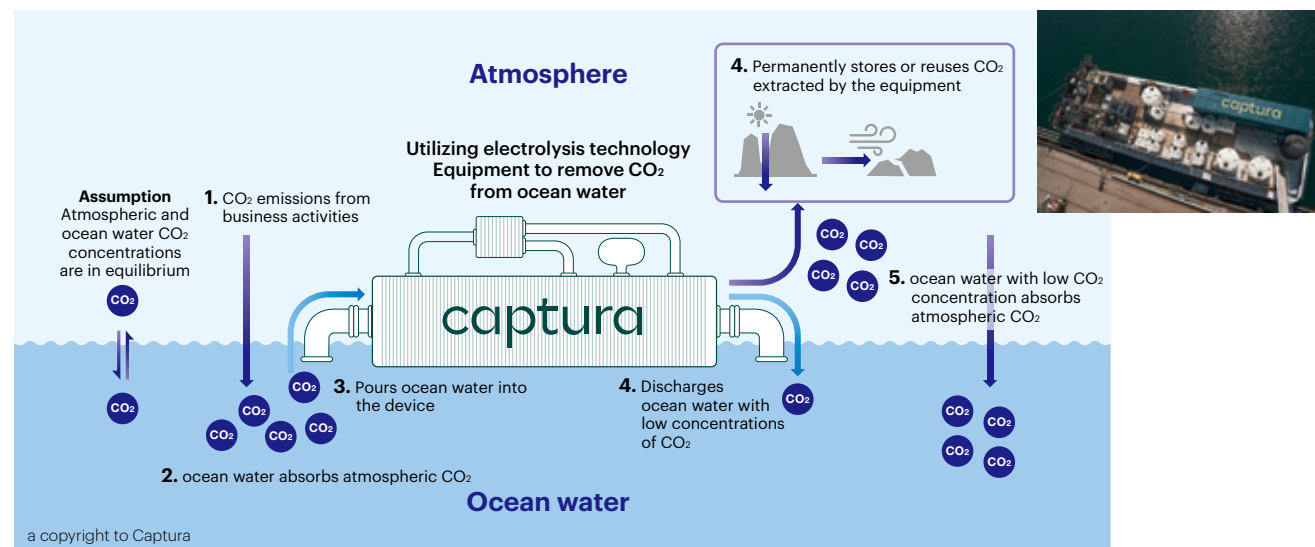
Utilization of Negative Emissions Technologies

The JAL Group is diversifying and accelerating future decarbonization methods by using negative emissions technologies beyond its own supply chain framework to achieve Net Zero CO₂ Emissions in 2050.

In March 2024, JAL invested in Captura, a U.S. venture company with negative emissions technologies that removes CO₂ through the Japan Airlines Innovation Fund, a corporate venture capital fund (CVC) that invests in promising start-up companies.

Captura is seeking to commercialize Direct Ocean Capture (DOC) technology, which efficiently captures CO₂ from the atmosphere by extracting CO₂ directly from ocean water.

Captura's DOC Technology



Highlight

JAL Carbon Offset

In cooperation with CHOOOSE, JAL offers JAL Carbon Offset, a program for individuals and corporations that allows customers to offset their own CO₂ emissions from flights they take. The corporate program allows companies to provide visual reports of their CO₂ emissions, select a credit program, implement carbon offsets, and issue certificates. We will continue to work with our customers to promote CO₂ reductions.

Reference site: JAL Carbon Offset
<https://www.jal.co.jp/es/en/info/news/220127/index.html>
For individual customers: <https://jal.chooose.today/en/>
For corporate customers: <https://jal.chooose.today/en/corporate/>

CONTRAIL Project

In order to accurately predict climate change, it is essential to observe CO₂ concentrations at multiple locations, including in the sky, and to understand their cycles. In 2005, five organizations, namely the National Institute for Environmental Studies, Meteorological Research Institute JAMCO Corporation, JAL Foundation, and Japan Airlines, launched the CONTRAIL* Project* as a public-private partnership to expand observations.

This project, the first in the world to continuously observe greenhouse gases (CO₂ and etc.) on a global scale, uses commercial aircraft to carry observation equipment for high-frequency, long-term observations in the sky, and the data is used by researchers around the world.

* Abbreviation for Comprehensive Observation Network for Trace gases by Airliner



CO₂ concentration observation points in 2022
<https://cger.nies.go.jp/contrail/cme/fstatis.html>

Special Feature 3

Working to
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Sustainable Aviation Fuel is anticipated to be a key solution for decarbonization in the airline industry, and the development of a domestic supply chain for SAF will contribute to Japan's energy security and the sustainability of its domestic aviation infrastructure.

This is crucial for the overall society and economy in terms of Japan's characteristics as an island nation.

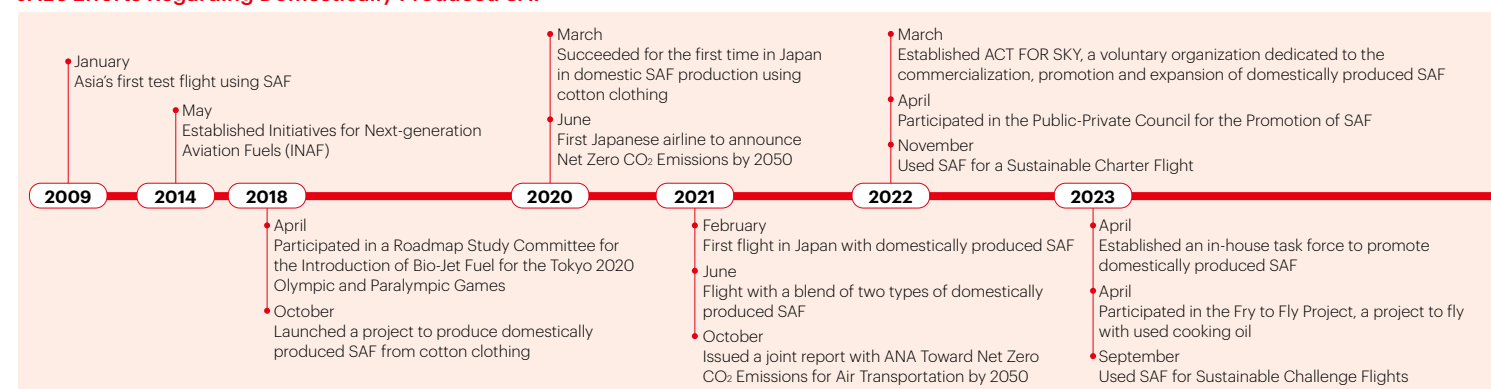
The JAL Group aims to foster awareness and concrete actions toward the realization of a decarbonized and recycling-based society through initiatives for SAF.

We will also work with all stakeholders to achieve a sustainable society and to pass on a beautiful planet to the next generation.

JAL Group Efforts **to Date** to Promote Domestic SAF

The JAL Group has been engaged in initiatives related to SAF for over a decade. As a pioneering company in the utilization of SAF, we promote commercialization of domestically produced SAF.

JAL's Efforts Regarding Domestically Produced SAF



Initiatives to Foster Innovation and Commercialization of SAF Production

In 2009, the JAL Group succeeded in the world's first test flight using SAF primarily derived from camelina plants. In October 2018, we launched the project Let's Fly with 100,000 Clothes! JAL Biojet Fuel Flight, aimed to produce domestic SAF from approximately 250,000 pieces of cotton clothing collected from customers and individuals across Japan. The SAF was successfully produced in March 2020, and in February 2021, we carried out its first flight. In June 2021, as a first step toward the commercialization of domestically produced SAF, a flight was operated using two types of domestically produced SAF made from woodchips and microalgae, both produced at a demonstration plant. In FY2023, we established a department specializing in domestically produced SAF to leverage the knowledge and experience gained from our previous efforts to further accelerate the production of domestically produced SAF.

Why SAF?

SAF is made from non-petroleum derived feedstocks such as used cooking oil and thinned wood. It is a fuel that can reduce CO₂ emissions by approximately 80 percent over its life cycle from raw material collection to production and combustion. SAF can be blended with conventional fossil fuels and has the advantage of being compatible with existing infrastructure without requiring modification.

While the commercialization of large next-generation electric and hydrogen aircraft that do not emit CO₂ is anticipated to take more than a decade, the expansion of SAF production and utilization is an urgent priority for promoting decarbonization in the aviation industry.

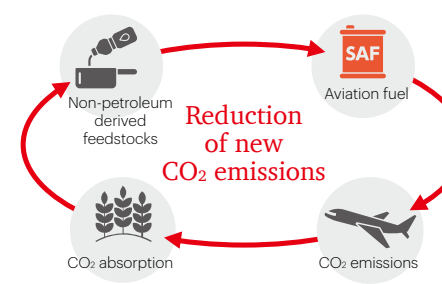


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JAL Group's Future Efforts to Promote Domestic SAF

For the time being, used cooking oil is considered to be the primary feedstocks for the production of domestic SAF. Approximately 100,000 tonnes of cooking oil are discarded annually by households across Japan. To fulfill our responsibility as an airline utilizing SAF, the JAL Group will endeavor to secure used cooking oil to realize a world where used cooking oil is used to fly. We will work together with everyone in society to build a recycling-based society.

2024

- February
Signed a partnership agreement with the City of Yokohama to collect used cooking oil from households for utilization as feedstocks for SAF
- March
Established a system for collecting used cooking oil at cooperating stores in Yokohama City.

Collaboration and Aligning with the Public and Private Sectors

In March 2022, the JAL Group co-founded ACT FOR SKY, a nationwide voluntary organization dedicated to promoting the commercialization and diffusion of domestically produced SAF. Since its establishment, we have served as its secretariat. As of June 2024, the organization comprises 43 companies and organizations from both the private and public sectors, working together to enhance recognition and establish a production system for SAF. In FY2022, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism jointly launched the Public-Private Council for the Promotion of SAF. We are continuously participating in discussions as a member of the study committee and are actively involved in both SAF production and distribution working groups from the standpoint of a SAF user. The public and private sectors collaboratively address technical and economic issues regarding domestic SAF throughout the supply chain. The JAL Group will continue its efforts to promote domestically produced SAF, aiming to play a pivotal role in its dissemination.



Comment

We aim to build a system to utilize underused resources to achieve sustainable air travel and local communities.

Having worked in the Engineering and Maintenance Division for 20 years, I have felt the impact on the global environment through the daily use of large quantities of aviation fuel and its smell. I voluntarily applied to the current position through the company's internal recruitment system. What strongly motivated me to the current position was the fact that SAF can be a solution not only for the sustainability of aviation but also for the social and environmental issues currently facing Japan, such as waste management and regional development.

What we are most focused on now is to realize locally produced and consumed SAF. This

involves not only promoting resource recycling by producing fuel from locally available waste materials but also establishing the process itself as an industry. This approach can generate new economic cycles in Japan and contribute to solving regional issues, which aligns with our company's goals.

Recognizing this issue, we have launched an initiative to collect used cooking oil from households, most of which remains unused, just before the completion of a plant to produce SAF from used cooking oil. This initiative is based on the concept that by working together with citizens, we hope to provoke actions for resource

recycling take root naturally in their daily lives. City of Yokohama and the AEON Group, who share this concept have been working together to implement the system of collecting used cooking oil since March 2024. Now that, we are expanding this initiative beyond Yokohama City.

Numerous efforts are underway in Japan to produce SAF from resources that were previously discarded. We will continue to take on challenges of realizing a recycling-based society by securing feedstocks for domestically produced SAF and establishing a supply chain by leveraging the knowledge we have gained through the experience and partnerships to date.

How we collect and recycle used cooking oil



*1 Abbreviation for Used Cooking Oil

*2 Until the completion of the domestic SAF production plant, it will be utilized for biodiesel.



KITA Atsushi
Domestic SAF Promotion
Task Force
Vice President



Planes Flying with Used Cooking Oil
https://youtu.be/bvYYFvYFmJw?si=0w64O-ecx1LAqR_k

* Please watch the movie about JAL Group's efforts to promote domestic SAF (English subtitles available)

Basic Concept

The JAL Group aims to build a society in which nature and people coexist in harmony through its business activities. Based on the premise of reducing our impact on nature, we will create relationships and connections through mobility, and by working to become Nature Positive, we will create a future in which everyone can feel affluence and hope, thereby enhancing our corporate value.

Strategy

The JAL Group follows the LEAP approach proposed by the TNFD, identifying nature dependencies and impacts as well as priority areas, to systematically assess nature-related risks and opportunities on a scientific basis.

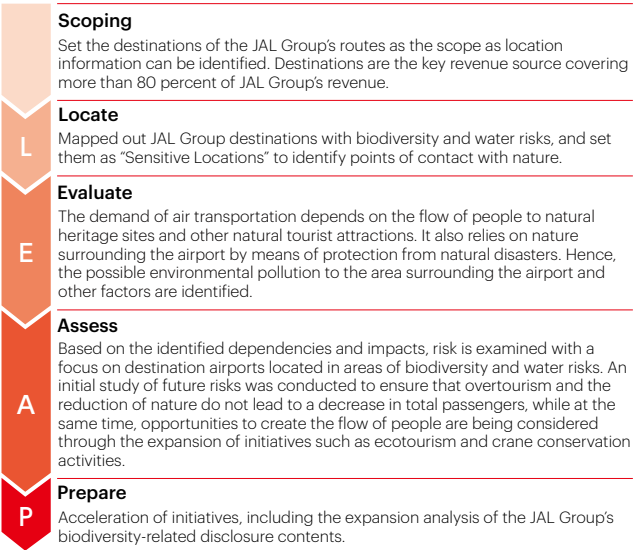
Nature-related Dependencies and Impacts

Nature, consisting of freshwater, ocean, land, and atmosphere, provides various benefits (ecosystem services) to the JAL Group's business. For example, a stable climate maintains a suitable operating environment for aircraft (regulating services), and provides places and opportunities for tourism (cultural services), leading to the creation of human flows. In addition, blessings such as food (supply services) lead to the creation of commercial and logistics flows.

In March 2023, an internal workshop was held with a lecturer from the World Wildlife Fund Japan (WWF Japan) to explore the connection with nature as part of the analysis of dependencies and impacts on nature. Also, ENCORE* was used to analyze the dependencies and impacts of the airline industry has on nature, which covers over 80 percent of the scale of the JAL Group's revenues. The results showed that the dependencies were on flights to natural heritage sites, beach resorts, and other nature-rich destinations, sales of local food products, flood and storm protection, and water use, while the impacts were on potential environmental pollution around airports, GHG emissions, and concern over the impact of the SAF production

process on ecosystems. For SAFs and credits, which are essential for reducing CO₂, we will strive to reduce biodiversity risks in the value chain by procuring those that meet strict sustainability standards based on certification systems established by public institutions.

LEAP Approach Image



Identifying Priority Areas – Water Risk

The JAL Group recognizes water as an important resource that affects climate change and biodiversity and is committed to its sustainable use.

JAL's water intake areas are mainly in Japan, where water stress levels are considered low based on analysis using Aqueduct* and we recognize that the risk is low. However, we have identified the Tokyo metropolitan area (Haneda and Narita), which accounts for 80 percent of our total water intake, as a priority area. We will continuously strive to conserve water resources by means of recycling water used for washing aircraft parts, etc. We also conducted an analysis on overseas areas.

Although no priority areas were identified due to low water intake, we will expand our efforts in these areas in the future.

Water Intake Data ➡ ESG Data p.130-133
Initiatives ➡ Conservation of Water Resources
<https://www.jal.com/en/sustainability/environment/limited-resources/#anc08>

Identifying Priority Areas – Biodiversity Risk

In addition to water, the JAL Group identifies priority areas by focusing on biodiversity itself, including ecosystems such as forests and oceans, and the various species that inhabit them.

Priority Areas in Domestic Destinations

As a result of checking against the areas with significant biodiversity in the biodiversity risk filter provided by WWF, we recognized that many of the JAL Group's domestic destinations are in areas of high biodiversity risk. These areas identified as particularly high-risk were designated as Sensitive Locations. In addition, areas with high demand for nature tourism were designated as areas where our business depends on nature and Tokyo, where our major airport locates in, was identified as Material Locations as an area where our business has an impact on nature. Considering these multiple factors as a whole, we identified Hokkaido, Kagoshima, Okinawa, and Tokyo as priority areas for biodiversity conservation.

Priority Areas in International Destinations

Using the four tools recommended by TNFD* (Aqueduct x IBAT x GFW x ENCORE) as well as the illegal wildlife trade (IWT) hotspots, we have identified areas with significant biodiversity and water risks as Sensitive Locations. In the future, we will also identify Material Locations related to JAL Group's destinations, and based on this analysis, we will identify areas that are dependent on and impacted by nature as well as having a significant passenger demand at the same time as priority areas for biodiversity conservation.

* Aqueduct: A tool to map water risks
IBAT: A biodiversity assessment tool GFW: A biodiversity assessment tool
ENCORE: A tool to assess the opportunities and risks that businesses pose to their natural capital.

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Risks and Opportunities

Loss of biodiversity can be a significant risk to the sustainability of our air transportation business, and managing it can also lead to opportunities. The workshop also assessed nature-related

risks and opportunities based on the identified dependencies and impacts, which are summarized in the table below. In the future, we will deepen the assessment of risks and opportunities by analyzing financial impacts as well.

Risks and Opportunities

Risks	Classification	Risk Overview		Our Response to Risk Reduction	
	Transition Risks - Policies and Regulations - Market - Technology - Reputation	Restrictions on foodstuffs and commercial products used due to more strict regulations on the use of wildlife to protect rare species		- Compliance with internal guidelines with reference to the IUCN Red List, etc. - Use of sustainable foodstuffs and commercial products	
		Risk of difficulty in securing SAF due to concerns about the ecological impact of the SAF production process		Use of SAFs (such as ICAO CORSIA-eligible fuels) that are aware of the raw materials, land use and ecosystem conservation in the production areas, etc.	
		Over tourism in nature-rich tourism destinations		Realization of tourism based on sufficient management of human flows	
		Being part of illegal wildlife trade		Education to employees and collaboration with airport authorities to prevent illegal wildlife trade	
	Physical Risks - Acute Risk - Chronic Risk	Environmental contamination to the airport surroundings		Thorough prevention procedures and post-occurrence response procedures	
		Impact on air transportation business by pandemic outbreaks of infectious diseases caused by the change of ecosystems		- Provide a safe and secure air transportation environment through measures to prevent infectious diseases - Develop flight plans based on passenger demand	
		Loss of natural tourism resources and reduced passenger volume due to changes in the ecosystem		Promote efforts to restore natural tourism resources in cooperation with local communities	
		Risk of airports unable to be used due to natural disasters caused by environmental changes in the surrounding area		Preservation of the surrounding environment in cooperation with local airports	
Opportunities	Classification	Opportunity Overview		Our Response to Expand Opportunities	
	Opportunities based on Business Performance - Resource Efficiency - Products and Services - Market - Capital Flows and Financing - Reputation	Creation of demand for nature tourism		- Balancing tourism and nature conservation by encouraging appropriate tourism through the training of tourism guides, etc. - Creating relationships and societal connections through the Group airlines network	
		Creation of commercial distribution and logistics through the transportation of foodstuffs and commercial products that are products of a rich ecosystem		Contribution to regional economic revitalization through high-speed fresh transportation of foodstuffs and commercial products	
	Sustainability Performance Opportunities - Protection, Restoration and Rehabilitation of Ecosystems - Sustainable Use of Natural Resources	Securing tourism resources through protection, restoration, and rehabilitation of ecosystems		Implementation of measures such as coral sexual reproduction project, red-crowned cranes, etc.	
		Securing a stable supply of commercial materials		Use of sustainable commercial products (e.g., certified commercial products) in collaboration with suppliers	
		Contributing to biodiversity through the use of technology unique to an airline company		Consideration of new initiatives through industry-academia collaboration	

Metrics and Targets

The JAL Group recognizes that biodiversity is affected by various environmental issues, including climate change, resources, and environmental pollution, and commits to comprehensive solutions. In addition to targets related to biodiversity conservation, we disclose environmental data such as CO2 emissions, waste and water consumption.

Metrics and Targets

Main Items	Efforts	Metrics	FY2025 Targets
Biodiversity Conservation	Preservation and expansion of tourism resources	[Okinawa] Number of sexually reproduced corals grown	1,000 seedlings by 2026
		[Okinawa] Expansion of tours related to sexually reproducing coral	Tour expansion
		[Hokkaido] Expansion of red-crowned cranes conservation activities	Expansion of initiatives
		[Amami (Uken village)]: Mangrove planting under the cooperation of industry, government, and academia	To be determined
	Use of certified commercial products	Percentage of inflight items using certified paper	100%
	Prevention of illegal wildlife trade	Number of illegal wildlife transports	0 times
	Consideration for biodiversity in the foodstuffs and commercial products we handle	Number of violations of internal guidelines for ESG risk foodstuffs and commercial products	0 times
	Reducing the impact on the ecosystem around the airport	[Tokyo] Number of incidents of improper management of water containing hazardous substances	0 times

Core Global Disclosure Metrics

The JAL Group is expanding the disclosing of the indicators based on the Core Global Disclosure Metrics as required by TNFD v1.0 in the ESG data.

🔥 ESG Data p.130-133

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Priority Measures

Sexual Reproduction and Coral Rehabilitation Project

One of the fascinations of Okinawa is its coral reefs. Coral reefs are not only beautiful, but also serve many roles, such as providing a place for living creatures to coexist. However, in recent years, coral reefs have continued to decline due to rising sea temperatures and other factors.

Since 2020, Japan Transocean Air (JTA), a member of the JAL Group, formed a council with local companies to support coral reef restoration efforts using the sexual reproduction method in the Yaeyama and Kumejima areas. In May 2024, for the first time since the start of support, spawning of corals by reproductive strains was confirmed. This was the first time in Japan to succeed in complete aquaculture farming, in which coral seedlings are produced again from corals bred through sexual reproduction. And this was an important step in preserving the genetic diversity of corals and passing them on to the next generation.

In order to pass on the rich natural environment to the next generation, the JAL Group, together with other sponsors, will continue to support sexual reproduction and coral rehabilitation.



Collection equipment installation work



Spawning

Prevention of Illegal Wildlife Trade

The JAL Group has signed the Buckingham Palace Declaration promoted by the International Air Transport Association (IATA) to prevent illegal wildlife trade. In addition to disseminating internal education and promoting initiatives in the frontline, we are strengthening cooperation with related parties.

For example, in 2023, we held several discussions with WWF Japan on the transportation of animals and plants. In the

Amami and Okinawa regions, which are home to many rare wildlife species, we participate in measures to prevent poaching and smuggling. In June 2024, JAL Group employees spoke at a seminar hosted by WWF Japan. We explained the details of border restrictions to prevent rare species from being taken out of Amami Airport, including participation in training to learn about related laws and regulations, and the establishment of a communication network including airport-related organizations when a rare species (or suspected rare species) is discovered. The speaker also raised the difficulty of responding to the situation in a short period of time before passengers board their flights, as well as concerns about the future of the island's nature from the perspective of creating a sustainable tourism area due to the large number of wildlife, not just rare species, being taken out of the island.

Since it is difficult for a single company to address these

Comment

Amami Mangrove Planting

Based on the Industry-Academia-Government Collaboration Agreement on Environmental Conservation and Regional Development in Uken Village signed in September 2023 by Uken Village on Amami Oshima Island, Sophia University, ITOCHU Corporation, and Japan Airlines, the Industry-Academia Co-creation Department pushes forward enabling Uken Village to achieve its goals of being Zero Carbon City by 2050 and conserving and restoring biodiversity. At the same time, we are building a symbiotic relationship between nature and humans and creating new flows of people.

The focus of this initiative is planting project of mangrove, which builds a rich ecosystem and is attracting attention as a blue carbon ecosystem*, a measure against climate change. Uken Village has been working with ITOCHU Corporation to plant mangroves on a part of Edateku Island in the village. In a joint research project with Sophia University, the soil, water quality, flora and fauna of the plantation site were evaluated from an academic perspective to confirm its suitability. In March 2024, as the first step of an initiative based on the industry-academia-government agreement, an



issues alone, we are deepening our cooperation with companies and organizations with the same ambitions, as well as continuing to lobby the local government and relevant authorities.

Consideration for Biodiversity regarding Foodstuffs and Commercial Products

In July 2022, the JAL Group established internal guidelines for the foodstuffs and commercial products we handle in order to give consideration to biodiversity from the perspective of protecting endangered animals and other issues. We are working to disseminate these guidelines within the Group to correctly understand the importance of biodiversity conservation and recognize the relationship between foodstuffs and commercial products we handle. These guidelines are reviewed as necessary through discussions with internal working groups in light of regulatory and social trends.

eco-study tour was held for Sophia University students and ITOCHU Corporation employees to experience the nature and culture of Uken Village and mangrove planting. During the tour, we reached Edateku Island by boat and planted 100 trees after cultivating the land. It was a very meaningful experience that allowed me to come in contact with nature and realize my contribution to environmental conservation.

To further expand our efforts, we will continue to conduct the joint research and plan mangrove planting tours to contribute to environmental conservation and regional development in Uken Village.

*Blue carbon refers to carbon that is taken up by coastal and marine ecosystems and stored in their biomass and the underlying soil. It was defined in a United Nations Environment Programme (UNEP) report published in 2009 and is attracting attention as a new option for combating climate change. The major sinks for blue carbon are algal beds, salt marshes, and mangrove forests, which are referred to as blue carbon ecosystems.

KOJIMA Masayuki
Industry-Academia Co-creation
Planning and Research Group



Basic Concept

To fulfill our responsibility to pass on our precious Earth to the next generation, the JAL Group aims to realize a Circular Economy that makes effective use of limited resources.

To promote effective use of limited resources, we are committed to the 4Rs (refuse/reduce/reuse/recycle) and to reduce food waste and the use of new petroleum-based single-use plastics products in all aspects of our business. In addition, we aim to reduce greenhouse gas emissions through these actions.

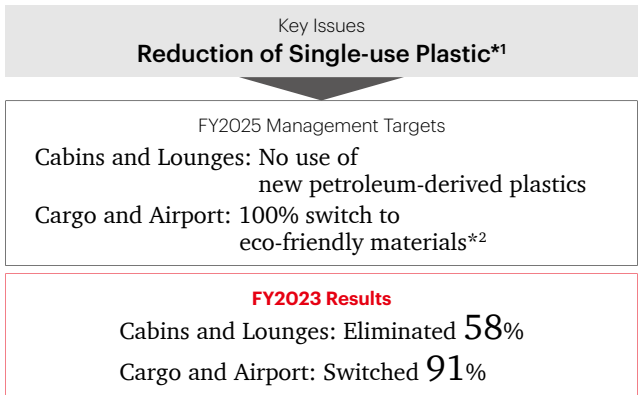
To this end, we will work together with our customers to reduce food waste and the use of plastic products at all touch points, including the time spent inflight. We will also work with our suppliers to reduce waste in the supply chain.

Food Initiatives p.118

Metrics and Targets

The following targets have been set for the reduction of single-use plastics, one of the JAL Group's key issues in the Medium-Term Management Plan.

Progress Towards FY2025 Targets



*1: Single-use plastic products provided to our customers
*2: Items that do not use new or reduced petroleum-derived raw materials, such as biomass, recycled plastic, and certified paper

Priority Measures

In May 2021, the JAL Group established a target to reduce single-use plastics provided to our customers by FY2025 as single-use plastics contribute to global warming and ocean pollution problems. By promoting the 3Rs (reduce, reuse, and recycle,) +1R (redesign,) and with the cooperation of our

customers, we are eliminating all new petroleum-derived plastics provided to customers in cabins and lounges, as well as switching 100 percent to environmentally friendly materials in our cargo operations and at the airport.


Examples of Reducing Single-use Plastics



Highlight

Horizontal Recycling of Paper Cups

In cooperation with the Nippon Paper Group, the JAL Group has been collecting and recycling paper cups on domestic flights since December 2022. Until now, collected paper cups were only recycled into cardboard etc., however, through a three-way collaboration with paper cup manufacturer Tokan Kogyo Co., Ltd., a horizontal recycling scheme of paper cups into paper cups was established. In June 2024, drinks were served in recycled paper cups on JAL domestic flights departing from Haneda for a limited time. This initiative was made possible by the cooperation of our customers in sorting paper cups. We will continue to accelerate our efforts to promote resource recycling in cooperation with our stakeholders.



*Wearing gloves is optional for cabin attendants.

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



Photography by ABIKO Sachie

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Corporate Governance — Roundtable with Chair of the Board of Directors and Outside Directors

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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

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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 CO₂ 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.

Corporate Governance — Policies and Structure

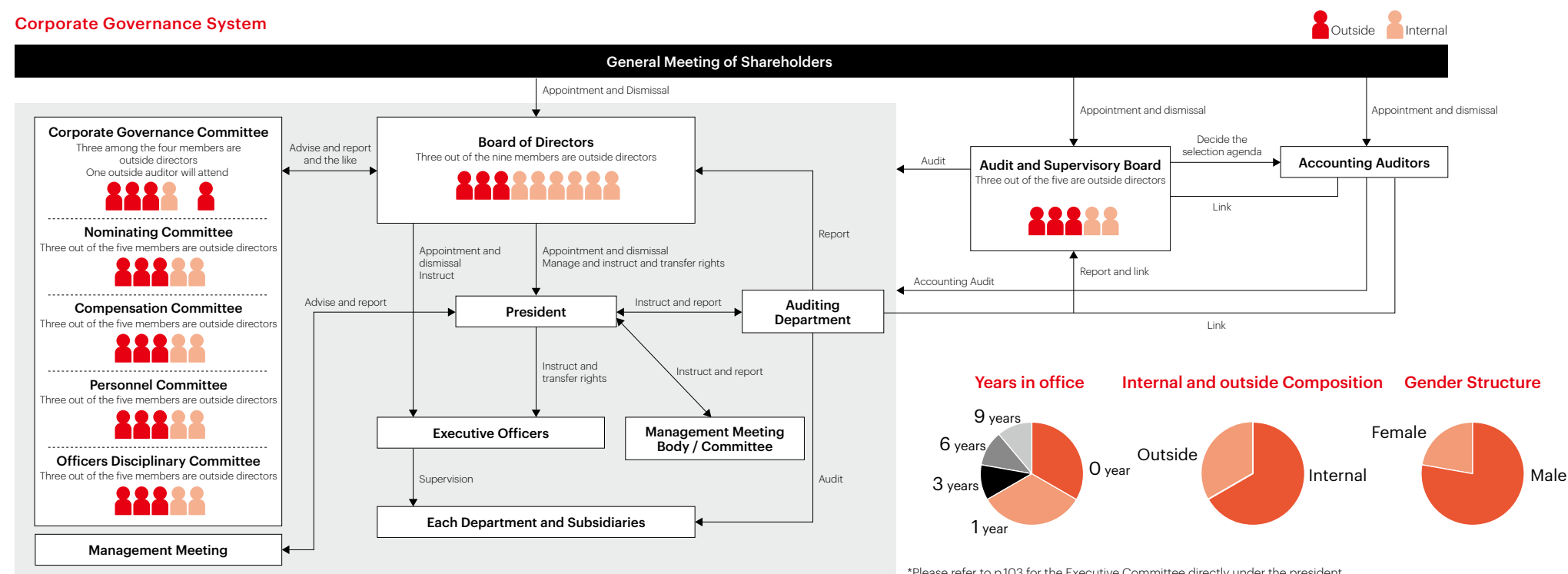
5. Governance 101

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.

Corporate Governance System



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.

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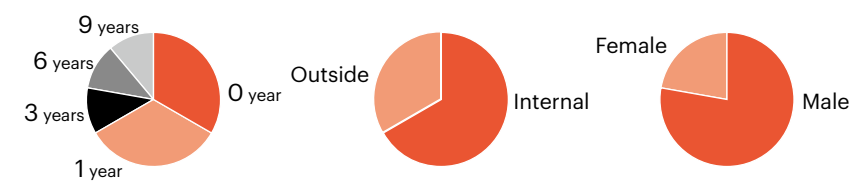
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Years in office Internal and outside Composition Gender Structure



*Please refer to p.103 for the Executive Committee directly under the president

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.

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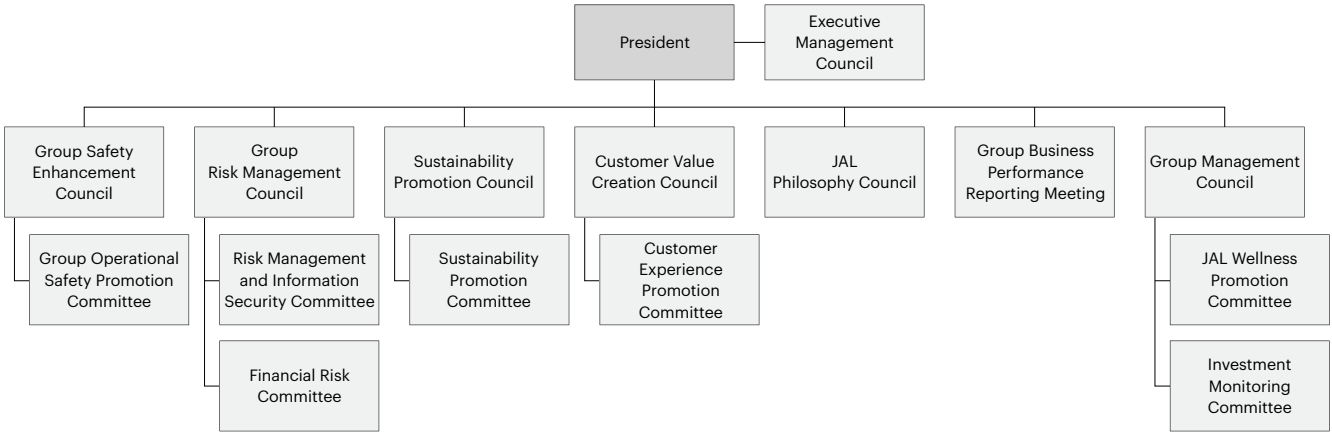
Management Committees Directly under the President

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

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

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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.

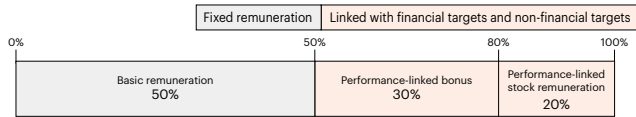
• Remuneration Levels and Remuneration Composition Ratios

- (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



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*1					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 *3 (20%) (30%)			TSR**4 (25%)		ROIC**5 (25%)		ESG**6 (25%)
Performance evaluation period	One year					Three years				
						financial targets non-financial targets				

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).

Assessment for FY2023

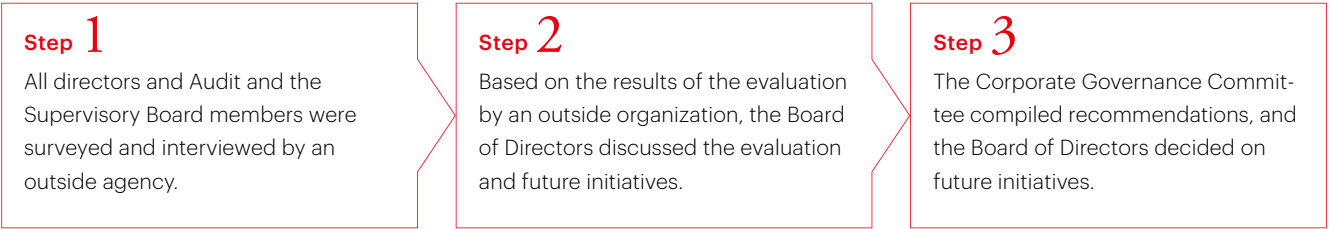
	Issues	Measures	Assessment
Sustainability	• Must organize how the sustainability measures are linked to improving corporate value.	Must reorganize the social issues that need to be solved. By quantifying the measure targets, can specify the relationship in improving corporate value.	• The current issues and efforts to promote ESG strategies were discussed comprehensively. • Ongoing efforts are needed to quantify targets, establish monitoring methods, and the like.
Business Model Reform	• The initial plans are incomplete with the delay in market recovery in some business domains. Must make quantitative reviews and discuss future measures.	Review plans in each business domain and while steadily practicing the PDCA cycle, organize an environment to expand new domains.	• Received regular progress reports by area, including LCC and Mileage Commerce, and provided a sufficient level of supervision.
Human Capital	• Must further materialize measures	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.	• In the past year, we have been able to have more in-depth discussions on the status of strategy implementation and future actions. • Further concrete steps are needed to achieve the goal.
DX	• Towards realizing the medium-term management plan, visualize the measures of each department. Must accelerate the promotion in the whole Company.	Promote measures in DX strategies to create new customer value and improve productivity.	• The Group is facing challenges in implementing new value creation and business transformation that go beyond operational efficiency. • It is necessary to promote efforts by Executive Officers and strengthen the supervisory function of the Board of Directors.
Operations	• Secure more time for in-depth discussions. Operations must devise measures to activate animated discussions.	Improve measures regarding measures on operations an the like that were acknowledged in FY2022. • Improve reference materials • Active use of videos supplementing and describing reference materials sent beforehand • Provide information beforehand for questions and share conflicts within the execution	• 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. • 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.

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

Effectiveness Assessment Process



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.

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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	The Board of Directors’ Policy for Future Improvements
(1) Establishment of ideal monitoring methods by the Board of Directors	<ul style="list-style-type: none">• 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.
(2) Further promotion of discussions on improving corporate value over the medium to long term	<ul style="list-style-type: none">• 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.
(3) Consideration of the ideal composition of the Board of Directors	
(4) Development of the next generation of management leaders, including the president	<ul style="list-style-type: none">• 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	
Management Strategy	<ul style="list-style-type: none">• FY2021–2025 JAL Group Medium Term Management Plan Progress of Rolling Plan 2023- Initiatives related to sustainability- Progress in structural business reforms- Promoting human resources strategies- Promoting DX strategies	<ul style="list-style-type: none">• Formulate the JAL Group Medium Term Management Plan Rolling Plan 2024 for FY2021 to FY2025
Decision and Oversight of Other Important Business Executions	<ul style="list-style-type: none">• Establish new committee directly under the President• Progress and confirmation of the renewed frequent flyer program system• Select new mid-size aircraft	
Financial Results and Finance	<ul style="list-style-type: none">• Quarterly financial results• Financing	<ul style="list-style-type: none">• Verification of cross shareholdings
Governance and Risk Management	<ul style="list-style-type: none">• Board Effectiveness Assessment• Committee reports and decisions on the appointment of new executives and their remuneration• Development and evaluation of internal control risk management related reports• Internal Audit Report by the Audit Department	<ul style="list-style-type: none">• Policies of the Audit and Supervisory Board Members and their audit results• Response to the Audit and Supervisory Board Member’s audit results• Report on safety
Dialogue with Stakeholders	<ul style="list-style-type: none">• Approval of proposals related to the General Meeting of Shareholders• Operational status of shareholder benefit programs• Initiatives to reinforce constructive dialogues with	<ul style="list-style-type: none">shareholders• Feedback regarding IR orientation meeting• Disclosure of information on Climate Change Based on TCFD

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

<p>FY2023</p> <ul style="list-style-type: none">• 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.	<p>FY2024 Efforts</p> <p>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.</p>
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Corporate Policy
Message from Our CEO
1. Significance of the JAL Group
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6. Data Collection

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 (Audit and Supervisory 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.

Audit and Supervisory Board Member System (As of August 1, 2024)

In addition to attending meetings of the Board of Directors and other important meetings, the Audit and Supervisory Board members audit important matters related to corporate and business operations and the status of business execution by inspecting important kessai documents. Together with Corporate Auditors Office staff, they conduct annual audits of each business site and subsidiary and report the results to the representative director. In addition, they will strive to exchange information with the Internal Audit Division and the accounting auditor. They will also hold regular meetings with our subsidiar-

ies, Audit and Supervisory Board members, to enhance and strengthen auditing throughout the Group.

Our Group provides company information to Audit and Supervisory Board members. They provide external training opportunities and continuous participation in external organizations for internal Audit and Supervisory Board members.

Outside Audit and Supervisory Board members appoint persons with extensive knowledge and experience in a variety of fields. In accordance with our Outside Director's Independence Standards established by our Group, will not appoint

persons who are unable to secure substantial independence. Furthermore, a person who concurrently holds more than four listed companies other than our Group will not be appointed as an Outside Audit and Supervisory Board member. Outside Audit and Supervisory Board members, together with other auditors will work with the Internal Audit Division and the accounting auditor to ensure the soundness of management by conducting audits from a more neutral and objective perspective.

KITADA Yuichi

Audit and Supervisory Board Member

Born on June 22, 1960/age 64

Term of Office: 3 years/**Number of shares held* (hundred shares):** 19/**Number of Board of Directors meetings attended:** 16/16/**Number of Audit and Supervisory Board Member meetings attended:** 15/15



April 1986 Joined Japan Airlines
October 2009 Vice President, Engineering and Quality Assurance Department the Americas
December 2010 Seconded to Vice President, Engineering Department of JAL ENGINEERING CO., LTD.
April 2014 Deputy Senior Vice President, Engineering and Maintenance Division
Managing Director of JAL ENGINEERING CO., LTD.
April 2018 Executive Officer
Senior Vice President, Engineering and Maintenance Representative Director, President of JAL ENGINEERING CO., LTD.
April 2020 Managing Executive Officer
Senior Vice President, Engineering and Maintenance
June 2020 Director, Managing Executive Officer
Senior Vice President, Engineering and Maintenance
April 2021 Director
June 2021 Audit and Supervisory Board Member (to present)

Reasons for the nomination as Audit and Supervisory Board Member

After joining Japan Airlines, Mr. Kitada was engaged mainly in operations related to aircraft maintenance, such as maintenance engineering and quality assurance. As Executive Officer and General Manager, Engineering & Maintenance since April 2018, he has greatly contributed to maintaining and improving the engineering and quality aspects of the Group through his management of the Maintenance Division. As Director and Managing Executive Officer, and General Manager, Engineering & Maintenance since June 2020, he has made appropriate comments and observations at meetings of the Board of Directors and other settings from the perspective of supporting flight safety, and also has extensive operational experience in the areas of engineering and quality.

KIKUYAMA Hideki

Audit and Supervisory Board Member

Born on March 19, 1960/age 64

Term of Office: 1 year/**Number of shares held* (hundred shares):** 20/**Number of Board of Directors meetings attended:** 13/13/**Number of Audit and Supervisory Board Member meetings attended:** 11/11



April 1983 Joined Japan Airlines
September 2005 Vice President, General Affairs Department, the Americas
April 2007 Vice President, Corporate Planning Office
February 2010 Executive Officer
Deputy Senior Vice President, Corporate Planning
February 2012 Managing Executive Officer
Senior Vice President, Managing Division Route Marketing (Domestic Route Marketing)
April 2013 Senior Managing Executive Officer
Senior Vice President, Managing Division Route Marketing
June 2016 Director and Senior Managing Executive Officer
Senior Vice President, Managing Division Route Marketing
April 2019 Director and Senior Managing Executive Officer
Senior Vice President, Finance and Accounting
April 2020 Representative Director, Senior Managing Executive Officer
Senior Vice President, Finance and Accounting
April 2023 Director
June 2023 Audit and Supervisory Board Member (to present)

Reasons for the nomination as Audit and Supervisory Board Member

After joining the Company, Mr. Kikuyama successively engaged in IT systems, passenger reservation, personnel and labor affairs, corporate planning, and the like in the Head Office and the Americas Offices, among others, and made achievements, exercising great leadership and strong planning and coordination capabilities. Since 2013, serving as General Manager, Managing Division Route Marketing, he has been considerably contributing to maximizing route profits. Since 2019, furthermore, serving as General Manager of Finance & Accounting, he has worked to provide highly transparent information disclosure understandable to shareholders and investors and exercise proper management decisions and decision-making skills that benefit the interests of shareholders.

KUBO Shinsuke

Outside Audit and Supervisory Board Member/
Independent Director

Born on March 4, 1956/age 68

Term of Office: 6 years/**Number of shares held* (hundred shares):** 76/**Number of Board of Directors meetings attended:** 16/16/**Number of Audit and Supervisory Board Member meetings attended:** 15/15



April 1979 Joined Sanwa & Co. Tokyo Marunouchi Office (current Deloitte Touche Tohmatsu LLC)
June 1998 Representative Partner of Tohmatsu & Co.
June 2000 Representative Director, President of Tohmatsu Venture Support Co., Ltd.
January 2003 Director of Tohmatsu Turnaround Support Co., Ltd. (current Deloitte Tohmatsu FAS)
March 2010 Member of Compliance Investigations Committee of Japan Airlines Co., Ltd. as a reorganization company
October 2017 Managing Partner of Shinsuke Kubo CPA Office (to present)
January 2018 Representative Director of Japan Enterprise Sustainable Transformation Advisory Co., Ltd.
May 2018 Managing Partner of Kyoei Accounting Office (to present)
June 2018 Outside Audit and Supervisory Board Member (to present)
June 2020 Outside Audit and Supervisory Board Member of KAWASAKI KISEN KAISHA, Ltd. (to present)

Reasons for the nomination as Audit and Supervisory Board Member

Since joining Sanwa & Co. Tokyo Marunouchi Office (currently Deloitte Touche Tohmatsu LLC), Mr. Kubo has gained a wealth of experience and accomplishments and deep insight into accounting through practical experience in corporate audits, share listings, corporate revitalization, M&A and other cases. The Group has high expectations he will play his role in the internal audit function appropriately as an Outside Audit & Supervisory Board Member, who meets the Group's Independence Standards for External Officers.

OKADA Joji

Outside Audit and Supervisory Board Member/
Independent Director

Born on October 10, 1951/age 72

Term of Office: 4 years/**Number of shares held* (hundred shares):** 52/**Number of Board of Directors meetings attended:** 16/16/**Number of Audit and Supervisory Board Member meetings attended:** 15/15



April 1974 Joined Mitsui & Co., Ltd.
February 2006 General Manager, Financial Planning Division of Mitsui & Co., Ltd.
April 2008 Managing Officer, General Manager, Accounting Division of Mitsui & Co., Ltd.
June 2011 Representative Director, Executive Managing Officer, CFO of Mitsui & Co., Ltd.
February 2013 Member, Business Accounting Council of Financial Services Agency
July 2013 Trustee of IFRS Foundation
April 2014 Representative Director, Executive Vice President, CFO of Mitsui & Co., Ltd.
June 2015 Full-time Audit & Supervisory Board Member of Mitsui & Co., Ltd.
November 2017 Chairperson of the Japan Audit & Supervisory Board Members Association
June 2020 Outside Audit and Supervisory Board Member of the Company (to present)
October 2020 Governor (Outside) of Japan Exchange Regulation (to present)
June 2023 Chairperson of ACFE JAPAN (to present)
Outside Director of NEC Corporation (to present)

Reasons for the nomination as Audit and Supervisory Board Member

Mr. Okada possesses rich experience and track records along with expertise as a manager in the administration and the finance & accounting department of a general trading company. In addition, through his professional experience as a Full-time Audit & Supervisory Board Member of a general trading company and Chairperson of the Japan Audit & Supervisory Board Members Association, he has significant insight into all aspects of audit work including governance and risk management.

MATSUMURA Mariko

Outside Audit and Supervisory Board Member/
Independent Director

Born on September 24, 1959/age 64

Term of Office: 0 years/**Number of shares held* (hundred shares):** 0/**Number of Board of Directors meetings attended:** 16/16/**Number of Audit and Supervisory Board Member meetings attended:**



April 1988 Registered as Attorney at law (Dai-ichi Tokyo Bar Association)
Joined Braun Moriya Hoashi & Kubota
February 1994 Joined Ryudo Sogo Law Office
January 2006 Partner and Attorney at Law of SHINWA LAW (to present)
January 2006 Partner and Attorney at Law of SHINWA LAW (to present)
January 2006 Partner and Attorney at Law of SHINWA LAW (to present)
February 2017 Outside Corporate Auditor of Fund Creation Group (to present)
June 2018 Independent Outside Member of the Board of Meiji Holdings Co., Ltd. (to present)
April 2022 President of Dai-ichi Tokyo Bar Association
Vice-President of Japan Federation of Bar Associations
June 2023 Outside Audit & Supervisory Board Member of Komatsu Ltd. (to present)
Outside Member of the Board of SODA NIKKA CO., LTD. (to present)
June 2024 Outside Audit and Supervisory Board Member (to present)

Reasons for the nomination as Audit and Supervisory Board Member

Since registering as Attorney at law in April 1988, Ms. Matsumura has served as President of Dai-ichi Tokyo Bar Association and other positions, gaining a wealth of experience and insight in legal and compliance fields.

*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.

5. Governance

Corporate Governance

Roundtable with Chair of the Board of Directors and Outside Directors

Policies and Structure

Board of Directors and Executive Officers

Dialogue with Institutional Investors

Risk Management

Initiatives based on the Code of Conduct

Respect for Human Rights

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.

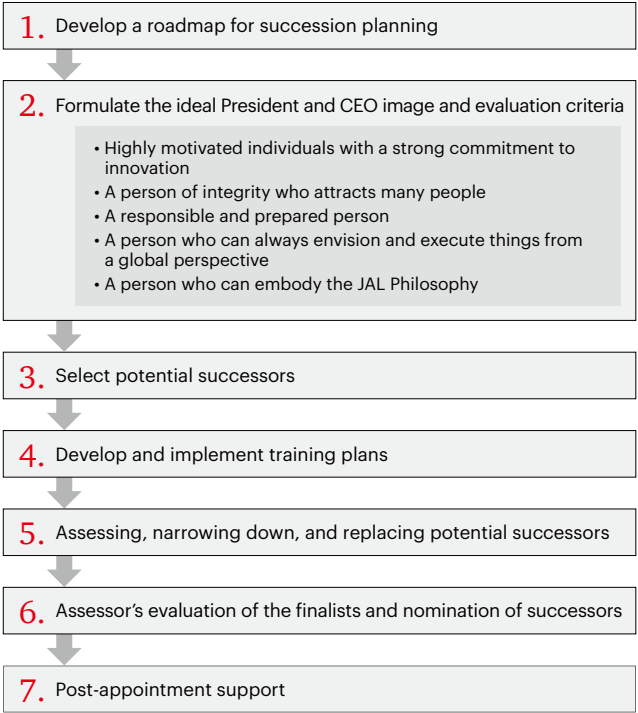
With regard to the development of the next generation of executives, including executive officers, the Human Resources Committee holds practical discussions on setting career paths, rotating across departments, forming external networks, and pooling human resources in order to promote diversity and expand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



Corporate Governance — Dialogue with Institutional Investors

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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

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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.

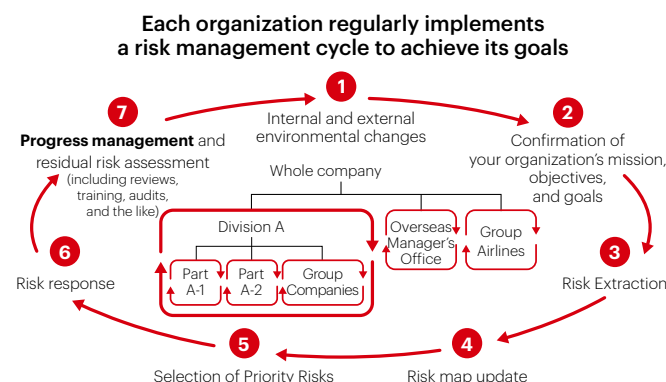
Risks related to flight safety are discussed at the Group Safety Enhancement Council, and risks related to sustainability in general (environment, human rights, and the like) are discussed at the Sustainability Promotion Council, where risk management policies and necessary countermeasures are discussed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

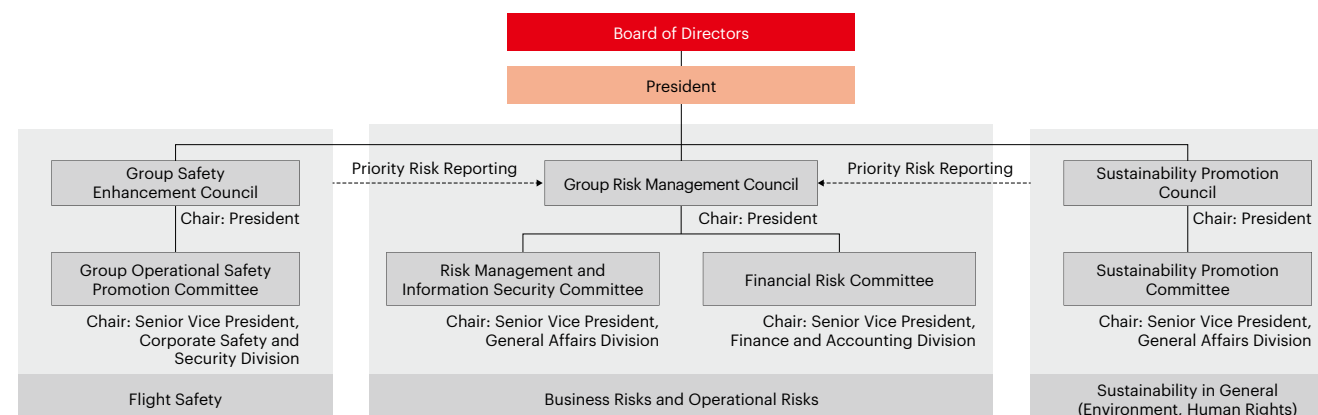


Strengthening BCM

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>

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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">• 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.• 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.
Level II	Special Subcommittee
	<ul style="list-style-type: none">• 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.
Level III	Command Office
	<ul style="list-style-type: none">• 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.

Information Security Measures

Basic Policy

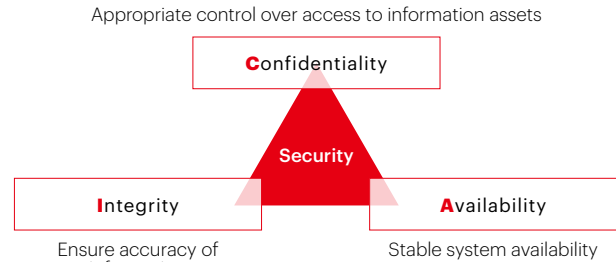
The JAL Group has established the JAL Group Fundamental Safety Policy on Information Security in light of the importance of information security and Personal Information Protection Regulations in the advanced information and telecommunications society. The JAL Group discloses on its website its

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*1 and AVIATION ISAC*2, 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

”

Initiatives based on the Code of Conduct

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/codeofconduct/>

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

Post-Harvest Loss

Processing Loss

Purchasing/Storage Loss

Cooking Loss

Food Waste

- 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



ASIAGAP
asc



JAL CAFE LINES



MSC



Future 50 Foods



Organic Champagne



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

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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.

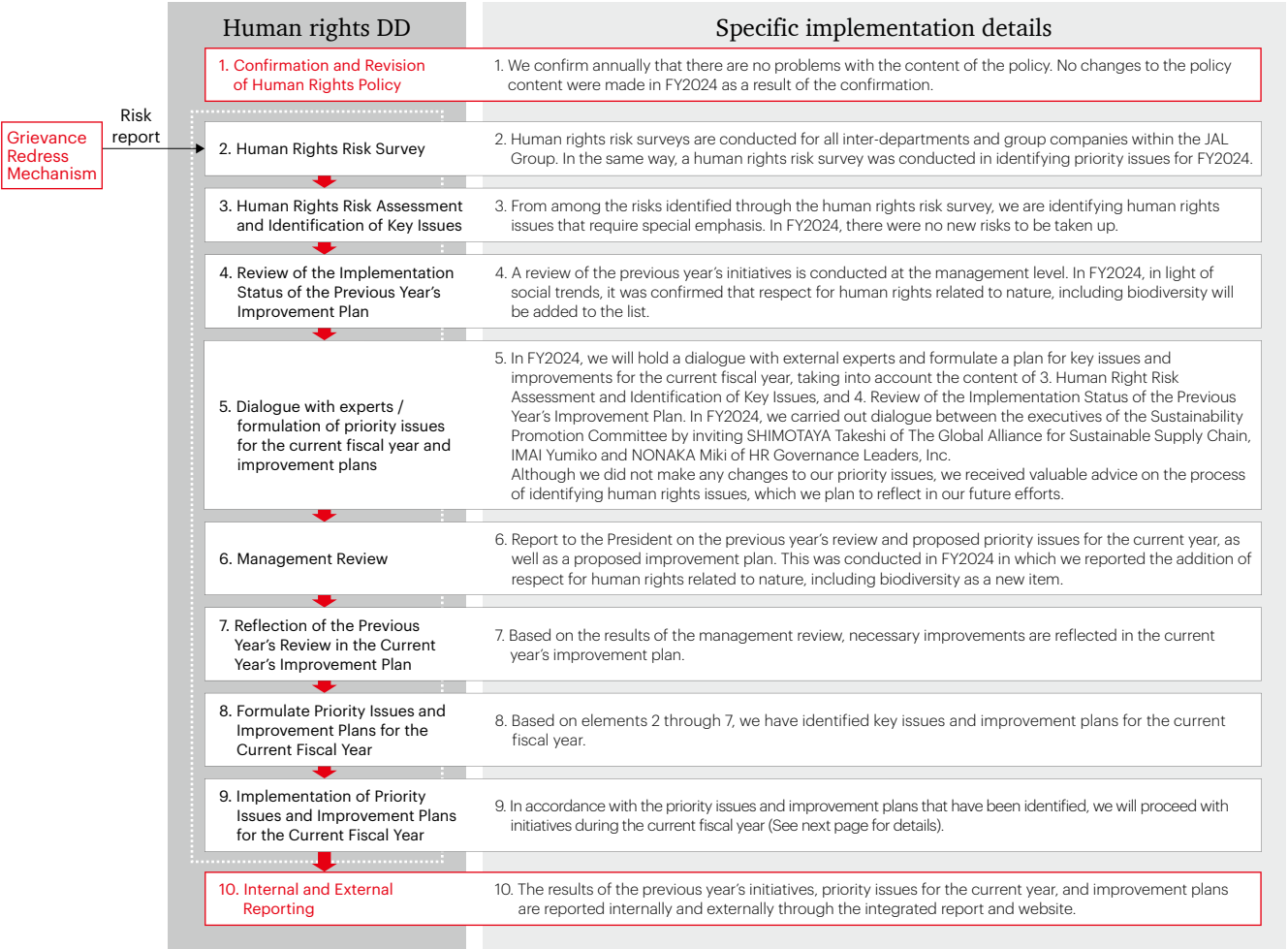
To this end, we have incorporated human rights due diligence and grievance mechanisms into our business processes. Each fiscal year, we conduct a group-wide human rights risk survey. After assessing risks and identifying issues related to human rights and engaging in dialogue with external experts, we 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.)



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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
Suppliers	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">• Completion of human rights surveys of new key suppliers: Selection completed (60 companies)• Percentage of self-assessment questionnaires for key suppliers: Implemented from FY2024• Percentage of key suppliers subject to human rights audits: Implemented from FY2024
	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">• Percentage of inflight items using internationally certified forest resource-conscious paper: 94.4 percent
	Respect for human rights related to nature, including biodiversity <div>NEW</div>	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">• Number of community dialogues held: Launched in FY2024

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Stakeholders	Issues	Initiatives	Related Indicators
Customers	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
Employees	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

6 Data Collection

What We Want to Convey in This Chapter

- Evaluation and analysis of past and current financial conditions and performances
- Results of ESG Initiatives
- Results in each business area, including non-aeronautical business areas
- Route network that creates relationships and connections through air transportation
- Outside evaluation of initiatives



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Key Financial Data

	Japanese GAAP						
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
(Billion yen)							
Management Results							
Operating revenue	1,309.3	1,344.7	1,336.6	1,288.9	1,383.2	1,487.2	1,411.2
Operating expenses	1,142.5	1,165.0	1,127.4	1,118.6	1,208.6	1,311.1	1,310.5
Operating income	166.7	179.6	209.1	170.3	174.5	176.1	100.6
Ordinary income	157.6	175.2	209.2	165.0	163.1	165.3	102.5
Net profit attributable to owners of parent	166.2	149.0	174.4	164.1	135.4	150.8	53.4
Cash flow from operating activities	247.9	261.1	312.3	253.1	281.5	296.7	60.0
Cash flow from investing activities	-166.7	-199.2	-207.2	-215.5	-180.1	-186.3	-221.5
Cash flow from financing activities	-61.9	-67.3	-49.6	-53.5	-55.8	-37.0	-30.1
Free cash flow*2	81.2	61.8	105.1	37.5	101.3	110.3	-161.5
Depreciation and amortization	82.7	85.8	88.5	95.7	110.8	124.1	138.0
EBITDA*3	249.5	265.5	297.7	266.1	285.4	300.2	238.6
EBITDAR*4	281.0	292.7	321.1	286.2	305.4	320.1	260.2
Capital investment (Purchase of non-current assets)	164.5	198.6	210.6	233.1	208.0	222.1	239.6
Financial Situation (at the end of the fiscal accounting year)							
Total assets	1,340.1	1,473.3	1,578.9	1,728.7	1,853.9	2,030.3	1,859.3
Net assets	711.0	800.7	870.5	1,003.3	1,094.1	1,200.1	1,131.8
Interest-bearing debt	134.2	100.5	92.6	116.0	125.7	142.3	191.7
Shareholders' equity	690.2	776.4	843.0	972.0	1,060.3	1,165.1	1,094.8
Stock							
Number of shareholders	89,411	94,289	105,163	127,583	123,474	144,308	236,234
Outstanding shares issued	181,352,000	362,704,000	362,704,000	353,715,800	353,715,800	349,028,700	337,143,500
Information per stock (JPY)*5							
Profit attributable to owners of parent	458.45	411.06	481.29	456.56	383.23	432.10	155.66
Net assets	1,903.53	2,142.00	2,325.79	2,749.71	3,019.52	3,340.15	3,249.27
Dividends	80.00	104.00	120.00	94.00	110.00	110.00	55.00
Average number of shares during the fiscal year (thousands of shares)	362,639	362,584	362,500	359,594	353,334	349,006	343,101
Key Performance Indices							
Operating margin (%)	12.7	13.4	15.7	13.2	12.6	11.8	7.1
ROE (%)	26.5	20.3	21.5	18.1	13.3	13.6	4.7
ROA (%)*6	13.0	12.8	13.7	10.3	9.7	9.1	5.2
Shareholder's equity ratio (%)	51.5	52.7	53.4	56.2	57.2	57.4	58.9

	IFRS*1				
	FY2019	FY2020	FY2021	FY2022	FY2023
(Billion yen)					
Management Results					
Revenue	1,385.9	481.2	682.7	1,375.5	1,651.8
Operating expense	1,308.8	885.0	940.2	1,344.6	1,542.2
EBIT	88.8	-398.3	-239.4	64.5	145.2
Profit before tax	88.1	-404.0	-246.6	52.4	139.3
Profit attributable to owners of parent	48.0	-286.6	-177.5	34.4	95.5
Cash flow from operating activities	80.8	-219.5	-103.5	292.9	363.9
Cash flow from investing activities	-233.7	-91.0	-173.7	-112.7	-195.0
Cash flow from financing activities	-38.8	388.6	359.2	-38.4	-105.0
Free cash flow*2	-152.8	-310.5	-277.3	180.1	168.8
Depreciation and amortization	162.4	182.4	178.4	157.4	147.5
EBITDA*3	251.2	-215.8	-61.0	222.0	292.7
Capital investment (Purchase of non-current assets)	239.6	89.6	161.3	117.4	218.0
Financial Situation (at the end of the fiscal accounting year)					
Total assets	1,982.2	2,107.2	2,375.7	2,520.6	2,649.2
Total equity	1,049.6	981.5	846.0	856.9	948.3
Interest-bearing debt	277.4	515.1	928.4	925.5	887.2
Shareholders' equity	1,014.2	947.4	799.7	816.2	909.9
Stock					
Number of shareholders	236,234	366,626	447,693	453,286	444,761
Outstanding shares issued	337,143,500	437,143,500	437,143,500	437,143,500	437,143,500
Information per stock (JPY)*5					
Profit attributable to owners of parent	140.04	-764.99	-406.29	78.77	218.61
Shareholders' equity	3,009.71	2,168.06	1,830.03	1,867.91	2,082.23
Dividends	55.00	0.00	0.00	25.00	75.00
Average number of shares during the fiscal year (thousands of shares)	343,167	374,766	437,007	437,007	437,007
Key Performance Indices					
EBIT margin (%)	6.4	—	—	4.7	8.8
ROE (%)	4.6	—	—	4.3	11.1
ROA (%)*6	4.3	—	—	2.6	5.6
ROIC (%)*7	4.7	—	—	3.3	7.3
Shareholders' equity ratio (%)	51.2	45.0	33.7	32.4	34.3

	Japanese GAAP						
	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
(Billion yen)							
Key Performance Indices							
D/E ratio (times)	0.2x	0.1x	0.1x	0.1x	0.1x	0.1x	0.2x
EBITDA margin (%)	19.1	19.8	22.3	20.6	20.6	20.2	16.9
EBITDAR margin (%)	21.5	21.8	24.0	22.2	22.1	21.5	18.4
Unit cost (yen)*10	8.8	8.7	9.1	9.4	10.1	10.4	10.6
Unit cost (yen) (Including fuel cost)	12.2	12.3	11.7	11.7	12.5	13.1	13.2
Dividend payout ratio (%)*11	20.0	25.1	25.0	25.1	29.4	32.3	35.3
Business Data							
International passenger operations							
Passenger revenues	437.5	454.8	448.7	415.2	462.9	530.6	476.2
ASK (million seat kms)*12 *13	46,235	47,696	50,563	50,621	51,836	54,925	54,324
RPK (million passenger kms)*12 *14	35,390	36,109	40,305	40,633	42,013	44,659	41,905
Revenue passengers carried (1,000)*12	7,723	7,793	8,460	8,394	8,585	9,128	8,277
Revenue passenger load factor (%)*12	76.5	75.7	79.7	80.3	81.0	81.3	77.1
Yield (yen)*12	12.4	12.6	11.1	10.2	11.0	11.9	11.4
Unit revenue (yen)*12	9.5	9.5	8.9	8.2	8.9	9.7	8.8
Domestic passenger operations							
Passenger revenues	487.4	487.5	501.2	498.6	518.2	528.0	514.6
ASK (million seat kms)*13	37,084	36,306	35,869	35,423	35,714	36,116	36,199
RPK (million passenger kms)*14	23,745	23,993	24,341	24,550	25,643	26,195	25,443
Revenue passengers carried (1,000)	31,218	31,644	32,114	32,570	34,033	34,859	33,783
Revenue passenger load factor (%)	64.0	66.1	67.9	69.3	71.8	72.5	70.3
Yield (yen)	20.5	20.3	20.6	20.3	20.2	20.2	20.2
Unit revenue (yen)	13.1	13.4	14.0	14.1	14.5	14.6	14.2
International cargo operations							
Cargo revenue	54.2	60.3	54.2	43.3	56.0	65.4	59.7
Revenue cargo tonne-km (million tonne kms)	1,512	1,754	1,724	1,887	2,233	2,429	2,407
Domestic cargo operations							
Cargo revenue	25.4	24.2	23.3	22.2	22.4	21.8	20.7
Revenue cargo tonne-km (million tonne kms)	366	356	363	357	364	343	328

	IFRS**1				
	FY2019	FY2020	FY2021	FY2022	FY2023
(Billion yen)					
Key Performance Indices					
Shareholder's equity ratio based on credit rating*9	—	—	41.0	39.3	41.0
D/E ratio (times)	0.3x	0.5x	1.2x	1.1x	1.0x
EBITDA margin (%)	18.1	—	—	16.1	17.7
Dividend payout ratio (%)	39.3	—	—	31.7	34.3
Business Data (Full Service Carrier)					
International passenger operations					
Passenger revenues	486.2	27.9	68.7	417.5	622.3
ASK (million seat kms)*12 *13	53,910	11,918	22,780	38,039	47,328
RPK (million passenger kms)*12 *14	45,551	2,196	6,027	27,310	37,201
Revenue passengers carried (1,000)*11	8,958	357	892	4,348	6,628
Revenue passenger load factor (%)*11	84.5	18.4	26.5	71.8	78.6
Yield (yen)*12	10.7	12.7	11.4	15.3	16.7
Unit revenue (yen)*12	9.0	2.3	3.0	11.0	13.1
Domestic passenger operations					
Passenger revenues	529.7	174.0	235.1	451.1	550.8
ASK (million seat kms)*13	36,199	19,452	24,535	35,243	35,184
RPK (million passenger kms)*14	27,496	9,282	12,089	23,090	26,771
Revenue passengers carried (1,000)	36,411	12,212	16,238	30,109	35,109
Revenue passenger load factor (%)	76.0	47.7	49.3	65.5	76.1
Yield (yen)	19.3	18.7	19.4	19.5	20.6
Unit revenue (yen)	14.6	8.9	9.6	12.8	15.7
International cargo operations					
Cargo revenue	59.7	96.5	182.8	188.9	100.3
Revenue cargo tonne-km (million tonne kms)	2,407	1,948	3,113	2,795	2,515
Domestic cargo operations					
Cargo revenue	20.7	21.7	20.7	20.0	19.5
Revenue cargo tonne-km (million tonne kms)	328	237	231	280	282

*1 IFRS is adopted from FY2020. Accordingly, figures for FY2019 are also calculated under IFRS for comparison. *2 Free cash flow = Cash flow from operating activities + Cash flow from investing activities
*3 [Japanese GAAP] EBITDA = Operating Profit + Depreciation and Amortization [IFRS] EBITDA = EBIT + Depreciation and Amortization *4 [Japanese GAAP] EBITDAR = Operating income + Depreciation expense + Aircraft lease
*5 Japan Airlines Co., Ltd. conducted a 2-for-1 stock split on October 1, 2014. Figures for profit per share, net assets per share and dividend per share have been calculated assuming the stock split was conducted at the start of FY2013.
*6 [Japanese GAAP] ROA = Operating profit/Average of total assets at beginning and end of a fiscal year [IFRS] ROA = EBIT/Average of total assets at beginning and end of a fiscal year
*7 [IFRS] ROIC= EBIT (after tax)/Average of fixed assets*8 at the beginning and end of the fiscal year *8 Fixed assets = Inventories + noncurrent assets - deferred tax assets - assets for retirement benefits
*9 Shareholder's Equity Ratio based on credit rating evaluation considering Hybrid Finance *10 Unit cost = Consolidated air transport cost (excluding fuel costs)/ASK
*11 This is calculated by excluding the impact of the adjustment amount for corporate taxes from the parent company's net income for the current period.
*12 From FY2015, revenue passengers carried, revenue passenger kilometers, available seat kilometers and load factor include codeshare tickets sold by other companies for JAL operated flights.
*13 ASK (available seat kilometers): A unit of passenger transport capacity: Total number of seats x Distance flown (kms) *14 RPK (revenue passenger kilometers): Total flight distance covered by revenue passengers: Number of revenue passengers x Distance flown (kms)

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Evaluation and Analysis of Financial Conditions

JAL Group’s Outline of Operating Results for FY2023

In FY2023, the revenue increased by 20.1 percent year on year to 1 trillion 651.8 billion yen, the operating expense increased by 14.7 percent year on year to 1 trillion 542.2 billion yen, the earning before financing and income tax (hereinafter referred to as “EBIT”) was a gain of 145.2 billion yen (increased by 124.9 percent year on year) and the profit attributable to owners of the parent was 95.5 billion yen (increased by 177.5 percent year on year).

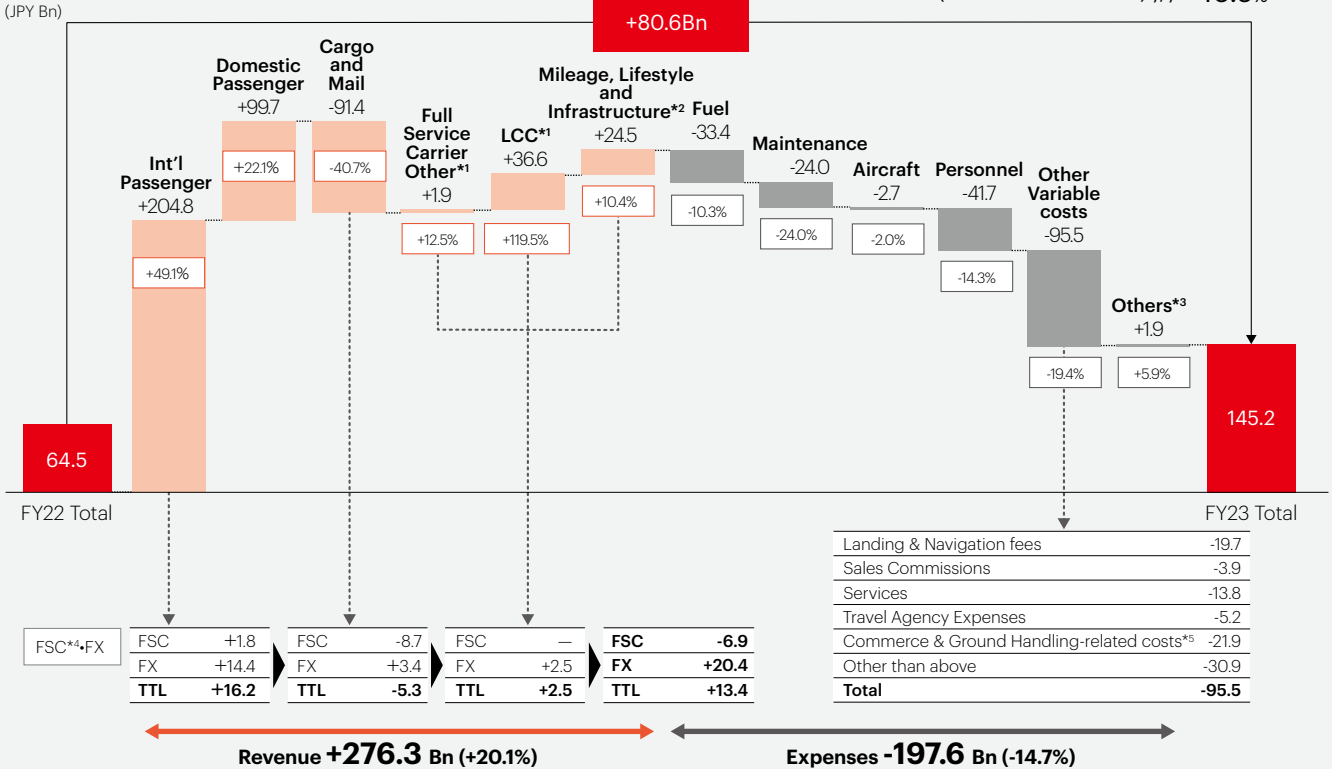
Analysis of Consolidated Financial Results

1. Summary of Operating results

In terms of revenue, International Passenger revenue increased by 204.8 billion yen compared to the previous year due to a recovery in the number of passengers, mainly from inbound travel, which was strong as a result of the lifting of restrictions on entry into Japan. Domestic Passenger revenue has already recovered as the capacity level is at the same level as pre-Covid-19 pandemic, and the restrictions on activities due to Covid-19 have been removed and socio-economic activities have resumed as before. By shifting to a simplified fare structure and strengthening revenue management, we have been able to improve both passenger convenience and unit price. As a result, both the number of passengers and unit price increased compared to the previous year, resulting in a 99.7 billion yen increase in revenues. In terms of expenses, fuel expenses increased by 33.4 billion yen due to an increase in fuel consumption resulting from the resumption of flights, and personnel expenses increased by 41.7 billion yen due to an increase in the number of employees resulting from the resumption of hiring and an increase in bonuses resulting from the recovery of business performance. On the other hand, as a result of cost management efforts, overall operating expenses amounted to 1,542.2 billion yen (up 14.7% year-on-year).

Changes in EBIT (Revenue/Expenses) for FY2023

+ stands for profit increase (revenue increase, cost decrease)
- stands for profit decrease (revenue decrease, cost increase)



FY2023 Performance by Business Domain*6

FY2023 (JPY Bn)	Full Service Carrier	Cargo and Mail	LCC*1	Mileage, Lifestyle and Infrastructure*2
Revenue	1,190.3	133.3	67.3	260.8
EBIT	98.6		2.4	44.0

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

*2 Mileage, Lifestyle and Infrastructure = Travel Agency, Mileage, Ground Handling etc.

*3 Others = Gain on Sales of Aircraft, Other Income, Share of Profit or Loss of Investment and Income/Expenses from Investment

*4 FSC=Fuel Surcharge

*5 Commerce and Ground Handling-related costs= Non-aviation fees such as Commerce and Ground-Handling costs

*6 The revenue and EBIT by each business segment shown above are calculated by a simplified method for internal management purposes; not revenue and profit by business segments. The clarification of business segments does not correspond one-on-one with Air transport segment and Others.

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2. Performance by Business Domain

(1) Performance of Air Transportation Segment

In FY2023, revenue in the Air Transportation Segment increased by 20.1 percent year on year to 1,514.9 billion yen and the profit before investing, financing and income tax (hereinafter referred to as “segment profit”) was 132.2 billion yen (increased 160.7 percent year on year). (Revenue and Segment profit are before the elimination of inter-segment consolidation)

Components of Revenues from the Air Transportation Segment

(Millions of yen)

	FY2022	FY2023	y/y (%)
International (FSC)			
Passenger operations	417,526	622,399	+49.1
Cargo operations	188,902	100,367	-46.9
Mail-service operations	12,241	9,766	-20.2
Luggage operations	1,766	1,556	-11.9
Subtotal	620,437	734,090	+18.3
Domestic (FSC)			
Passenger operations	451,127	551,026	+22.1
Cargo operations	20,017	19,591	-2.1
Mail-service operations	3,631	3,642	+0.3
Luggage operations	409	491	+19.8
Subtotal	475,187	574,751	+21.0
Total revenues from international and domestic operations	1,095,624	1,308,841	+19.5
Passenger Revenue (LCC)			
ZIPAIR	22,449	54,082	+140.9
SPRING JAPAN	8,224	13,253	+61.1
Subtotal	30,674	67,335	+119.5
Other Revenues	134,753	138,757	+3.0
Total Revenues	1,261,052	1,514,934	+20.1

① International Passenger Operations (Full Service Carrier)

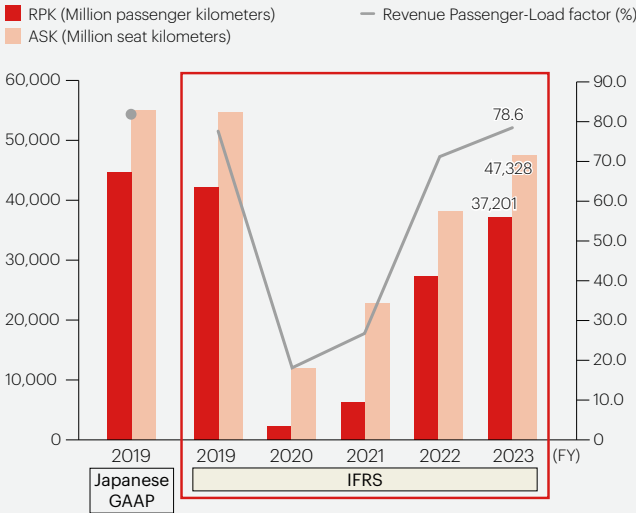
	FY2022	FY2023	y/y (%)
Passenger Revenue (JPY Bn)	417.5	622.3	+49.1
Passengers (1,000 people)	4,348	6,628	+52.4
ASK (MN seat km)	38,039	47,328	+24.4
RPK (MN passenger km)	27,310	37,201	+36.2
L/F (%)	71.8	78.6	+6.8pt
Revenue per Passenger (JPY)*1	96,015	93,897	-2.2
Yield (JPY)*2	15.3	16.7	+9.4
Unit Revenue (JPY)*3	11.0	13.1	+19.8

*1 Revenue per Passenger = Passenger Revenue/Passengers

*2 Yield = Passenger Revenue/RPK

*3 Unit Revenue = Passenger revenue/ASK

International Passengers



Operation Performance by Geographic Segment

Passenger Revenue	FY2022	FY2023	y/y (%)
America	38	35	+38.3%
Europe	18	17	+39.0%
Asia/Oceania	34	33	+44.0%
China	3	7	+213.8%
Hawaii/Guam	7	8	+83.9%
Total	100	100	+49.1%

Revenue Passengers Carried	FY2022	FY2023	y/y (1,000 people)
America	1,291	1,501	+16.2%
Europe	389	569	+46.3%
Asia/Oceania	2,247	3,251	+44.7%
China	103	702	+578.7%
Hawaii/Guam	315	602	+90.8%
Total	4,348	6,628	+52.4%

ASK	FY2022	FY2023	y/y (MN seat km)
America	16,254	17,893	+10.1%
Europe	5,455	6,837	+25.3%
Asia/Oceania	12,968	15,912	+22.7%
China	377	2,213	+486.7%
Hawaii/Guam	2,983	4,470	+49.8%
Total	38,039	47,328	+24.4%

RPK	FY2022	FY2023	y/y (MN passenger km)
America	12,015	13,988	+16.4%
Europe	3,640	5,355	+47.1%
Asia/Oceania	9,516	12,904	+35.6%
China	203	1,371	+573.2%
Hawaii/Guam	1,934	3,582	+85.2%
Total	27,310	37,201	+36.2%

Load Factor	FY2022	FY2023	y/y (%)
America	73.9	78.2	+4.3pt
Europe	66.7	78.3	+11.6pt
Asia/Oceania	73.4	81.1	+7.7pt
China	54.0	61.9	+7.9pt
Hawaii/Guam	64.8	80.1	+15.3pt
Total	71.8	78.6	+6.8pt

②Domestic Passenger Operations (Full Service Carrier)

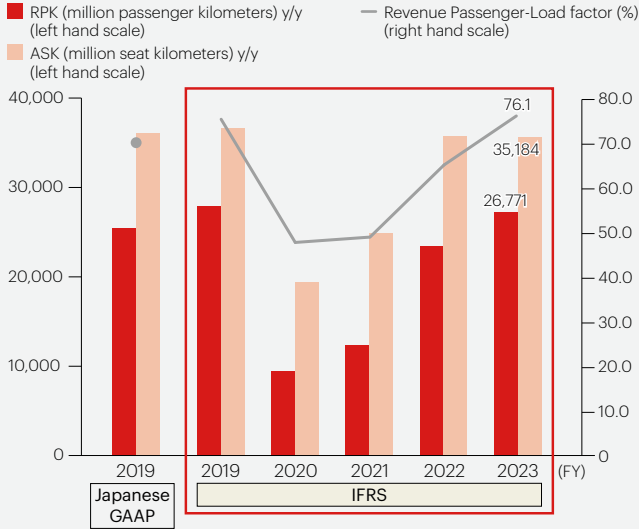
	FY2022	FY2023	y/y (%)
Passenger Revenue (JPY Bn)	451.1	550.8	+22.1
Passengers (1,000 people)	30,109	35,109	+16.6
ASK (MN seat km)	35,243	35,184	-0.2
RPK (MN passenger km)	23,090	26,771	+15.9
L/F (%)	65.5%	76.1%	+10.6pt
Revenue per passenger (JPY)*1	14,983	15,690	+4.7
Yield (JPY)*2	19.5	20.6	+5.3
Unit Revenue (JPY)*3	12.8	15.7	+22.3

*1 Revenue per Passenger = Passenger Revenue/Passengers

*2 Yield = Passenger Revenue/RPK

*3 Unit Revenue = Passenger revenue/ASK

Domestic Passengers



③Cargo and Mail

	FY2022	FY2023	y/y (%)
International			
Cargo operations (JPY Bn)	188.9	100.3	-46.9
Mail-service operations (JPY Bn)	12.2	9.7	-20.2
Revenue cargo tonne-km (MN tonne km)	2,795	2,515	-10.0
Mail tonne-km (MN tonne km)	125	104	-17.2
Domestic			
Cargo operations (JPY Bn)	20.0	19.5	-2.1
Mail-service operations (JPY Bn)	3.6	3.6	+0.3
Revenue cargo tonne-km (MN tonne km)	280	282	+0.8
Mail tonne-km (MN tonne km)	22	22	+0.2

④ LCC

For LCC operations, for ZIPAIR the passenger traffic was 1,130,315 (number of passengers), its revenue passenger kilometers (RPK) was 6,215,209 (1,000 passenger kilometer), and its available seat kilometers (ASK) was 7,979,582 (thousand seat kilometer). Likewise, for SPRING JAPAN the passenger traffic was 845,485 (number of passengers), its revenue passenger kilometers (RPK) was 902,067 (1,000 passenger kilometer), and its available seat kilometers (ASK) was 1,286,916 (thousand seat kilometer).

(2) Others

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

JALPAK Co., Ltd.	FY2022	FY2023	y/y (%)
Overseas travelers handled (10,000 number of travelers)	1.7	5.9	+243.4
Domestic travelers handled (10,000 number of travelers)	213.1	170.4	-20.0
Revenue (before elimination of consolidated transactions, billions of yen)	108.8	115.4	+6.1

JALUX Co., Ltd.	FY2022	FY2023	y/y (%)
Revenue (before elimination of consolidated transactions, billions of yen)	27.9	32.0	+14.9

JAL Card Co., Ltd.	FY2022	FY2023	y/y (%)
Memberships (10,000 number of members)	344.3	348.1	+1.1
Revenue (before elimination of consolidated transactions, billions of yen)	17.1	13.2	-23.0

3. Analysis of Operating Expenses

In terms of expenses, fuel expenses increased by 33.4 billion yen due to an increase in fuel consumption resulting from the resumption of flights and an increase in the unit price of fuel due to higher fuel prices, and personnel expenses increased by 41.7 billion yen due to an increase in the number of employees resulting from the resumption of hiring and an increase in bonuses resulting from the recovery of business performance. On the other hand, as a result of cost management efforts, overall operating expenses amounted to 1,542.2 billion yen (increased 14.7% year on year).

Major Operating Expense Items	FY2022	FY2023	Diff.	(JPY Bn) y/y (%)
Fuel	323.3	356.7	+33.4	+10.3
Landing and Navigation fees	52.6	72.3	+19.7	+37.4
Maintenance	100.3	124.3	+24.0	+24.0
Sales Commissions (Air Transport)	22.0	26.0	+3.9	+18.0
Services*1	32.9	46.8	+13.8	+42.0
Other Variable cost*2	177.6	213.7	+36.1	+20.3
Aircraft*3	135.8	138.6	+2.7	+2.0
Personnel*3	292.3	334.0	+41.7	+14.3
Other cost*3	207.5	229.4	+21.9	+10.6
Total Operating Expenses	1,344.6	1,542.2	+197.6	+14.7
Actual Fixed Costs*4	492.5	507.6	+15.1	+3.1

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

4. Cash Flow

In FY2023, balance of cash and cash equivalents was 713.8 billion yen, an increase of 74.6 billion yen compared to the previous year.

(1) Cash Flows from Operating Activities

As a result of adding back or subtracting non-cash items such as depreciation and amortization, receivables and payables from operating activities in profit before income tax of 139.3 billion yen, cash flow (inflow) from operating activities was 363.9 billion yen (cash inflow was 292.9 billion yen in the same period of the previous year).

(2) Cash Flows from Investing Activities

Cash flow from investing activities (outflow) was 195.0 billion yen mainly due to the acquisition of fixed assets (cash outflow was 112.7 billion yen in the same period of the previous year).

(3) Cash Flows from Financing Activities

Cash flow from financing activities (outflow) was -105.0 billion yen due to the repayment of long term debts and dividends payments (cash outflow was 38.4 billion yen in the same period of the previous year).

Cash Flow	FY2022	FY2023	Diff. (JPY Bn)
Cash Flow from Operating Activities	292.9	363.9	71.0
Depreciation and Amortization	157.4	147.5	-9.8
Cash Flow from Investing Activities	-112.7	-195.0	-82.3
Capital Investment	-128.6	-221.0	-92.4
Free Cash Flow*1	180.1	168.8	-11.2
Cash Flow from Financing Activities	-38.4	-105.0	-66.5
Total Cash Flow*2	141.6	63.8	-77.8
EBITDA*3	222.0	292.7	70.7

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

5. Capital Investments and Equipment Procurement

Capital investment in FY2023 is 218.0 billion yen (including intangible assets). The Group implements capital investments in intangible assets including the introduction of new aircraft to improve operational efficiency, competitiveness investment to meet diversifying customers’ needs and system investment to improve convenience and efficiency. Capital investment in FY2023 mainly consisted of the purchase of five new aircraft (three Airbus A350-1000s, one Boeing 787-8, and one ATR 42-600) and advance payments for the purchase of aircraft. In addition, two Boeing 767-300s were converted to dedicated cargo aircraft.

		End of FY22 (March 31, 2023)			End of FY23 (March 31, 2024)			Diff. Total (End of FY23) - Total (End of FY22)	
		Owned	Leased	Total	Owned	Leased	Total		
Fleet Information		Owned	Leased	Total	Owned	Leased	Total		
Full Service Carrier	Large	Airbus A350-1000	0	0	0	3	0	3	+3
		Airbus A350-900	12	4	16	11	4	15	-1
		Boeing 777-300ER	13	0	13	13	0	13	0
		Boeing 777-200ER	3	0	3	0	0	0	-3
		Large-sized Total	28	4	32	27	4	31	-1
	Middle	Boeing 787-9	19	3	22	19	3	22	0
		Boeing 787-8	25	0	25	23	0	23	-2
		Boeing 767-300ER	16	11	27	16	9	25	-2
		Middle-sized Total	60	14	74	58	12	70	-4
	Small	Boeing 737-800	47	9	56	47	9	56	0
Small-sized Total		47	9	56	47	9	56	0	
Regional	Embraer 170/ Embraer 190	32	0	32	32	0	32	0	
	De Havilland DHC-8-400CC	5	0	5	5	0	5	0	
	ATR42-600/ ATR72-600	13	1	14	14	1	15	+1	
	Regional Total	50	1	51	51	1	52	+1	
	Cargo Total	0	0	0	0	4	4	+4	
	Full Service Carrier Total	185	28	213	183	30	213	0	
LCC	Boeing 787-8	5	0	5	8	0	8	+3	
	Boeing 737-800	0	6	6	0	6	6	0	
	LCC Total	5	6	11	8	6	14	+3	
Full Service Carrier + LCC Total		190	34	224	191	36	227	+3	

6. Financial Position

For the financial position in FY2023, shareholder's equity ratio was 41.0% and Net D/E ratio was 0.0x both in terms of credit rating evaluation basis, maintained at a healthy level.

(1) Assets

Assets were 2,649.2 billion yen, which increased by 128.6 billion yen from the end of the previous fiscal year, mainly due to an increase in cash and cash equivalents balance.

(2) Liabilities

Liabilities were 1,700.8 billion yen, up 37.2 billion yen from the end of the previous fiscal year, mainly due to the increase of contract liabilities.

(3) Equity

Equity increased by 91.3 billion yen from the end of the previous fiscal year to 948.3 billion yen, mainly due to the net profit attributable to owners of the parent.

Consolidated Balance Sheet			(JPY Bn)
	End of FY22	End of FY23	Diff.
Total Assets	2,520.6	2,649.2	128.6
Cash and Deposits	639.2	713.8	74.6
Balance of Interest-bearing Debt	925.5	887.2	-38.2
Repayment within one year	111.9	106.9	-5.0
Shareholders’ Equity*3	816.2	909.9	93.6
Shareholders’ Equity Ratio (%)*1 *4	32.4(39.3)	34.3(41.0)	+2.0pt(+1.6pt)
D/E Ratio (x)*5	1.1	1.0	-0.2
Net D/E Ratio (x)*2 *6	0.4 (0.1)	0.2 (-0.0)	-0.2 (-0.1)

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

Corporate Policy
Message from Our CEO
1. Significance of the JAL Group
2. Overview of Management Strategy
3. Strategies for Each Business
4. Strengthening Management Resources
5. Governance

6. Data Collection
Key Financial Data
Evaluation and Analysis of Financial Conditions
Key ESG Data
Business Data
Route Map
Consolidated Group Companies
External Evaluation
Stock Information/Company Profile

7. Fuel and Foreign Exchange Hedging

(1) Hedging Policy

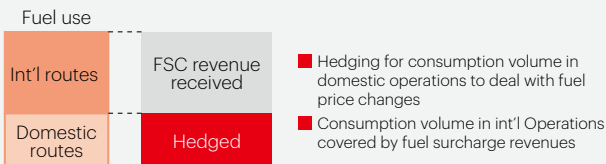
For the fuel market, the amount of fuel used on international flights can be hedged to a certain extent by fuel surcharges. Therefore, we implement hedging for the amount of fuel used on domestic flights. For the foreign exchange market, the foreign currency denominated-revenue is roughly equal to foreign currency denominated-expenses excluding fuel costs. Thus, there is a risk in the foreign exchange regarding the fuel cost portion. Similar to the fuel market, the foreign exchange for fuel used on international flights can be hedged by fuel surcharge, so the JAL Group hedges against the foreign exchange regarding the fuel used on domestic flights. However, the JAL Group will take flexible actions as there are some situations in which foreign currency revenue exceeds foreign currency expenses excluding fuel costs.

Fuel/FX Markets	FY2022	FY2023	y/y (%)
Singapore Kerosene (USD/bbl)	128.3	103.2	-19.6
Dubai Crude Oil (USD/bbl)	95.2	81.9	-14
FX rate (JPY/USD)	134.6	143.4	+6.5

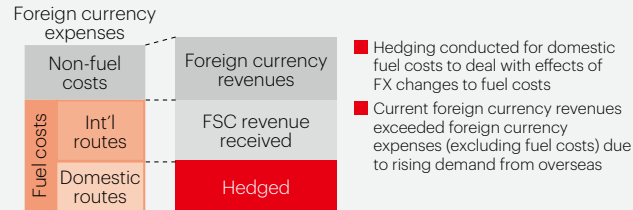
(2) Overcoming Market Risks

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

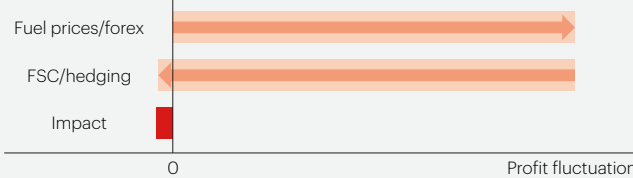
Fuel hedging



FX hedging



Illustrative chart of cumulative price impacts



8. Retirement Benefit Obligations

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

The board and trustee of the pension fund are required by law to act in the best interest of plan participants and are responsible for managing plan assets based on a prescribed policy. As of March 31, 2024, Japan Airlines and 36 consolidated subsidiaries had lump-sum retirement plans. The JAL Group also had three corporate pension funds, including the Japan Airlines Welfare Pension Fund. Certain overseas subsidiaries had defined

benefit plans. The Japan Airlines Welfare Pension Fund also introduces an option similar to a cash-balance plan as well as other alternatives. The JAL Group Pension Fund, which is used by some domestic consolidated subsidiaries, uses a cash balance pension plan.

9. Profit Distribution

The JAL Group regards shareholder returns as one of its most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible buyback while securing internal reserves for making investments for corporate growth and to adapt to changes in the business environment, in order to build a strong financial structure.

The dividend amount will be determined with an emphasis on continuity, stability, and predictability, with the standard dividend payout ratio at approximately 35%. In addition, the JAL Group will actively and flexibly consider the buyback upon consideration of the Company's financial condition and other factors. As a result, the JAL Group will strive to achieve a range of approximately 35% to 50% for its total payout ratio based on the total amount of dividends and the buyback by appropriately allocating periodic profits and management resources to its stakeholders. The JAL Group also continuously strives to improve capital efficiency through monitoring the total return on equity ratio, which is calculated by dividing the sum of total dividends paid out and purchase of buyback equity. The JAL Group makes its efforts to maintain this ratio at approximately 3 percent or above.

Our dividend policy is to pay dividends twice a year, as interim dividends and year-end dividends. The decision body for the year-end dividend and interim dividend is the shareholders' meeting and Board of Directors, respectively. The Company's Articles of Incorporation stipulate that the JAL Group "may pay interim dividends to shareholders with the record date of September 30 each year, upon a resolution by the Board of Directors."

Key ESG Data

Environment

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Addressing Climate Change						
CO2 emissions						
GHG Scope 1						
Total emissions	1,000 tonnes	9,121	4,421	6,214	8,222	9,102
CO2 emissions from aircraft	1,000 tonnes	9,085	4,393	6,194	8,193	9,072
Proportion of CO2 emissions from aircraft of GHG Scope 1	%	99.6	99.3	99.5	99.6	99.7
CO2 emissions from ground equipment*1	1,000 tonnes	15	14	14	10	9
CO2 emissions from vehicle	1,000 tonnes	21	15	17	19	21
CO2 emissions per	kg-CO2/RTK	1.0648	1.3763	1.2751	1.0829	1.0040
Revenue Ton Kilometer (RTK)						
SAF use among entire air fleet fuel use	%	1x10 ⁻⁴	0.009x10 ⁻⁴	2x10 ⁻⁴	47x10 ⁻⁴	120x10 ⁻⁴
CO2 reduction from JAL Green Operations	1,000 tonnes	157	82	142	195	217
	(1.7% of emissions)	(1.8% of emissions)	(2.3% of emissions)	(2.4% of emissions)	(2.4% of emissions)	(2.4% of emissions)
GHG Scope 2*1	1,000 tonnes	57	51	53	56	53
GHG Scope 3						
Total emissions	1,000 tonnes	1,402.7	1,046.2	1,534.6	1,765.3	2,243.1
					(1,758.0)*2	(2,238.8)*2
Category 1: Purchased goods and services	1,000 tonnes	215	166	198	287	356
Category 2: Capital goods	1,000 tonnes	721	264	481	350	651
Category 3: Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	1,000 tonnes	455	603	842	1,111	1,219
Category 5: Waste generated in operations	1,000 tonnes	1.0	0.8	1.3	1.2	1.0
Category 6: Business travel	1,000 tonnes	4.6	4.7	4.6	4.7	4.7
Category 7: Employee commuting	1,000 tonnes	6.1	7.7	7.7	8.1	9.1
Category 8: Upstream leased assets	1,000 tonnes	—	—	—	2.7	2.4
GHG Scope 1+2	1,000 tonnes	9,178.0	4,472.0	6,267.0	8,278.0	9,155.0
GHG Scope 1+2+3	1,000 tonnes	10,580.7	5,518.2	7,801.6	10,043.3	11,398.1
Provision of carbon offset programs						
JAL Carbon Offset website visitors	people	—	—	—	13,122	21,215
Number of JAL Carbon Offset users	people	—	—	—	385	1,785
Energy consumption (aircraft)						
Jet fuel	1,000 kl	3,684	1,781	2,507	3,331	3,658
Crude oil equivalent	1,000 kl	3,488	1,687	2,357	3,154	3,426
Energy consumption (ground)*3						
Kerosene	1,000 GJ	0.3	1.2	1.2	1.0	1.2
Heavy fuel oil A	1,000 GJ	2.0	2.7	2.2	2.2	2.4
Town gas, LPG	1,000 GJ	257	245	241	193	177
Steam, heat, cooling	1,000 GJ	332	317	337	296	277
Electricity	1,000 MWh	98	89	92	95	98
Crude oil equivalent	1,000 kl	40	35	39	37	38
Electricity equivalent						
Energy consumption (fuel total)	1,000 MWh	37,630	18,229	25,633	34,084	37,008

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Energy consumption (steam, heat, cooling)	1,000 MWh	92	88	94	61	77
Energy consumption (total)	1,000 MWh	37,820	18,406	25,819	34,240	37,183
Total renewable energy consumption	1,000 MWh	—	—	—	1.7	5.8
Number of fuel-efficient aircraft						
Airbus A350	aircraft	5	8	15	16	18
Boeing 787	aircraft	49	49	51	52	53
Boeing 777	aircraft	39	37	18	16	13
Boeing 737-800	aircraft	62	61	64	62	62
Embraer 170	aircraft	18	18	18	18	18
Embraer 190	aircraft	14	14	14	14	14
ATR42-600	aircraft	8	9	11	12	13
ATR72-600	aircraft	2	2	2	2	2
Number of fuel-efficient aircraft (total)	aircraft	197	198	193	192	193
Ratio of fuel-efficient aircraft	%	82	84	85	86	86
Environmental investments						
Investments	billion yen	181.3	55.3	132.0	86.1	179.6
Vehicles						
Motor vehicle	vehicle	3,609	3,604	3,537	3,649	3,695
Gasoline consumption	kl	691	495	539	636	694
Diesel consumption	kl	7,430	5,125	5,964	6,772	7,392
Biodiesel blended fuel consumption	kl	—	—	—	10	45
Biodiversity Conservation						
Water consumption						
Withdrawal						
Tap water consumption	1,000 m³	447	335	316	381	449
Groundwater, sea, river, lake, industrial water consumption	1,000 m³	0	0	0	0	48
Total consumption	1,000 m³	447	335	316	381	497
Utilization of certified commercial materials						
Percentage of in-flight items using internationally certified paper that takes forest resources into consideration	%	15.9	66.5	66.5	87.8	94.4
Prevention of illegal wildlife trade						
Number of illegal wildlife transports	number of times	0	0	0	0	0
Consideration of biodiversity in foodstuffs and commercial products						
Number of violations of internal guidelines for ESG risk foodstuffs and products	case	—	—	—	0	0
Effective Use of Limited Resources						
Plastic						
Reduction ratio of new petroleum derived single-use plastic items in in-house standard products used inflight and in lounges	%	2.5	10.4	25	45	57.6
Ratio of environmentally friendly material in single-use plastics used in airports and cargo transport	%	—	87.6	90	91	91

Environment	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Food loss & waste						
Total weight of food loss & waste at JAL Royal Catering Narita and Haneda factories	tonnes	153.5	22.5	24.3	62.1	75.3
Total weight of compost from food loss & waste at JAL Royal Catering Narita and Haneda factories	tonnes	11.8	6.3	11.7	46.5	75.3
Total waste	tonnes	141.7	16.2	12.6	15.5	0.0
Wood/Paper/Fiber packaging						
Coverage (% of cost of goods sold)	%	—	43.6	30.8	100.0	100.0
Total weight	tonnes	—	369.0	77.9	249.8	326.6
Percentage of total weight of recycled and/or certified raw materials	%	—	99.5	99.7	100.0	100.0
Percentage of electronic AWB (Air Waybill)	%	—	—	25	62.5	82.6
Precaution of Environmental Pollution						
Nitrogen oxide (NOx) emissions						
Emissions in LTO cycle*4	1,000 tonnes	5.54	2.43	3.06	4.66	4.62
Hydrocarbon (HC)						
Emissions in LTO cycle*4	1,000 tonnes	0.66	0.13	0.15	0.25	0.24
Carbon monoxide (CO)						
Emissions in LTO cycle*4	1,000 tonnes	4.35	1.71	2.40	3.47	3.50
VOC emissions	tonnes	27.7	23.7	24.3	32.3	25.4
CFC substitute (aircraft)	kg	3.94	1.96	14.27	13.02	19.85
Industrial waste						
Total waste generated	tonnes	3,330	2,834	3,998	3,148	2,814
Total waste recycled	tonnes	3,320	2,817	3,985	3,130	2,794
Total waste disposed	tonnes	10	17	13	18	20
PCB waste	tonnes	0	0	0	0	3.6
Final disposal rate	%	0.3	0.6	0.3	0.6	0.7
Noise Reduction						
Low-noise aircraft						
Ratio of ICAO Chapter 4 standard compliant aircraft	%	100	100	100	100	100
Ratio of ICAO Chapter 14 standard compliant aircraft	%	45	40	41	42	42
Others						
Environmental violations						
Number of violation cases of legal obligations/regulations	case	0	0	0	0	0
Amount of fines/penalties related to above violations	yen	0	0	0	0	0

*1 In-flight catering facilities have been added to Head Office, Airport, Maintenance Center and Branch Offices from FY2019.
*2 Aggregate of data obtained from third-party guarantees (Category 1,2,3,6,7,8)
*3 Head Office, Airport, Maintenance Center, and Branch Offices
*4 ICAO standard of counting take-off and landing as “one cycle”

Acquisition of Independent Assurance Statement  GHG Independent Verification Statement
https://www.jal.com/en/sustainability/environment/environment-management/pdf/en_CO2_JAL_20240705_verification_statements.pdf
 NOx/Water Independent Verification Statement
https://www.jal.com/en/sustainability/environment/environment-management/pdf/en_NOx_JAL_20240705_verification_statements.pdf

Social

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Human Resources*1						
Human Resources						
Employees						
Number of consolidated employees						
Total*2	people	35,653	36,060	35,423	36,039	36,500
By job type						
Number of ground staff*2	people	25,278	25,244	25,191	25,638	25,328
Number of cockpit crew	people	2,766	2,876	3,082	3,196	3,375
Number of cabin crew	people	7,609	7,940	7,150	7,205	7,797
Ratio of managers	%	14.8	15.0	15.9	15.9	15.2
Ratio of general staff	%	85.1	85.0	84.1	84.1	84.8
Qualifications						
Cockpit crew (PIC + FO)*3	people	2,519	2,620	2,632	2,782	2,883
Maintenance engineer (Person with national qualifications)*3	people	1,859	1,856	1,867	1,929	1,947
Employment, turnover						
Number of new employees	people	3,711	2,352	718	1,776	4,274
Number of new employees (male)*4	people	186	156	115	118	270
Number of new employees (female)*4	people	855	567	18	36	828
Number of mid-career employees hired (business planning staff hired in Japan)*4	people	50	6	0	53	131
Total turnover rate*4	%	3.9	2.4	3.7	4.4	5.1
Total turnover rate (male)*4	%	—	—	2.2	1.8	2.3
Total turnover rate (female)*4	%	—	—	1.5	2.6	2.8
Voluntary turnover rate*4	%	1.9	1.1	1.6	2.6	2.8
Number of employees reemployed after retirement*4	people	622	735	837	926	1,061
Average cost of hiring*4	ten thousand yen	8.1	15.9	20.6	16.4	19.0
Average age						
Total	year	39.4	38.6	39.4	39.6	39.2
By job type						
Average age of ground staff	year	40.2	39.1	40.0	40.1	39.8
Average age of cockpit crew	year	43.8	44.0	43.8	43.6	43.6
Average age of cabin crew	year	35.0	35.0	35.8	36.4	36.1
Diversity						
Employees						
Ratio of female employees	%	50.6	51.7	50.1	50.6	51.3
Ratio of male employees	%	49.4	48.3	49.9	49.4	48.7
Ratio of female managers*5	%	18.4	19.5	21.9	22.8	23.2
Ratio of female managers (executive)	%	—	—	26.4	28.4	29.8
Ratio of non-Japanese managers*4 *6	%	19.5	19.9	20.5	18.1	19.4
Ratio of locally hired staff in overseas offices*4	%	88.4	84.0	90.1	89.0	87.2
Number of managers hired overseas*4	people	216	218	226	222	229
Ratio of locally hired managers in overseas offices*4	%	56.3	53.0	57.4	55.9	55.5
Number of mid-career hired employees*4	people	—	—	—	—	3,372
Ratio of employees with disabilities*7	%	2.62	2.67	2.64	2.75	2.90

Social	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Average years worked						
Job type/Gender						
All types (Consolidated)						
Male	year	—	—	—	19.0	18.3
Female	year	—	—	—	10.4	9.9
Cockpit crew (Consolidated)						
Male	year	18.4	16.6	15.9	15.7	15.2
Female	year	4.7	3.5	3.5	3.7	4.0
Cabin crew (Consolidated)						
Male	year	7.8	6.2	5.2	4.0	2.9
Female	year	9.5	8.7	9.3	9.6	9.0
Ground staff (Consolidated)						
Male	year	19.6	19.2	19.5	19.9	19.1
Female	year	9.6	9.6	10.6	11.1	10.6
All jobs (Non-consolidated* ⁴)						
Male	year	—	21.4	21.4	21.3	20.9
Female	year	—	10.5	11.7	12.4	12.0
Cockpit Crew (Non-consolidated* ⁴)						
Male	year	21.0	21.2	21.0	20.9	20.7
Female	year	5.4	5.9	6.1	5.5	5.7
Cabin crew (Non-consolidated* ⁴)						
Male	year	6.8	6.8	8.3	9.0	5.1
Female	year	10.2	10.3	11.6	12.3	11.6
Ground staff (Non-consolidated* ⁴)						
Male	year	22.1	22.0	22.2	22.2	21.6
Female	year	13.7	13.2	13.1	13.9	15.4
Annual remuneration						
Average annual remuneration						
All employees	1,000 yen	6,684	5,638	5,521	6,670	7,246
Cockpit crew (Consolidated)	1,000 yen	20,225	17,695	17,420	18,797	19,593
Cabin crew (Consolidated)	1,000 yen	5,151	3,769	3,886	5,079	5,687
Ground staff (Consolidated)	1,000 yen	5,667	4,883	4,558	5,617	6,162
Cockpit Crew (Non-consolidated* ⁴)						
Male	1,000 yen	—	—	—	18,166	19,167
Female	1,000 yen	—	—	—	6,528	7,425
Cabin crew (Non-consolidated* ⁴)						
Male	1,000 yen	—	—	—	4,823	4,830
Female	1,000 yen	—	—	—	5,189	6,010
Ground staff (Non-consolidated* ⁴)						
Male	1,000 yen	—	—	—	7,442	8,206
Female	1,000 yen	—	—	—	5,686	5,860
Payment difference between male and female employees						
Cockpit Crew (Non-consolidated* ⁴)	%	—	—	—	35.9	38.7
Cabin crew (Non-consolidated* ⁴)	%	—	—	—	107.6	124.4
Ground staff (Non-consolidated* ⁴)	%	—	—	—	76.4	71.4
Training						
Training hours per person	hours/ person	72.3	277.1	162.3	259.4	65.3
Training cost per person	yen/ person	449,480	109,321	84,469	138,651	164,103
Health management*⁸						
Health checkup ratio						
All employees	%	100	100	100	100	100
Families* ⁹	%	37.5	36.0	40.7	47.1	Disclosure during FY24
Breast cancer screening ratio						
Employees and families aged 18 or older	%	36.7	43.4	—	—	—
Employees	%	—	—	58.9	62.0	61.4
Families aged 35 or older	%	—	—	30.2	33.4	34.7

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Uterine cancer screening ratio						
Employees and families aged 18 or older	%	30.7	38.6	—	—	—
Employees	%	—	—	54.1	57.9	57.4
Families aged 18 or older	%	—	—	25.4	27.9	29.8
Obesity ratio (BMI 25 or higher)						
Employees, families and others	%	—	—	19.1	19.3	19.1
Percentage of people with high stress						
Employees	%	—	—	8.7	10.8	10.8
Smoking ratio						
Male	%	27.9	26.3	25.9	25.4	24.7
Female	%	5.0	4.2	4.2	4.3	4.0
Engagement						
Ratio of highly engaged employees* ¹⁰	%	54.4	54.4 (No investigation)	51.7	51.7 (No investigation)	53.8
Work Style						
Balancing Life Events and Work						
Percentage of men taking childcare leave* ⁴ * ¹¹	%	81.8	106.3	99.3	87.2	80.5
Nursing care leave applicants* ⁴	people	53	40	20	42	36
Improvement of labor productivity						
Total actual working hours* ⁴	hours/people	1,862	1,878	1,890	1,884	1,876
Paid leave usage ratio* ⁴	%	79.0	71.5	74.5	81.0	84.5
Average monthly overtime hours worked per person* ⁴	hours/people	9.5	8.0	9.9	10.5	9.7
Industrial accidents* ⁴	case	28	13	11	47	60
Number of teleworkers* ⁴	people	36,105	336,287	346,167	277,028	232,327
Number of cases using the workcation/bleisure system* ⁴ * ¹²	case	247	918	1,533	1,521	1,679

*1 Japan Airlines Co., Ltd. and 53 consolidated subsidiaries
*2 Excluding temporary employees and part time employees from employment agencies for FY2023.
*3 As of January 1 of the previous fiscal year for each fiscal year.
*4 Japan Airlines Co., Ltd. only
*5 Summary of departmental executives from FY2023.
*6 Locally hired managers overseas + Non-Japanese managers hired in Japan in business planning and maintenance engineering positions/Total manager
*7 Sum of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd. a special subsidiary, as of June 1 of the following fiscal year
*8 Calculation based on data from Japan Airlines Health Insurance Association
*9 Until FY2020, the figures were compiled for families aged 35 or older. Data for families aged 40 or older from FY2021
*10 Survey is conducted every two years since FY2022. Survey is conducted annually since FY2023. The ratio of employees opting 4 or 5 in a scale of 5. FY2020 and FY2022 show results for the previous year.
*11 Calculated based on the total number of employees using the childcare leave system before FY2021
*12 Workcation for FY2019 only.


Governance

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Respect for Human Rights						
Implementation ratio of human rights due diligence	%	—	—	—	100	100
Attendance rate of education related to respect for human rights	%	—	—	—	81.9	75.5
Ratio of employees who work long hours	%	—	—	—	1.98	3.57
Disclosure and Compliance						
Disclosure and dialogue						
Number of institutional investors						
Interviews with domestic investors (total)	times	167	209	188	162	171
Interviews with overseas investors (total)	times	219	262	164	230	214
Total	times	386	471	352	392	385
Interviews by management	times	63	173	91	112	124
Individual shareholder						
Number of IR mail subscribers	people	—	1,805	7,464	15,000	18,290
Compliance						
Number of whistleblowing cases	times	—	—	—	170	236
Responsible procurement						
Health confirmation rate of major suppliers	%	18.0	37.0	62.0	81.0	100
Number of aviation security audits of all caterer factories and aircraft supply depots	times	2	2	2	2	2
Risk Management						
Information security and personal information protection						
Number of information leakage incidents	times	0	2	0	2	0
Secondary usage ratio of personal data	%	0.0	0.0	0.0	0.0	0.0
Number of substantiated complaints received from outside parties regarding privacy protection	times	0	0	0	0	0
Number of privacy regulatory complaints	times	0	0	0	0	0
Strengthening BCM						
Number of BCP-based exercises	times	1	1	4	4	2
Corporate Governance						
Compliance rate of Corporate Governance Code*1	%	100	100	100	100	100
Board meeting attendance rate of Outside Directors and Auditors	%	98.3	100	100	99.6	98.7
Number of Directors on the Board*1	people	10	10	9	9	9
Ratio of Outside Directors*1	%	30	30	33	33	33
Number of female Directors*1	people	1	1	1	1	2
Number of female officers (Directors)*1	people	5	5	5	6	8
Ratio of female officers*1	%	—	13.2	13.9	16.7	22.2

*1 Japan Airlines Co., Ltd. only

Others

	Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Community Relations						
Donations through Charity Miles	yen	9,208,500	11,328,500	0	4,611,500	27,307,000
The number of volunteers	people	7,745	9,772	6,125	5,198	6,253
Total hours of volunteerism	hour	51,734	33,600	27,952	21,361	25,929
Miles donated to Children's Dream Support Project (Mile)	mile	—	—	—	3,843,000	768,000
Number of SORAIKU® participants	people	191,840	20,435	50,147	52,586	77,968

Acquisition of Independent Assurance Statement  Social data: https://www.jal.com/ja/sustainability/human/human_rights/pdf/social_assurance.pdf

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Aviation Business Area (FSC, LCC, Cargo and Mail)

			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Safety	Aircraft accidents		case	1	0	2	3	1
	Serious incidents		case	3	1	1	0	1
	Irregular operations*1		case	33	39	47	48	39
	Safety events*2	System problems (engine)	case	9	6	6	10	17
		System problems (other than engine)	case	36	13	23	22	30
		Parts departing from aircraft	case	4	1	1	3	2
Aircraft	Large aircraft	Airbus A350-1000	aircraft	0	0	0	0	3
		Airbus A350-900	aircraft	5	8	15	16	15
		Boeing 777-300ER	aircraft	13	13	13	13	13
		Boeing 777-300	aircraft	4	4	4	0	0
		Boeing 777-200ER	aircraft	11	11	8	3	0
		Boeing 777-200	aircraft	11	9	4	0	0
	Mid-sized aircraft	Boeing 787-9	aircraft	20	20	22	22	22
		Boeing 787-8	aircraft	29	29	29	30	31
		Boeing 767-300ER	aircraft	29	29	29	27	27
		Boeing 767-300	aircraft	5	2	0	0	0
	Small aircraft	Boeing 737-800	aircraft	62	61	65	62	62
		Airbus A321ceo P2F	aircraft	0	0	0	0	2
	Regional aircraft	Embraer 170/Embraer 190	aircraft	32	32	32	32	32
	Propeller aircraft	ATR42-600/ATR72-600	aircraft	10	11	13	14	15
		De Havilland DHC-8-400CC	aircraft	5	5	5	5	5
		SAAB340B	aircraft	5	3	0	0	0
	Total		aircraft	241	237	239	224	227
Flight Data	Airports served	Domestic flights Including LCCs	destination	62	61	61	64	65
		International flights	destination	378	368	380	376	384
	Number of flights	Domestic flights	flight	242,603	134,325	244,022	263,585	266,243
		International flights	flight	51,129	8,138	17,127	28,688	40,834
		Total	flight	293,732	142,463	261,149	292,273	307,077
	Percentage of flights operated	Domestic flights	%	98.12	97.12	98.06	98.46	98.03
		International flights	%	99.36	99.04	99.24	99.82	99.9
	On-time departure rate	Domestic flights	%	86.71	96.74	94.15	91.33	84.69
		International flights	%	86.35	93.17	88.98	74.05	81.06
		Total	%	86.62	96.02	93.38	89.63	84.21
	On-time arrival rate	Domestic flights	%	83.29	96.27	92.99	88.88	80.75
		International flights	%	86.83	95.33	91.78	79.74	81.59
		Total	%	84.18	96.38	92.81	87.99	80.86
	Number of partner airlines	Domestic flights*3	company	3	3	3	4	4
		International flights	company	36	35	35	34	34

Aviation Business Area (FSC, LCC, Cargo and Mail)

			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Flight Data	Number of flights (ZIPAIR Tokyo)	Total	flight	—	943	2,041	3,100	5,061
	Number of flights (SPRING JAPAN)	Domestic flights	flight	—	—	837	4,500	4,068
		International flights	flight	—	—	118	335	2,037
		Total	flight	—	—	955	4,835	6,105
Traffic Data	Domestic flights (FSC)	Total passengers	people	33,783,710	12,212,131	16,238,833	30,109,920	35,109,846
		Increase in domestic passenger traffic*4	%	—	-74.2	-59	-15	2
					Excluding LCCs	Excluding LCCs		
		Number of inbound travelers to Japan	people	701,240	49,188	121,844	582,180	912,578
		Dokokani miles	people	—	—	—	approx.540,000	approx.630,000
		Revenue passenger kilometers*5	1,000 passenger-km	25,443,520	9,282,122	12,089,054	23,090,624	26,771,128
		Available seat kilometers*6	1,000 seat-km	36,199,539	19,452,985	24,535,597	35,243,210	35,184,302
		Passenger load factor	%	70.3	47.7	49.3	65.5	76.1
	International flights (FSC)	Total passengers	people	8,277,987	357,519	892,471	4,348,562	6,628,180
		Revenue passenger kilometers*5 *7	1,000 passenger-km	41,905,628	2,196,423	6,027,871	27,310,618	37,201,833
		Available seat kilometers*6 *7	1,000 seat-km	54,324,546	11,918,047	22,780,657	38,039,283	47,328,459
		Passenger load factor*7	%	77.1	18.4	26.5	71.8	78.6
	Cargo and Mail	Domestic revenue cargo tonne-km	1,000 tonne-km	328,182	237,874	231,515	280,599	282,974
		International revenue cargo tonne-km	1,000 tonne-km	2,407,691	1,948,205	3,113,671	2,795,737	2,515,410
		Increase in domestic freight traffic*4	%	—	-30	-34	-17	-15
		Results of pharmaceutical transportation*4	tonnes	610	+18%	+92%	+123%	+437%
Customer Satisfaction	Net Promoter Score (NPS)*8	Domestic flights	point	+76	+23.0	+71	+3.0	+6.8
		International flights	point	+8.2	+30.0	+7.4	-3.3	+3.3
	Customer comments		case	37,621	19,712	21,095	30,795	30,487
Accessibility	Number of customers who find it difficult to travel	Ratio of these passengers on board	%	0.36	0.29	0.64	0.71	0.81
		Number of wooden wheelchairs, which go through metal detectors	vehicle	478	478	478	508	508

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

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

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

*3 Partnership with Jetstar Japan on international connection routes only

*4 Compared to FY2019. The results of handling and delivering pharmaceutical in cargo includes dedicated pharmaceutical temperature storage at Narita Airport.

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

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

*7 Calculation of figures for revenue passengers carried, revenue passenger kilometers, available seat kilometers, and load factor for international flights include code-sharing of JAL operated flights sold by other airlines.

*8 FY2020 includes comparison for first performance from FY2017. After FY2021 comparison for first performance in FY2021.

For more safety data, please visit the JAL website for our Safety Report.  Safety Report: <https://www.jal.com/en/safety/report/>

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Non-Aviation Area (Mileage, Lifestyle and Infrastructure)

			Unit	FY2019	FY2020	FY2021	FY2022	FY2023
Mileage and Card	Total number of JMB members		1 million	approx. 35	approx. 35	approx. 36	approx. 37	approx. 38
	Issuance mile index*1		FY18=100	104.3	81.7	87.6	101.4	124.1
	Total number of JAL CARD members		1 million	3.72	3.58	3.46	3.44	3.48
	JAL CARD, INC. revenue*2	Operating revenue	billion yen	201	—	—	—	—
		Sales revenue	billion yen	196	186	185	171	132
Travel	Number of people who handle JALPAC Travel Co., Ltd.	Total	people	2,789,979	1,141,342	1,004,500	2,149,697	1,765,244
		Overseas travel	people	183,202	45	68	17,447	59,905
		Domestic travel	people	2,606,388	1,141,293	1,004,450	2,131,981	1,704,610
		foreign visitors to Japan	people	389	4	32	269	729
	JALPAK Co., Ltd. revenue*2	Operating revenue	billion yen	1,696	—	—	—	—
		Sales revenue	billion yen	1,701	555	458	1,088	1,154
	Retail	JALUX Co., Ltd. revenue*2	Revenue	billion yen	—	—	279	320
Contracted Services	Number of flights entrusted to foreign airlines	Passenger service	10,000 flight	8.2	0.3	1.1	2.3	6.1
		Cargo flights	10,000 flight	0.5	0.6	0.6	0.6	0.5
		Total	10,000 flight	8.7	0.9	1.7	2.9	6.6
Collaboration with External Parties	Promotion of JAL Wellness & Travel		number of affiliated municipalities	—	—	—	4	5
	Number of city partnerships*3		city	20	25	41	47	49
	Number of school partnerships*4		school	25	30	32	33	34
	Number of Lab Alliances*5		company	11	12	12	11	11
	Promoting workstyle research with outside stakeholders		number of research group member organizations	—	—	—	52	77

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

*1 Number of miles issued excluding air boarding

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

*3 Some of these include cooperation agreements with councils rather than municipalities.

*4 Japan Airlines Co., Ltd. only

*5 Activities will end in February 2024.

International Route Map

(As of May 31, 2024)

6. Data Collection 137



Number of Destinations **386** locations **378** cities

- The above route map includes code-share flights.
- The above map is deformed for convenience, focusing on JAL's online cities.
- Dashed lines (---) indicate routes with one-way service only.

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Domestic Route Map

(As of May 31, 2024)

Number of Destinations

64 locations
58 cities

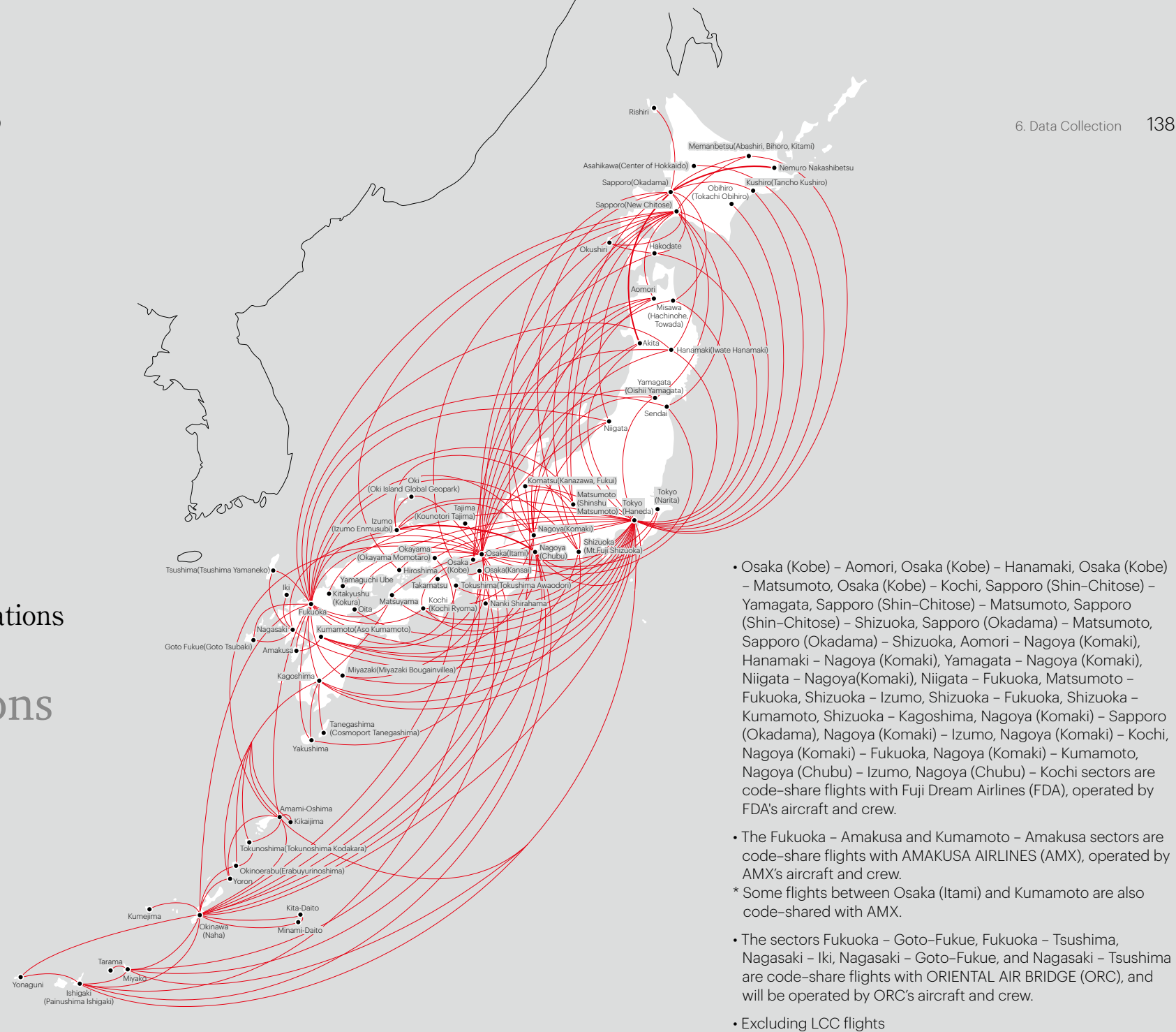


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(As of April 1, 2024)

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

Corporate Name	Paid-in Capital*1	Ratio of Voting Rights		
		Direct (%)	Indirect (%)	Total (%)
Other Segments				
• Other Segments				
JAL AIRTECH CO., LTD.	100	67.2	3.4	70.6
• Cargo				
JUPITER GLOBAL, LTD.	HKD1,000 1,960	46.4	4.6	51.0
• Passenger Sales				
JALPAK CO., LTD.	80	96.7	1.1	97.8
JAL JTA SALES CO., LTD.	30	16.7	83.3	100.0
JALPAK INTERNATIONAL HAWAII, INC.	USD1,000 1,000	—	100.0	100.0
JALPAK INTERNATIONAL (EUROPE) B.V.	EUR1,000 1,600	—	100.0	100.0
JALPAK INTERNATIONAL (FRANCE) S.A.S.	EUR1,000 160	—	100.0	100.0
EURO-CREATIVE TOURS (U.K.) LTD.	GBP1,000 100	—	100.0	100.0
PT. TAURINA TRAVEL DJAYA*2	IDR1,000 500,000	—	49.0	49.0
• Airport-Related Business				
JAL ABC, INC.	100	—	100.0	100.0
• Others				
JALUX INC.	2,558	21.6	48.1	69.7
JAL INFORMATION TECHNOLOGY CO., LTD.	702	100.0	—	100.0
JAL PAYMENT PORT CO., LTD.	390	16.5	68.5	84.9
JAL CARD, INC.	360	50.6	—	50.6
JAL-DFS CO., LTD.	300	—	60.0	60.0
JAL FACILITIES CO., LTD.	180	85.0	6.0	91.0
SJ Future Holdings Corporation	100	50.5	—	50.5
JAL AGRIPORT CO., LTD	100	100.0	—	100.0
JAL BUSINESS AVIATION CO., LTD.	100	51.0	—	51.0
JAL BRAND COMMUNICATIONS CO., LTD.	100	100.0	—	100.0
JTA INFORMATION & COMMUNICATION CO., LTD.	50	—	100.0	100.0
JAL SBI FINTECH CO., LTD.	45	51.0	—	51.0
JAL SUNLIGHT CO., LTD.	20	100.0	—	100.0
JALUX AIRPORT INC.	15	—	100.0	100.0
OFFICIAL FILING CO., LTD.	10	50.0	40.0	90.0

*1 All items without a unit are in millions of yen.

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

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Consolidated Group Companies

External Evaluation

Stock Information/Company Profile

Certified as a "Sports Yell Company 2024 -Silver-" in recognition of being certified as a "Sports Yell Company" for the 7th year.

Stock Information (as of March 31, 2024)

- **Stock Exchange** Prime Market of the Tokyo Stock Exchange
- **Stock Code** 9201
- **Number of Shares Per Unit** 100 shares
- **Account Closing Date** March 31
- **Ordinary General Meeting of Shareholders** June each year
- **Date of Finalizing Shareholders Eligible to Exercise Voting Rights at the Ordinary General Meeting of Shareholders** March 31
- **Date of Record for Dividend** September 30 and March 31
- **Shareholder Registry Administrator** Mitsubishi UFJ Trust and Banking Corporation
- **Contact**
Stock Transfer Agency Department
Mitsubishi UFJ Trust and Banking Corporation
1-1, Nikko-cho, Fuchu-shi, Tokyo, Japan
Mailing address: 〒137-8081 ShinTokyo Post Office PO Box 29
Phone: 0120-232-711 (toll free (only within Japan))
Open: 9:00 am to 5:00 pm except weekends and public holidays (Japan time)
Website: www.tr.mufg.jp/daikou/ (only in Japanese)
- **Method of Official Announcement**
Electronic public notice at:
URL www.jal.com/en/corporate/publicnotices/ (only in Japanese)
Provided, however, that if the electronic notice cannot be made due to an accident or any unavoidable reason, the public notice shall be published in the Nihon Keizai Shimbun.

- **Limitation on Listing or Recording of Citizens of Foreign Countries and Other Persons in Register of Shareholders and Register of Beneficial Shareholders**
The Articles of Incorporation lay down the following provision concerning the Civil Aeronautics Act, Article 120-2.
Article 12 If the Company receives from a person, who falls into one of the categories listed in the items below, a request for listing or recording his or her name and address in the register of shareholders (including the register of beneficial shareholders; hereinafter the same), and if the acceptance of such request causes the total voting rights owned by persons, who fall into one of the categories listed in the items below, to represent one-third or more of the Company's total voting rights, the Company shall refuse such listing or recording.
(1) A person who does not have Japanese citizenship
(2) A foreign country, foreign public body or similar entity
(3) A corporation or other organization established under foreign laws and regulations
2. When the Company intends to list or record all shares held by any of the shareholders listed in the items of the following paragraph, upon notification from a book-entry institution in accordance with Article 151, Paragraph (1) or (8) of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., and thereby the total number of voting rights held by such persons listed in the items of the preceding paragraph will account for more than a third of the Company's voting rights, the Company shall list or record such shareholders in the register of shareholders in accordance with measures provided for in the Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism to list or record only a part of the shares so that the total number of voting rights held by such shareholders in the items of the preceding paragraph accounts for less than a third of the Company's voting rights.

- **Total Shares Issued**
750 million
(Common stock) (700 million)
(Class 1 Preferred stock) (12.5 million)
(Class 2 Preferred stock) (12.5 million)
(Class 3 Preferred stock) (12.5 million)
(Class 4 Preferred stock) (12.5 million)
- **Outstanding Shares Issued**
Common stock 437,143,500 (Number of shares per unit: 100)
Number of shareholders 479,153
* The total number of shares issued includes 136,327 shares of treasury stock.

• Major Shareholders			
Shareholder	Number of shares held (stock)	Voting rights ratio (%)	
The Master Trust Bank of Japan, Ltd. (Trust account)	80,412,000	18.40	
Custody Bank of Japan, Ltd. (Trust account)	27,266,200	6.23	
KYOCERA Corporation	7,638,400	1.74	
JPMorgan Securities Japan Co., Ltd.	5,107,711	1.16	
Daiwa Securities Group Inc.	5,000,000	1.14	
GOVERNMENT OF NORWAY	4,216,486	0.96	
STATE STREET BANK WEST CLIENT - TREATY 505234	3,346,162	0.67	
BBH BOSTON CUSTODIAN FOR BLACKROCK GLOBAL ALLOCATION FUND, INC. 620313	2,955,500	0.67	
THE BANK OF NEW YORK 134088	2,673,100	0.61	
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	2,532,209	0.57	
Total	141,147,768	32.24	

* Shareholding ratio is calculated by subtracting 136,327 shares of treasury stock and rounding to three decimal places.

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Company Profile (as of March 31, 2024)

Corporate Name	Japan Airlines Co., Ltd.
Head Office	Nomura Real Estate Bldg., 2-4-11 Higashi-Shinagawa Shinagawa-ku Tokyo 140-8637, Japan Phone: +81 (0)3-5460-3121
Established	August 1, 1951
Representative Director, President	TOTTORI Mitsuko
Capital	273,200 million yen
Employees	Consolidated Employees 36,500 people Employees 13,791 people
Capital and Paid-in Capital	547,192 million yen (Amount is rounded down to the nearest million yen)
Business	1. Scheduled and non-scheduled air transport 2. Aerial work services 3. Other related business

Other Media

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

- **JAL Corporate Website**
<https://www.jal.com/en/>
The following detailed information is also posted on the JAL corporate website.

- **Corporate Policy and Company Profile**
<https://www.jal.com/en/company/>



- **Safety**
<https://www.jal.com/en/safety/>
- **Sustainability**
<https://www.jal.com/en/sustainability/>
- **Investor Relations**
<https://www.jal.com/en/investor/>
- **Other Media**
JAL Group Safety Report
<https://www.jal.com/en/safety/report/>
Corporate Governance Report
<https://www.jal.com/en/philosophy-vision/governance/>
Consolidated Financial Statements
<https://www.jal.com/en/investor/library/finance/>
Consolidated Financial Results
<https://www.jal.com/en/investor/library/information/>



About front cover

This is a photograph of Airbus A350-1000, our flagship aircraft, which was renewed for the first time in 20 years. It is filled with passengers and is just about to head towards the runway to fly up to the big blue skies. Airbus A350-1000 reduces environmental impact significantly with its cutting-edge fuel efficiency. Its spacious interior facilitates enjoyment to each passenger to their hearts content. In the rapidly changing society and environment, the JAL Group will offer a safe and secure air transportation of people and goods as well as create relationships and societal connections that benefits society and the economy to improve our corporate value.

Japan Airlines Co., Ltd.

Finance Department

General Affairs Department

2-4-11 Higashi-Shinagawa, Shinagawa-ku, Tokyo

Phone: +81-3-5460-3121

The JAL Website ——— <https://www.jal.com/en/>

Corporate Information — <https://www.jal.com/en/company/>

Sustainability Information — <https://www.jal.com/en/sustainability/>

Investor Information — <https://www.jal.com/en/investor>



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