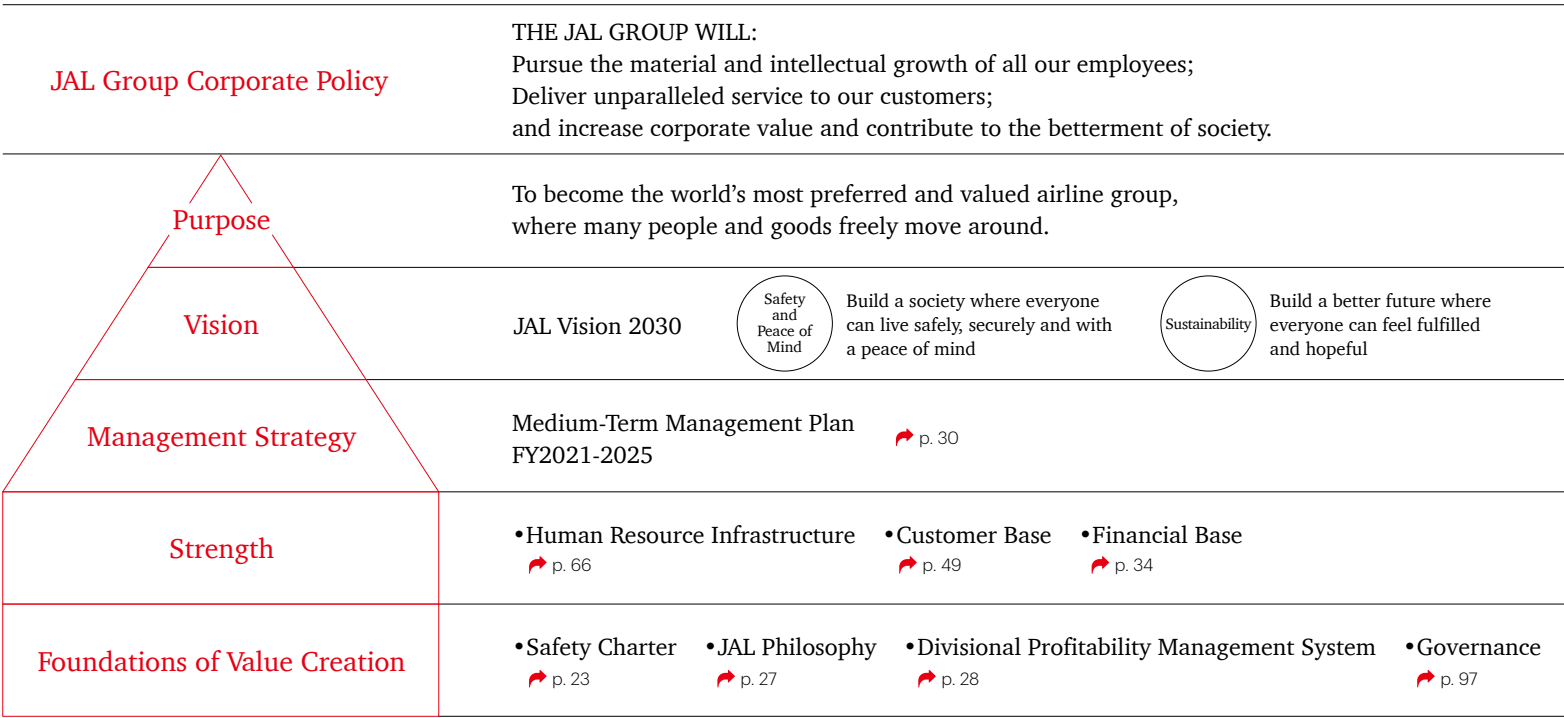


We support the air transportation of people and goods, and by creating societal connections at their destinations. We contribute to a vibrant society and future where many people and various things can freely come and go.

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. The creation of social and economic value through business is based on universal values such as the Safety Charter and the JAL Philosophy, a divisional profitability management system and strong governance, as well as by leveraging our strengths in human resources, customers, and financial base.



## Achieve the Medium-Term Management Plan targets for FY2025 and build a basis for growth for the next phase.

### 1 Strategies to Realize Our Vision

Our top management will reflect the first year of our CEO's tenure, as we present the results and the recognition of challenges we face toward the completion of the current Medium-Term Management Plan upon the final year of the plan, and our growth strategy for FY2026 and beyond to all stakeholders.

Message from our CEO  p. 4

### 3 Operating Capital to Support Value Creation

To strengthen capital, which is the driving force behind the sustainable enhancement of corporate value, we have organized the vision, issues to be addressed to realize the vision, and measures to strengthen capital, along with target indicators.

Strengthening Operating Capital  p. 18

### 5 Financial Strategies for a Strong Financial Structure and Improved Capital Efficiency

Breaks down financial strategy initiatives to improve PBR using a logic tree. The CFO message includes efforts to improve capital efficiency, maintain financial soundness, and pursue opportunities for aggressive investment in growth areas.

The Message from our Group CFO (Financial Strategy)  p. 34

### 7 Supporting Individual Growth and Maximizing Individual Strengths through the Organization promoted by the Human Resource Strategy

Introduce the initiatives to improve each employee's ability to create value and achieve a high level of engagement with regards to human resources, one of our greatest strengths, through the details of each measure and the voices of employees through roundtable discussions.

Strengthening Human Capital  p. 66

### 2 JAL Group's Value Creation Story

The JAL Group value creation story is disclosed in an easy-to-understand manner as it seeks to solve social issues through the creation of social and economic value with air transportation and relationships and societal connections. These values are realized by creating relationships and societal connections from each business activity and cross-business initiatives.

Value Creation Process  p. 15

### 4 Social and Economic Value Created through Air Transportation and Societal Connections

The value created by air transportation and societal connections is visualized as the total amount of relationships and societal connections, and specific initiatives are divided into initiatives to increase the number of people and initiatives to deepen the level of involvement. This describes the social value created by relationships and societal connections in an easy-to-understand manner.

Creating Value by Building Relationships and Societal Connections  p. 16

### 6 Providing Value to Customers and Our Accumulated Customer Base

The message from our CCO includes a sense of management that differentiates JAL Group from its competitors, customer-oriented management that leverages the customer base that JAL Group has cultivated, the creation of stories that resonate with customers, and the human resources to create these stories.

The Message from our Group CCO  p. 49

### 8 To leave a Precious Earth to the next generation

Detailed disclosure on how to address the sustainability of natural capital, which is a prerequisite for sustainable value creation, including various initiatives to reduce CO<sub>2</sub> emissions and conserve biodiversity, and SAF procurement, which is a cross-industry initiative.

Measures for Sustainability of Natural Capital  p. 79

## Editorial Policy

JAL Group publishes JAL REPORT 2025 to inform stakeholders of the results of the previous year's business activities and future strategies in order to help them understand our pursuit of both economic and social value and our sustainable growth. The JAL REPORT contains information of particular importance to JAL Group's management from among the financial and non-financial information provided widely on our website.

### • Period

In principle, the reporting period is from April 2024 to March 2025 (FY2024).

### • Scope of Report

The scope of the report covers 190 companies of the JAL Group, including Japan Airlines, 135 subsidiaries, and 54 affiliates.

### • Month of Issue

August 2025

### • Reference Guidelines

The International Integrated Reporting Framework proposed by the IFRS Foundation and the Guidance for Value Creation by Ministry of Economy, Trade and Industry (METI) are used as references. For ESG information, we refer to the GRI Standards of GRI.

### • Initiatives supported and endorsed

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

### • Future Prospects

This report contains forward-looking statements regarding JAL Group's business and prospects. They reflect our current analysis of existing information and various trends. Actual results may differ from these forward-looking statements due to risks and uncertainties.

### • Products and Services

Products and services, events, and other information in this report are subject to change without notice. Please check our website for the latest information.

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## Our Commitment to Sustainability

The JAL Group organizes all of its business activities and the infrastructure that supports them from an ESG (Environmental, Social, and Governance) perspective. The ESG strategy is to create sustainable human, commercial, and logistics flows through these initiatives. Based on the belief that creating social and economic value through the promotion of ESG strategies will lead to the sustainability of the JAL Group and society, we are promoting management strategies that place the "ESG strategy" at the top of the Medium-Term Management Plan, p. 42 "Major Initiatives and Results Regarding Sustainability" explains the relevance of ESG and sustainability initiatives and how they relate to management targets.

| ESG Strategy                                                                      |                                           |                                                                  |                                                                                                        |
|-----------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Topmost strategy in Medium-Term Management Plan                                   |                                           |                                                                  |                                                                                                        |
| Solving social issues and create sustainable flows of people, goods and logistics |                                           |                                                                  |                                                                                                        |
| ESG Perspective                                                                   | Social Issues to be approached            | Main Initiatives of the JAL Group                                | SDG Perspective                                                                                        |
| Environment (E)                                                                   | Addressing climate change                 | Reduction of CO <sub>2</sub> emissions, Use of SAF               | 13 Climate Action                                                                                      |
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| Social (S)                                                                        | Regional Revitalization                   | Building Relationships and Societal Connections                  | 11 Sustainable Cities and Communities, 8 Decent Work and Economic Growth                               |
|                                                                                   | Promotion of DEI                          | Proportion of female managers and employees with disabilities    | 5 Gender Equality, 10 Reduced Inequalities                                                             |
| Governance (G)                                                                    | Respect for Human Rights                  | Implementation of human rights due diligence                     | 10 Reduced Inequalities                                                                                |
|                                                                                   | Fair business practices                   | Compliance adherence                                             | 16 Peace, Justice and Strong Institutions                                                              |

Contribute to the sustainability of society and the JAL Group through creating social and economic value.

We are committed to creating a marvelous society and future in which people and goods move freely while accompanying our stakeholders to deliver a fulfilling life full of abundance.

**TOTTORI Mitsuko**  
President and  
Representative Director  
Group CEO

## Reflections on My First Year as CEO

When I assumed the position of CEO, I declared that I would work to enhance corporate value through the best teamwork under the dual perspectives of frontline and management. In the frontlines of flight operations, maintenance, and ground handling, we are working hard daily to support the highest standards of safety and peace of mind. In the service frontlines, including cabins and airports, each and every employee is dedicated to delivering the best possible service to our customers. In order to meet the challenges and earnest attitude of these frontlines, we have once again strongly recognized that the responsibility placed on top management is to create an environment in which employees can work with a sincere sense of security. We will continue to take firm steps to improve the workplace environment.

In FY2024, we were able to increase both revenue and profit in all of our business segments and achieve our targets for sales revenue and EBIT of JPY 1,844.0 billion and JPY 172.4 billion, respectively, the highest since our re-listing, despite the challenging environment of a weak yen and high prices. We owe this achievement to the strength of each and every one of our employees who continued to take on challenges until the very end, and to all of our stakeholders who have supported us. I would like to express my sincere gratitude to all of you.

On the other hand, several flight safety-related incidents, including inappropriate alcohol-related incidents involving our cockpit crew, occurred in FY2024. We were subject to Administrative Guidance from the Ministry of Land, Infrastructure, Transport and Tourism. We sincerely apologize to our stakeholders for any concern and inconvenience this may have caused.

Although we have taken various measures in response to the Business Improvement Order to address the alcohol-related incident, we accept that the reasons for our failure to prevent a reoccurrence include lax monitoring by management, a lack of vigilance regarding alcohol risks, and insufficient dialogue and awareness to instill a culture of safety. With this reflection in mind, we have formulated and are steadily implementing 37 recurrence prevention measures, including system modifications, such as the automation of inspections. In addition, a Verification Committee was established. This committee is not only chaired by an outside director but the majority of its members are from outside the airline in order to objectively monitor the progress and effectiveness of the recurrence prevention measures and includes frontline inspections.

Forty years have passed since the Mt. Osutaka accident. The starting point of my safety policy is to “absolutely protect irreplaceable lives” as this accident occurred shortly after I started working as a cabin attendant. My desire for safety has been deeply engraved in my heart every time I climb the Mt. Osutaka ridge and after meeting and talking with the bereaved families. The JAL Group’s commitment to safety remains unchanged. We continue to ensure flight safety with sincere efforts for each and every flight.

## Progress of the Current Medium-Term Management Plan Results of the Current Medium-Term Management Plan Ending FY2025

Under the current Medium-Term Management Plan, which began in FY2021, we have been promoting business structure reforms under the concept of Recovery and Growth from the COVID-19 pandemic. ESG was our top-level strategy to diversify our business to move away from focusing only on our FSC business. These reforms are progressing well, and the EBIT ratio from businesses other than FSC has risen from the pre-COVID 30 percent to 40 percent in FY2024. Going forward, we will demonstrate our resilience and develop our growth potential by increasing the percentage and making our business structure less dependent only on the airline industry.

## Growth of New Businesses and Strengthening of Existing Areas

In the LCC business, which started with the COVID-19 pandemic, ZIPAIR, a new LCC business model using medium-sized aircraft in long-distance routes, became the world’s first trans-Pacific LCC, expanding its network to 10 destinations and growing to a 15 percent profit margin business. ZIPAIR offers unique services, such as full-flat seats and free Wi-Fi service, which are rare among LCCs. These services have been well received by our customers.

The Mileage / Finance and Commerce business has grown significantly as the core in the non-aviation domains as it offers various products and services based on mileage, such as payment, electricity, telecommunications, and FX. In 2024, we launched the Life Status Program, which allows customers to earn status by points earned throughout their lifetime. Many customers have taken advantage of this groundbreaking lifelong system, which has resulted in a significant increase in the number of miles issued.

As for the cargo business, in FY2024, we introduced three of our own

Please refer to p. 26 for details on “Toward Restoring Trust in Safety”

freighters for the first time in 13 years. We also utilized freighters belonging to other airline companies to build an agile supply system linking Asia, which is expected to grow, with Europe and the United States. In Japan, in cooperation with the Yamato Group, we operate Japan's first flying delivery service as a corporate citizenship activity to solve the shortage of truck drivers.

Airbus A350-1000, an aircraft that offers the best service in the world, was introduced in our international FSC business, our main growth driver, to fly to major cities in Europe and the United States. When I was Senior Vice President of the Customer Experience Division, I designed this aircraft under the concept, Design Your Story. This was developed under the spirit to have every customer enjoy a comfortable flight safely and with peace of mind regardless of their different needs and reasons for undertaking the journey. Since its launch in January 2024, the aircraft has been well received by many customers, who have experienced the hospitality of the cabin crew, inflight meals tailored to their needs, and a cabin that has been carefully designed to provide a sense of privacy in every corner. On the other hand, it is structurally difficult to generate profits in our domestic business. In addition to a decrease in demand caused by a shrinking population, costs have remained high due to the weak yen and high prices. The whole airline industry is facing this challenge. With the government, the entire industry is considering measures to improve profits in the domestic market. The JAL Group will also advance various initiatives to improve the profitability of domestic flights.



Airbus A350-1000

## Strengthening Financial Standing and Achieving EBIT Targets

Our basic financial policy is to strategically allocate management resources while maintaining both a strong financial position and high capital efficiency.

Although the COVID-19 pandemic caused the shareholders' equity ratio to periodically drop to around 30 percent, as of the end of FY2024, we have one of the world's strongest financial bases in the airline industry, with a shareholders' equity ratio of 41.1 percent and a net D/E ratio of minus 0.0 fold in terms of rating evaluation. In order to improve capital efficiency, we have been actively investing in growth areas through thorough management of revenue and expense plan by segment and by setting hurdle rates for each business. As a result, we are now in a position to forecast ROIC of 8.1 percent for FY2024, which is 9 percent of the planned figures in the Medium-Term Management Plan.

Our profit target of JPY 200 billion in EBIT for FY2025 will be achieved by steadily capturing external environmental factors such as the strong inbound demand for international flights and a recovery in demand for domestic flights, and by steadily implementing the business structure reforms that have been undertaken since the COVID-19 pandemic. We will also aim for our management target of an EBIT margin of 10 percent or more.

Regarding shareholder returns, we will maintain the dividend payout ratio of 35 percent for FY2024 and aim to increase dividends for FY2025, when we plan to increase profits. Going forward, we will strive to further enhance shareholder returns, including share buybacks, based on our financial strength and capital reserves.

## Growth Strategy for FY2026 and Beyond Intentions and Aims of the Growth Strategy for FY2026 and Beyond

Since the COVID-19 pandemic, the environment surrounding our existing business areas has been undergoing significant changes, including climate change, population decline, rising prices, yen depreciation, and an increase in inbound tourism, and the risks and opportunities we must address are also changing. Under these circumstances, we will view the social issues that will emerge in the future as opportunities to create new needs, and in the medium- to long-term, we intend to proactively create businesses in new domains from the viewpoint of social issues.

Based on this recognition, we have decided to present the direction of

Please refer to p. 34  
for details on  
"Financial Strategy"

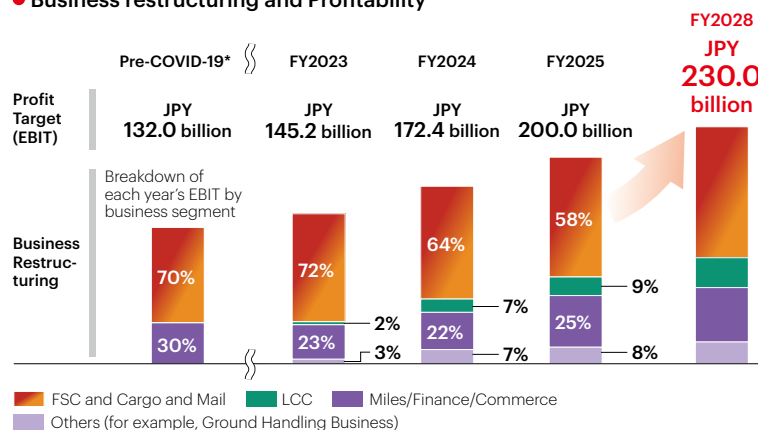
our growth strategy for FY2026 and beyond at this time in order to realize a steady and quick growth.

## Deepening Business Structural Reforms in Existing Businesses and Future Business Portfolio Goals

In our existing business areas, we will work to deepen our business structural reforms, focusing on the key themes of Growth of International Routes, Improving Profitability of Domestic Routes, Improving Productivity, and Growth of the Mileage, Lifestyle and Infrastructure Business.

With regard to domestic routes in the FSC business, we will improve profitability by optimizing the scale through supply-demand matching and improving efficiency through productivity enhancement. On the other hand, we will allocate resources and aggressively promote investments in the international FSC business, Cargo and Mail operations, and LCC business, which have high growth potential, and non-aviation domains such as Mileage / Finance and Commerce, which have high capital efficiency. By doing so, we will build a business portfolio that generates half of its profits from LCC business and non-aviation domains such as Mileage / Finance and Commerce, thereby achieving an EBIT of JPY 230 billion in FY2028 and beyond to enhance corporate value over the medium to long term.

### ● Business restructuring and Profitability



\* Before COVID-19 pandemic: FY2019 results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of the announcement of FY2019Q3 financial results (IFRS))

In addition, we will proactively create businesses in new areas, viewing social issues such as adaptation to global environmental changes, regional decline, and population decrease as opportunities to create new needs. For example, in the area of air mobility, we will contribute to solving regional issues by using drones to quickly deliver medical supplies and daily necessities to people living on outlying islands as part of our community-based efforts. Furthermore, we are also working on the practical application of eVTOLs (Electric Vertical Take-off and Landing), which are capable of transporting not only goods but also people, with the aim of commercial operation after 2027 to help solve regional issues and promote social development.

## Increasing the Total Amount of Relationships and Societal Connections by 1.5 Times by 2030

With the progress of digitalization and population decrease, the future of the people and goods in Japan will deteriorate if nothing is done. The JAL Group will not sit idly but will expand its own role in promoting the attractiveness of Japan's regions and creating a purpose for people's travel, thereby revitalizing Japan's regions and enriching people's lives.

To achieve this goal, we have set a target of increasing the total amount of relationships and societal connections by 1.5 times by 2030 by improving the number of non-resident population and the degree of involvement with the communities. To increase the relationships and societal connections, we will increase the number of people by expanding accessible tours and tourism that allow everyone to move freely. To increase the level of involvement, we will work to create a system to build communities and places to stay. Last year, we created a JAL FUTURE MAP, a depiction of our future image, in order to promote understanding of our initiatives in building relationships and societal connections among various people both inside and outside the airline company, and to further promote our activities. Going forward, we hope that more people not only in Japan but all over the world will enjoy air transportation. The JAL Group is ready to contribute to air transportation that makes everyone including those around them happy and enriches the community.

## JAL's ESG Strategy

In order to sustainably develop our business and continue providing products and services to our customers, the JAL Group must maintain and strengthen Natural Capital and Human Capital.

Please refer to p. 31 for details on "Direction of Growth in FY2026 and Beyond"

## **GX Strategy and Various Initiatives to Conserve Natural Capital**

The optimization of Natural Capital and the conservation of biodiversity are becoming increasingly important in continuing economic activities. It is also becoming a global standard. In the airline business, the impact on business is enormous, including infectious disease pandemics, loss of natural tourism resources and total passengers due to changes in the ecosystem, difficulties in flying or the inability to use operating airports due to natural disasters caused by climate change.

As a goal of the GX Strategy, the JAL Group is the first airline company in Japan to declare net zero CO<sub>2</sub> emissions by 2050. By FY2030, we will renew approximately three fourths of our aircraft fleet to fuel-efficient aircraft. In addition, sustainable aviation fuel (SAF) was mass-produced domestically for the first time in 2025 to replace 10 percent of all on-board fuel by FY2030 while being aware that the stable procurement and price of SAF remains an issue. We will work with our partners and stakeholders across industries to increase SAF production and procure in affordable price. We will also work to procure the credits necessary to achieve our goals and to promote the introduction of new next-generation technologies, such as removal of CO<sub>2</sub>.



Going forward, we hope that more people not only in Japan but all over the world will enjoy air transportation.

The JAL Group is committed to contributing to air transportation that makes everyone including those around them happy and enriches the community.

## **Strengthening Human Capital, the JAL Group's Greatest Strength**

The strength of the JAL Group's Human Capital is that all employees make decisions and take actions rooted in a common set of values focused on JAL Philosophy. We believe this is a strength that will not change in the future. On the other hand, we must deepen our business structural reforms as the business environment is undergoing significant changes, including a rapidly aging society with a declining birthrate, climate change, and continuous price hikes. As the environment surrounding us is likely to change drastically in the future, we believe it is important for each and every employee to create new added value. To this end, we will work on improving productivity and optimizing human resource portfolio.

To improve productivity, we will advance the value creation of each employee in our DX strategy particularly in the use of AI and data. As DX advances, there are tasks that can only be done by humans. By making use of the human resources, the greatest ability of the JAL Group, we will simultaneously increase the value of information technology and human resources. With regard to optimizing the human resource portfolio, we will continue to promote diversity in terms of attributes such as gender, nationality, age, and disabilities, under the so-called diversity, equity and inclusion (DEI). An environment will be made where our employees can demonstrate their diverse skills and values without being bound by past customs and precedents. In order

Please refer to p. 10  
for details on  
"JAL FUTURE MAP"

to promote the transformation of our business portfolio to one that is not solely dependent on our airline business, we will visualize the necessary skill sets, strengthen the education and development of our internal human resources, as well as actively recruit experienced and skilled human resources that are essential for new business growth from outside the airline company. In human resource management, I place particular emphasis on increasing employee engagement. To this end, we will provide opportunities for personal growth, create an environment in which employees can take on the challenge of creating new value, and continuously give back to our employees.

### Message to Stakeholders

Through dialogue with our stakeholders over the past year, I have been reminded that while all things, information, and even personal feelings are connected digitally, there is also a renewed appreciation for the benefits of being real and having analog properties. I also realized that even in a rapidly changing environment, real encounters and connections can create authentic experiences and emotions that tickle the senses.

There are many employees in the JAL Group who enjoy their work and find it rewarding, transforming their ideas and thoughts into reality through their own ingenuity. We aim to increase the number of such employees and become an airline group that can deliver joy and richness of life to our stakeholders while accompanying them in their lives.

The JAL Group will continue to be an airline company that is needed by society and that lives together with society, solving social issues and realizing social sustainability and well-being by building relationships and societal connections.

We sincerely ask for your continued warm support.



The JAL FUTURE MAP has been created with the aim of helping people inside and outside the company understand the efforts to realize the “building of relationships and societal connections”, and to further promote these efforts. 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.

