

1

Significance of the JAL Group

About This Chapter

- Business Model that Leverages the Strengths Cultivated Since our Founding Value Creation Process
- Challenges and Measures to Strengthen our Operating Capital Strengthening Management Capital
- Our Key Issues Materiality
- Cultivating Social and Economic Value by Creating Relationships and Societal Connections
- Our Precious Values

Contents

A Timeline of Embracing Challenges	12
Business Overview	14
Value Creation Process	15
Creating Value by Building Relationships and Societal Connections	16
Strengthening Operating Capital	18
Materiality of the JAL Group's Initiatives	19
Our True Values	23



A Timeline of Embracing Challenges

12

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 air transport people and goods and create relationships and societal connections.

1951 Established

1950s

Japan Airlines was founded.
In the midst of postwar reconstruction, a new wing of Japan creates new connections with the world.

- FSC** 1951 Started domestic flights
- FSC** 1954 Started scheduled international flights for the first time after the war (Tokyo=Honolulu=San Francisco) (Image ①)
- FSC** 1954 Started inflight services on international flights based on Japanese traditional culture, such as wearing kimono, distributing hand towels and fans
- FSC** 1957 Operated Aurora, a discount late-night domestic flight (Tokyo-Sapporo)



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 Boeing 747 jumbo jet enters service
- FSC** 1970 Started new inflight services such as movies and audio services.
- Cargo** 1972 Transported giant pandas from China
- 1978 Narita Airport opened (Image ④)



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 Launch of CONTRAIL Project
- Mileage, Lifestyle and Infrastructure** 1993 Introduced the Frequent Flyer Program for international flights
- FSC** 1998 Introduced video-on-demand personal screens in First Class and Executive Class (now Business Class)
- FSC** 1999 Smoking is banned on all international flights

1960s

The era of jet airplanes.
The JAL Group is instrumental in building societal connections between Japan and the rest of the world by launching package tours and round-the-world routes.

- FSC** 1960 The first jet plane, the Douglas DC-8, entered service (Image ②)
- FSC** 1961 First scheduled flight on a northbound route to Europe (Image ③)
- Mileage, Lifestyle and Infrastructure** 1965 Against a background of air transport liberalization, the first JALPAK packaged tour departed
- FSC** 1967 Round-the-world route opened, becoming Japan's Wings Linking the World



1980s

JAL was ranked first in the world in scheduled international flights.
A new JAL emerged after complete privatization.

- Mileage, Lifestyle and Infrastructure** 1982 JAL Card issued
- FSC** 1983 Ranked first in the world in passenger traffic data and cargo traffic data by the International Air Transport Association (IATA) (No.1 in the world for five consecutive years until 1987)
- FSC** 1986 JAL began direct European routes on the Tokyo (Narita)-Paris route, the world's first flight via trans-Siberian airspace
- 1987 Full privatization of the airline

2000s

JAL and JAS integrated business and became a oneworld member aiming to further improve customer convenience and competitiveness.

- Intellectual Capital** 2002 Introduced Japan's first automatic check-in machines for international flights
- 2004 Full integration with Japan Air System (JAS) (Image ⑤)
- FSC** 2004 Introduced Class J, a new class for domestic flights
- Intellectual Capital** 2005 Launched Touch & Go, an IC check-in service at major airports in Japan (Image ⑥)
- FSC** 2007 Joined oneworld airline alliance, one of the world's largest airline alliances



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.

- FSC **2010** Filed for corporate reorganization proceedings
- FSC **2010** On-time arrival rate ranked first among the world's major airlines in Flightstats (also ranked first in 2011) (Image 7)
- FSC **2012** Launched JAL SKY Wi-Fi, an inflight Wi-Fi service on international flights (Image 8)
- 2012** Re-listed on the Tokyo Stock Exchange
- FSC **2013** SKY SUITE 777 launched on the Narita-London route
- Intellectual Capital **2014** Launched JAL SKY NEXT, a new domestic products and services (Image 9)
- Intellectual Capital **2017** Passenger service system (PSS) is revamped. Migrated to Amadeus' Altea
- FSC **2018** Certified as SKYTRAX "5 Star" (thereafter, 7 consecutive years until 2024) (Image 10)
- LCC **2019** Launch of ZIPAIR, an international medium-haul LCC



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.

- Intellectual Capital **2020** "JAL SMART AIRPORT" started (efficient and comfortable self-service through the use of the latest technology) (Image 11)
- LCC **2021** Acquired SPRING JAPAN to launch JAL's LCC strategy based in Narita
- Natural Capital **2022** Operated the first flight in Japan with net zero CO₂ emissions on the Tokyo-Okinawa route
- FSC **2023** The only Japanese airline to receive APEX WORLD CLASS award for the third consecutive year
- FSC **2023** Launch of specially painted "JAL Myakumyaku JET" (Image 12)
- FSC **2024** Introduced Airbus A350-1000
- Mileage, Lifestyle and Infrastructure **2024** Launch of JAL Life Status Program
- Cargo **2024** Boeing 767-300ER launched as a freighter (Image 13)
- 2025** Opend Sora Cruise an immersive theater at EXPO 2025 OSAKA, KANSAI



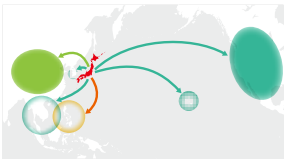
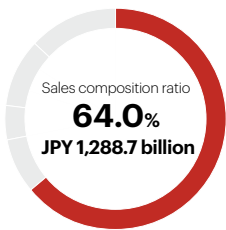
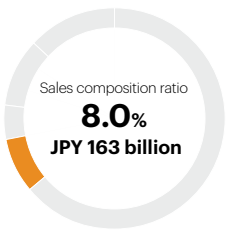
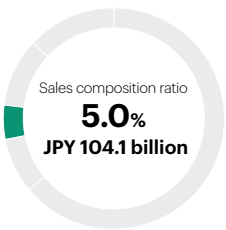
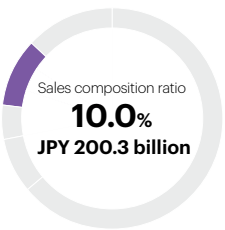
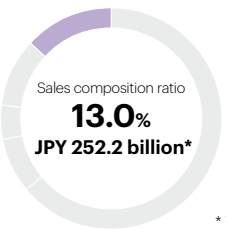
First flight of the first specially painted aircraft JAL Myakumyaku JET

Contributing to
the air transportation
of People
and Goods

Become the World's Most Preferred and Valued Airline Group

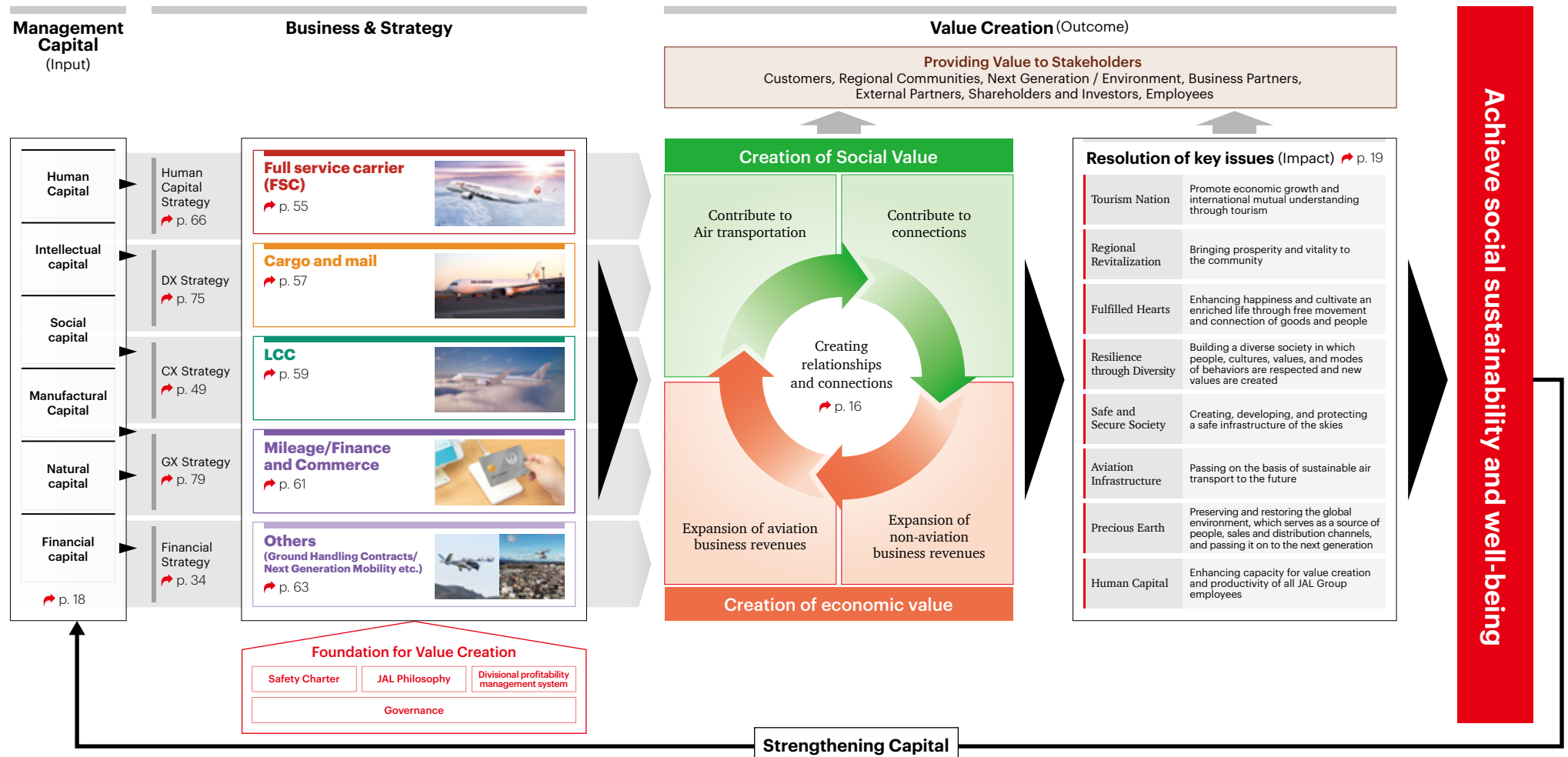
Contributing to
the Societal
Connections
of People
and Goods



Aviation Business			Non-Aviation Business		
Supporting the movement of people and goods			Supporting the Connection of People and Goods		
	Full-service carrier (FSC)	Cargo and Mail	Low-cost carrier (LCC)	Mileage/ Finance and Commerce	Others
					Ground Handling Contracts  Next Generation Mobility 
Businesses	Maintain and expand network while reducing environmental impact by introducing fuel-efficient aircrafts and creating a relevant population	Solving issues in the logistics industry by leveraging the advantages of route network to create a sustainable logistics network	Creating new human flow through agile business development in response to the market	Providing various mileage lifestyle services that create new connections	Contributing to the development and revitalization of the country and region by creating inbound human flow through the acceptance of overseas airlines
Strengths Characteristics	Number of airports served - Domestic: 64 airports - International: 395 airports Revenue Passenger Kilometers (RPK) - Domestic: 27,666,782 thousand passenger-kilometers - International: 41,916,185 thousand passenger-kilometers Number of airline partners: - 39 airlines (total of domestic and international)	Revenue cargo tonne-km - Domestic: 305,220 kilotonnes-km - International: 2,767,480 kilotonnes-km	- Number of aircraft: 14 aircraft - Number of routes: 19 routes (excluding Jetstar Japan and cargo flights)	- Number of JMB members (cumulative): Approximately 40 million members - JALUX revenue: JPY 39.3 billion	Number of flights by overseas airlines - Passenger flights: 78,000 flights - Cargo: 5,000 flights - Commercialization of an outlying islands logistics model to support island life (Amami Setouchi Town) - Establishment of eVTOL operators - Expansion of JAL MaaS
Sales Revenue Composition	 Sales composition ratio 64.0% JPY 1,288.7 billion	 Sales composition ratio 8.0% JPY 163 billion	 Sales composition ratio 5.0% JPY 104.1 billion	 Sales composition ratio 10.0% JPY 200.3 billion	 Sales composition ratio 13.0% JPY 252.2 billion* * Travel, consignment, etc.
Major Brands	JAPAN AIRLINES J-AIR JAPAN AIR COMMUTER HOKKAIDO AIR SYSTEM JAPAN TRANSOCEAN AIR RYUKYU AIR COMMUTER	JAL CARGO	ZIPAIR SPRING JAPAN Jetstar	JAL Mall JAL Pay JAL MILEAGE BANK JAL CARD	JAPAN AIRLINES JAL DRONE JAL AIR TAXI JAL MaaS Sonic

Value Creation Process

Since its founding, the JAL Group has leveraged the management capital it has cultivated and built its business activities across various domains on the foundation of its core values. By creating relationships and connections through air transportation, we will continuously generate social and economic value. Through this process, we will work to strengthen our capitals and enhance corporate value, while addressing materiality to achieve social sustainability and wellbeing.



Creation of social and economic value through “creation of relationships and societal connections”

**Total amount of relationships and societal connections
By 2030, 1.5 times the 2023 level**

Expansion of the number of non-resident population^{*4}

Indicators
Number of JMB members who traveled to the same destination by air at least twice a year.

Increased level of community involvement

Indicators
Average number of trips to the same destination by the non-resident population

Increasing the number of people

Everyone can travel freely

- Fly Again (revisit hometowns and other places of memories)



- Accessible tours

Creating air transportation for young people

- Creating air transportation through various promotions

Inbound and regional visitors

- Adventure tours
- Ground handling contracts

Increasing the number of new travel alternatives

- Go Somewhere with Miles
- LCC network

Deepening your involvement

Creating a community and place to be

- Travel Academy
- Promote bi-regional living

Creating regional brands

- Matching platforms connecting regions and cities
- Educational programs to solve regional problems

Expanding transportation network

- Cooperation with regional transportation
- eVTOL/drone logistics

Protecting nature and culture

- Sustainable tourism based on international standards
- Town planning in remote islands

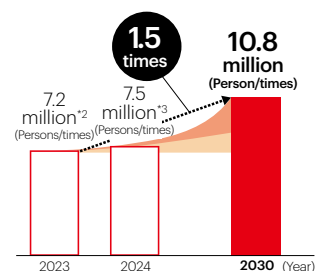
Creating Value by Building Relationships and Societal Connections

The JAL Group has positioned ESG strategies as its top-level strategy. By crossing “relationships and societal connections” utilizing social and relational capital with local communities and customers, and diverse assets consisting of airline and non-aviation assets, we will create and expand new relationships such as people-to-people and people-to-region relationships, and transform encounters, discoveries, and sympathetic experiences brought about by air transportation into value.

As a result, we will work to realize a sustainable business model that creates both social and economic value by improving people’s well-being and revitalizing local communities.

• Expansion of total amount of relationships and societal connections^{*1}

- Initiatives to deepening your involvement
- Initiatives to increasing the number of people



^{*1} Recalculate the total amount of relationships and societal connections presented in Rolling Plan 2024 by reviewing the aggregation logic (e.g., recapturing departure points, counting itineraries that pass through multiple locations)

^{*2} 1.32 million x approx. 5.4 times = 7.2 million

^{*3} 1.40 million x approx. 5.4 times = 7.5 million

Research cooperation: University of Tsukuba

^{*4} The definition for the term “non-resident population” refers to people who are not migrants, tourists, or mere returnees, but who are involved in a continuous and diverse way with a specific region outside of their daily living or commuting area and contribute to solving regional issues.

Please visit the JAL FUTURE MAP special website and watch the concept movie, which depicts the future of creating relationships and societal connections through air transportation.

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

Concept Movie <https://youtu.be/NP944-lAmOU?si=8KibpTOvNs5f3xsq>

Initiative to Increase the Number of People

Sister City Partnership Linking Japan and Hawaii



In March 2025, The JAL Group and the Japan-America Society of Hawaii signed a Partnership Collaboration Agreement to host the 2nd Hawaii - Japan Sister City Summit in May 2026. Since JAL started its Hawaii service in 1954, exchanges between the two countries have continued for over 70 years and this partnership was signed based on the common goal of strengthening the relationship and exchange between Japan and Hawaii by both parties, and JAL, as the secretariat in Japan, will support the strengthening and expansion of sister city ties by connecting local governments and Hawaii. We will work to deepen the cultural, economic, and social ties between the two regions and further expand exchanges.

● For more information

<https://press.jal.co.jp/ja/release/202503/008687.html>



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Let's go somewhere with miles! Go somewhere with miles



The "Go somewhere with miles" program allows you to redeem a round-trip domestic award ticket for a flat rate of 7,000 miles, instead of the 9,000 to 21,000 miles required for a standard award ticket (in the case of base miles). By going to destinations chosen at random from among four potential destinations, you can enjoy a different kind of exciting travel encounter and a journey of discovery created by chance. A total of 710,000 customers have used the service since its launch. We will continue to contribute to regional revitalization by expanding travel opportunities for customers and creating new connections between customers and local communities.

● For more information

<https://www.jal.co.jp/jp/ja/jmb/dokokani/>
(Japanese only)



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FFP Planning Group

Examples of Initiatives to Deepen Involvement

Connecting with the community. Change the way you live. Travel Academy



The "Travel Academy" is the first concrete initiative in the "JAL FUTURE MAP," a future vision of creating "relationships and connections through air transportation" announced by the The JAL Group in August 2024. The program provides an opportunity to think about a better way of life and well-being by learning from people who practice a "rich way of life" in local communities in Japan and abroad, and by visiting actual places and "encountering and connecting" with them.

By connecting with local people and like-minded colleagues, we aim to create a community and a place where participants can find hints for a richer life and want to return again and again.

● For more information

<https://www.jal.co.jp/jp/ja/tour/jal-academy/>
(Japanese only)



NIWA Yukiko
JALPAK CO.,LTD
New Business Incubation
Department
New Business Product
Creation Group

A Platform for Connecting with Local Communities "JAL FURUSATO Musubi"



"JAL FURUSATO (hometown) Musubi" is a digital bulletin board service that posts information to attract visitors to local communities and to recruit talent, intended for people who wish to tackle regional issues while continuing to live in urban areas without fully relocating, those who want to start dual residency, and those who seek friendly interaction with local communities.

Local governments and local businesses act as exhibitors, posting information on regional experiences to improve the brand value of the region and a variety of human resource recruitment information. We will help customers deepen their connection with the region through the excitement of encountering beautiful nature and warm-hearted people.

● For more information

<https://furumusui.jal.co.jp>
(Japanese only)



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Connection Creation
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Strengthening Operating Capital

1. Significance of the JAL Group

18

Main Capital	Aim	Input	Issues to be addressed to realize the vision	Specific measures to strengthen issues	Medium- to Long-Term Goals KPI	Actual results in 2024	Targets for 2025
Human Capital	Human resources who respect diverse values, take on the challenges of creating new values, and initiate change	- Professional employees with high productivity and value creation skills - Diversity emerging from innovation - Highly engaged employees	- Develop one's ability - Increase diversity - Expand your sphere of activity - Gain knowledge - Foundational Initiatives - Support Individual Growth and Organization to Maximize Individual Strength	- Expansion of secondment and dispatch to inside and outside of the Group, and dispatch of young employees to overseas and outside of the company - Expansion of performance-based remuneration system - Women's advancement in the workplace - Employment of non-Japanese living in Japan and expansion of dispatch of national staff to Japan - Improvement of employment of people with disabilities - Introduction of a system to promote young employees at an early stage - Internal and external transfers through open recruitment - Promotion of senior employees - Expansion of career recruitment - Introduction of highly specialized human resources system - Expansion of DX human resource development program - Cultivation of leaders who embody JAL Philosophy - Promotion of health and productivity management	- Number of employees - Sales per employee - Number of female managers - Percentage of highly engaged employees - Internal transfers through open recruitment - Percentage of organizational managers participating in Leader's Workshop Note: KPIs for detailed measures are on p. 70	38,433 persons 20% (vs. FY2019) 31.5% 58.1% 100 persons/year 99.4%	38,100 persons 38% (vs. FY2019 ^{*)} 30% or more 65% 100 persons/year 100%
Intellectual Capital	Know-how to improve CX/EX and create new value	- Regulations and manuals to ensure flight safety - IT system to realize high quality and DX in aviation domain	- Improvement of safety management system and safety culture - Fostering DX culture to promote DX - Close cooperation and co-creation between Digital Department and Administration Department - Development and strategic allocation of digital human resources with expertise and business understanding	- Enhancement of flight safety by utilizing digital technology - Responding to various environmental changes surrounding aviation - Establishment of a new company that brings together DX human resources - Development of AI-Centre platform concept^{*)} - Promoting business support and applying AI in business by JAL-AI, a generative AI - Expansion of DX human resource development program	Number of DX training participants	214 persons	900 persons
Social Capital	- Networks that increase connections with air transportation - Partnerships that work together to solve social issues - Customer base that spans airline and non-aviation businesses	- Airline partnerships - Collaboration with local communities and business partners - Number of JAL Mileage Bank members	- Business growth through strengthened collaboration with outside partners - Expanding customer base and strengthen relationships with customers	- Expansion and deepening of airline and non-aviation partnerships, route network expansion - Strengthen collaboration with local governments and exchange of human resources - Development of JAL Life Status program	- Total amount of relationships and societal connections - Airline partnerships - Number of cities with which JAL has comprehensive cooperation agreements - Number of partner schools - Number of JAL Mileage Bank members (total)	7.5 million persons/times 39 airlines 54 cities 34 schools Approx. 40 million	765 million persons/times Strengthening collaboration Strengthening collaboration Strengthening collaboration Increase in membership
Manufacturing Capital	Introduction of aircraft to support growth and renewal of fuel-efficient aircraft	- Number of aircraft owned by JAL Group - Fuel-efficient aircraft	Aircraft strategy linked to business needs	- Increasing ratio of large aircraft on international routes - Increasing ratio of small aircraft on domestic routes - Utilization of own and other companies freighters - Increasing ratio of fuel-efficient aircraft	- Number of aircraft in fleet - Proportion of fuel-efficient aircraft	9 aircraft types, 232 aircraft 86%	9 aircraft types, 234 aircraft 86%
Natural Capital	Precious earth / Realization of circular economy	- Fossil fuel-based aviation fuel - Tourism resources (such as living organisms, forests, soil, water, and atmosphere) - Environmentally friendly resource	- Addressing climate change/ Realization of a circular economy - Biodiversity conservation - Effective use of limited resources	- Increasing the ratio of fuel-efficient aircraft - Measures to improve daily flight operations - Utilization of SAF and initiatives related to domestic SAF - Utilization of carbon credits - Funding for companies with new technologies for removal of CO₂ - Biodiversity conservation activities in priority areas in Japan and overseas - Reduction of single-use plastics	- Reduction of CO₂ emissions - Reduction of single-use plastics Note: KPIs for detailed measures are on p. 87, p. 96	9.69 million tonnes Cabins and lounges: 96% of "new petroleum-based" plastics eliminated Cargo & Airports: 92% shift to eco-friendly materials contained ^{*)}	Less than 9.21 million tonnes Cabins and lounges: Total elimination Cargo and airports: 100% switch
Financial Capital	Enhancing corporate value through the strategic allocation of management resources, while maintaining a robust financial base and high capital efficiency	Initiatives to enhance corporate valueThe logic tree for enhancing corporate value is on p. 34.	- Improving profitability and capital efficiency - Achieving an optimal capital structure - Cost of capital and business risk - Improving growth expectations	- Segmental income/expense management and asset efficiency improvement - Maintaining financial soundness with a target rating of mid-A - Balancing and agile shareholder returns - Optimization of financing methods - Continuation of business restructuring - Allocation of management resources to growth areas - Strengthen communication of growth strategy and careful dialogue with capital markets	- EBIT Margin - Return on Invested Capital (ROIC) - Equity Ratio - Shareholder return	9.4% 8.1% 41.1% (on credit rating) Dividend payout ratio: 35.1%	10% or more 9% above WACC Approx. 50% (based on credit rating) Dividend payout ratio: Aiming about 35-50%

*1 This figure is the target value set as of April 2024; from 2025, in light of the promotion of diverse workstyles, the concept of "value added per hour" rather than "per capita" will be introduced as a productivity indicator.

*2 A system in which distributed data and business systems are mutually linked, with AI at the center. *3 Items that do not use new or reduced petroleum-based raw materials such as biomass, recycled plastic, and certified paper

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 businesses. We aim to achieve medium- to long-term growth through these materiality initiatives.

★: Top Priority Issues in the Medium-Term Management Plan

Materiality		Risks and Opportunities		Indicators measuring social value: Targets for FY2025	Indicators for measuring economic value: Targets for FY2025	Related Pages
Tourism Nation	Promoting economic growth and international mutual understanding through tourism	Risks	- Reduction in flow of people, goods and logistics due to depopulation of regions, and stagnations in regional economy involving decrease in population and sluggish growth in inbound tourism - Shortage of workers in the tourism and aviation industries due to labor shortages caused by the declining birthrate and aging population - So-called overtourism problems, such as the impact on the lives of community residents due to crowds and bad manners by tourists, and the decline in traveler satisfaction	- Increase in the number of people moving and the level of involvement Total amount of relationships and societal connections Target for CY25 7.65 million people/times FY2024 result: 7.5 million people/times. - Regional Revitalization Domestic total passengers +10% compared to FY2019 Management targets FY2024 result: +3% - Inbound expansion Inbound tourists to Japan using domestic flights 1,505,000 people FY2024 result: 1,161,000 people - Expansion of regional product distribution Domestic cargo volume +10% compared to FY2019 FY2024 result: -8% - Increase in the number of partnership municipalities related to travel Number of JAL Wellness & Travel partnerships: 10 municipalities FY2024 result: 9 municipalities	- Expansion of air travel and total passengers Domestic total passengers +10% compared to FY2019 Management targets FY2024 result: +3% - Inbound tourists to Japan using domestic flights 1,505,000 people FY2024 result: 1,161,000 people - Increase in transportation of local products Domestic cargo volume +10% compared to FY2019 Management targets FY2024 result: -8% - Increase in contracted number of flights Number of contracted flights operated by customer airlines: 94 thousand flights FY2024 result: 82 thousand flights - Promotion of new tourism Number of JAL Wellness & Travel partners: 10 municipalities FY2024 result: 9 municipalities - Expansion of mile life service users Total number of Go Somewhere with Miles users 810,000 people FY2024 result: 710,000 people	p. 16
★ Regional Revitalization	Bringing prosperity and vitality to the community	Opportunities	- Revitalization of local economies and expansion of employment opportunities by creating new flow of people, goods and logistics, through tourism - Expansion of business opportunities and employment opportunities through the discovery and propagation of attractions in Japan by people around the world			
Fulfilled Hearts	Enhancing happiness and cultivate an enriched life through free movement and connection of goods and people	Risks	Decreased opportunities for air transportation due to weakened ties with local communities and worsening social isolation and loneliness	- Respect for human rights Implementation ratio of human rights due diligence 100 percent FY2024 result: 100% - Barrier-free and stress-free Boarding rate of customers who find it difficult to travel: 2.5 times compared to FY2019 FY2024 result: 2.3 times	Expansion of air travel in total passengers Boarding rate of customers who find it difficult to travel: 2.5 times compared to FY2019 FY2024 result: 2.3 times	p. 117
Resilience Through Diversity	Building a diverse society in which people, cultures, values, and modes of behaviors are respected and new values are created	Opportunities	- Expansion of travel opportunities for a wide range of customers, including those who find it difficult to travel - Creation of diverse value in business through human resources with diverse values			

★: Top Priority Issues in the Medium-Term Management Plan

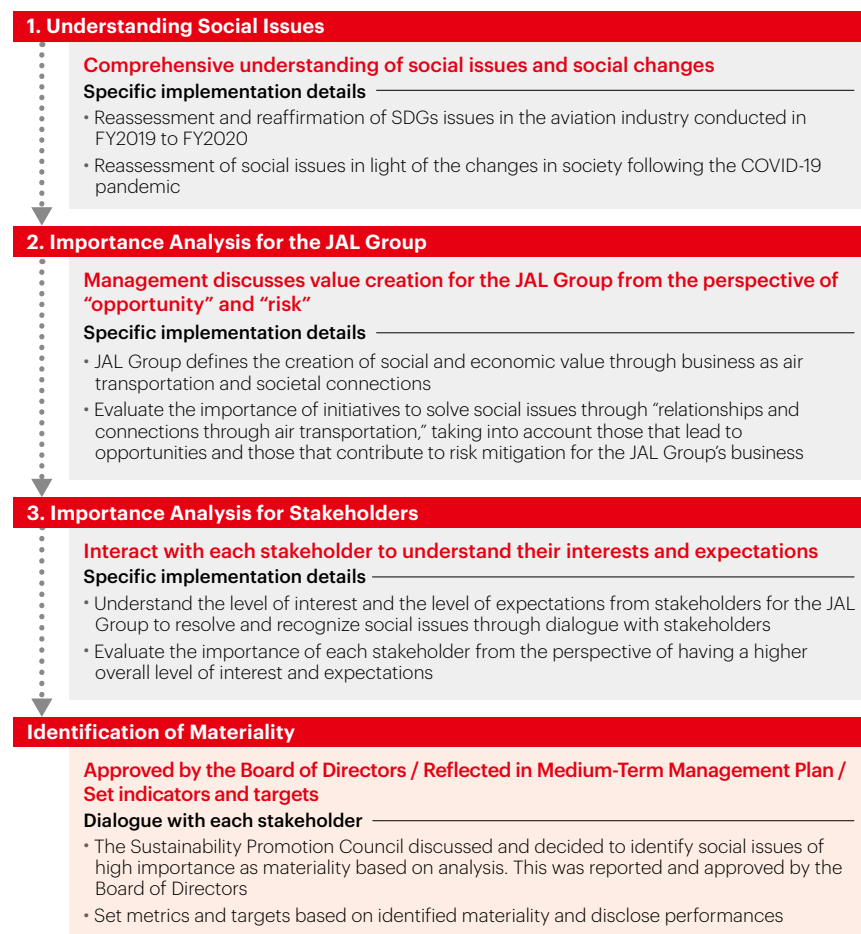
Materiality		Risks and Opportunities	Indicators measuring social value: Targets for FY2025	Indicators for measuring economic value: Targets for FY2025	Related Pages
Safe and Secure Society	Creating, developing, and protecting a safe infrastructure of the skies	Risks - Shift away from air travel if the foundations of aviation safety and security are not maintained - Delays in social implementation due to delays in technological development and lack of social acceptance of next-generation air mobility	Building a foundation for next-generation air mobility FY2026: eVTOL commercialization FY2024 result: Establishment of eVTOL operation company completed	Commercialization of air mobility services FY2026: eVTOL commercialization FY2024 result: Establishment of eVTOL operation company completed	 p. 23·p. 64
		Opportunities - Improving people's mobility and lifestyle through new infrastructure to replace aging infrastructure - Providing next-generation transportation and air transportation infrastructure tailored to local needs			
Aviation Infrastructure	Passing on the basis of sustainable air transport to the future	Risks Shrinkage of airline and logistics network and decline in sustainability of aviation due to declining revenues resulting from population decline and energy issues, among others	Maintenance and expansion of aviation and logistics networks More than 65 domestic entry points including code share FY2024 result: 64 points	Expansion of total air passengers/travelers and cargo traffic Domestic total passengers +10% compared to FY2019 Domestic cargo volume +10% compared to FY2019 FY2024 result: Domestic total passengers: +3% Domestic cargo volume: -8%	 p. 55
		Opportunities - Continued strong inbound demand growth - Expansion of business opportunities by promoting the interaction of people, economy, and culture through air transportation network expansion between world and Japan, and the region			
★ 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	Risks - Decrease in total passengers due to extreme weather and climate disasters - Increased environmental costs due to tighter CO2 emission regulations in each country - Loss of natural tourism resources and decrease in passengers due to ecological changes	Reduction of CO2 emissions Less than 9.21 million tonnes of emissions (less than FY2019) Management targets FY2024 result: 9.69 million tonnes	Reduction of CO2 emissions JCSP Total number of contracted companies: 15 companies FY2024 result: 12 companies	 p. 79
		Opportunities - Reduction of environmental costs through innovations in operations, introduction of fuel-efficient aircraft, use of SAF, etc., and increased preference by offering environmentally friendly products and services - Creation of the flow of people by preserving and experiencing nature, and the flow of goods and logistics by providing food and merchandise that are the product of a rich ecosystem			
★ Human Capital	Enhancing capacity for value creation and productivity of all JAL Group employees	Risks - Decline in employee engagement and labor productivity and outflow of human capital if appropriate measures are not taken - Decline in the sustainability business due to difficulty in securing human capital as a result of the declining population in Japan	Improving the ability to create social value Percentage of highly engaged employees: 64.4% FY2024 result: 58.1%	Improvement of employee engagement Percentage of highly engaged employees: 64.4% FY2024 result: 58.1%	 p. 66
		Opportunities Increased employee engagement, labor productivity, and human capital by creating a work environment that is physically and mentally healthy, safe, and rewarding to work in			
			Empowering Diverse Talent Ratio of female managers: 30% Management targets FY2024 result: 31.5%	Empowering Diverse Talent Ratio of female managers: 30% Management targets FY2024 result: 31.5%	
			Improving the ability to create economic value Sales per capita: +38% compared to FY2029 FY2024 result: +20%	Improving the ability to create economic value Sales per capita: +38% compared to FY2029 FY2024 result: +20%	

Process of Identifying Materiality

Starting from a comprehensive understanding of social issues, the JAL Group analyzes risks and opportunities from a sustainability perspective, and continuously revises its materiality based on opinions and expectations of external stakeholders.

In 2023, we shifted from the previous materiality, which was based on the assumption that we would work primarily in the aviation business to achieve the 17 Goals and 169 Targets of the SDGs, to a new materiality that is linked to economic value creation in all JAL Group business areas, not just aviation, in light of new-normal environmental changes and market changes. In addition, we have reorganized into eight materialities that take into account of the impact of our business on society in terms of both risks and opportunities.

We will continue to promote the penetration of materiality within the company and realize value creation by promoting initiatives to address these issues.



Materiality reorganization for 2023

Materialities were identified by analyzing the degree of impact (risks and opportunities) to society and to JAL through our business, importance to management, importance to outside stakeholders based on various domestic and international standards and industry targets, trends in the international community, and stakeholder expectations. 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 Professor KANIE Norichika, Professor at Keio University Graduate School and a leading expert in SDGs research, and the board members during the materiality review process. In the dialogue held in January 2025, Professor Kanie spoke about the current status of the SDGs, the changes needed to achieve them, and how to advance the Beyond SDGs discussion as a global trend of the SDGs and pointed out the importance of collaboration among companies and sectors in advancing sustainability initiatives. He also pointed out that the SDGs are a good tool for considering social issues that the JAL Group should address, and gave valuable suggestions on how business opportunities are contained in social issues.



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.

At the JAL Group, materiality identification and other important issues related to sustainability 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 or Rolling Plan for each fiscal year, and is considered in the Medium-Term and Long-Term periods. In addition, materiality itself is confirmed every fiscal year.

Overall Sustainability Governance

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

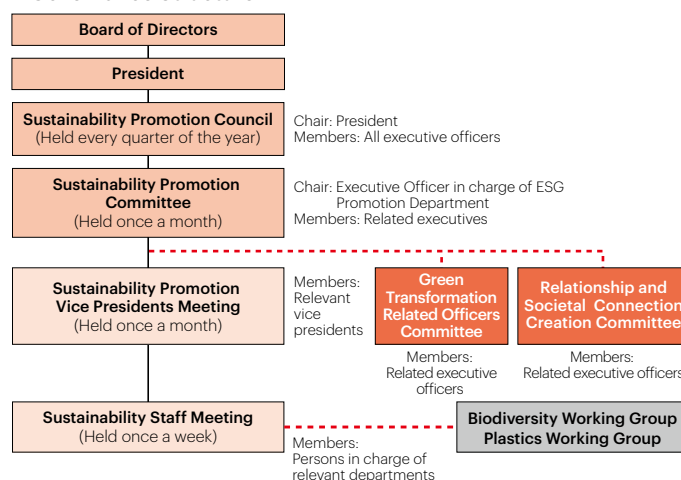
- Determine important issues and annual targets for sustainability initiatives, and monitor and evaluate the progress
- Determine risks and opportunities for climate change
- Monitor and evaluate Environmental Management System (EMS)
- Monitor and evaluate human rights due diligence

The Sustainability Promotion Committee (chaired by Executive Officer in charge of ESG Promotion Department), a meeting body under the Sustainability Promotion Council, meets monthly to confirm and discuss the progress of initiatives.

In FY2024, the Board of Directors have met three times to discuss the disclosure of Task Force on Climate-related Financial Disclosures (TCFD) / Task Force on Nature-related Financial Disclosures (TNFD), Dow Jones Best-in-Class Indices evaluation results and review, ESG evaluation summary, and addition/revision of targets, and the like.

In addition, the Green transformation related officers committee, launched in April 2023, and the Relationship and Societal Connection Creation Committee, launched in July 2024, are being utilized as derivative meetings of the Sustainability Promotion Council, and have configured a system that can manage the progress of the projects, measures and operations in each of its specialized field.

● Governance Structure

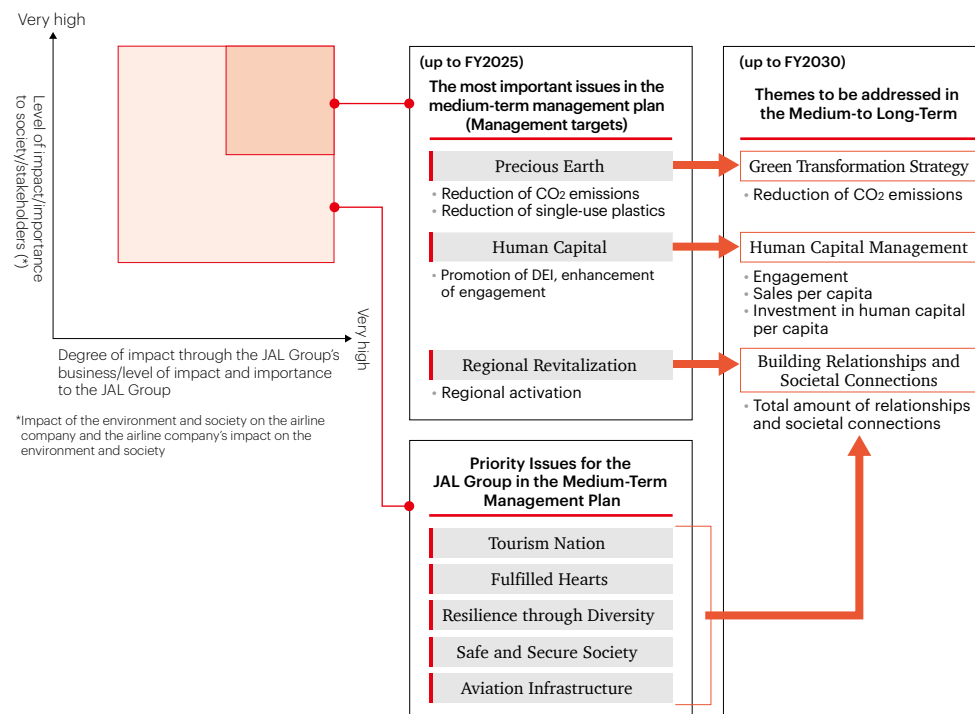


Reflecting Materiality in the Management Plan

In order to promote specific initiatives in response to materiality, we reflect it in our Medium- and Long-Term Management Plans.

For the period up to FY2025, we have set specific Key Performance Indicator (KPI) management targets for Precious Earth (Environment), Human Capital (Human), and Regional Development (Community) as the most important issues, based on their importance to society and the JAL Group.

In addition, for the longer term, toward FY2030, we have decided to address materiality through Green Transformation Strategy, Human Capital Management, and Creation of Relationships and Societal Connections, and have set indicators for each.



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.



Unwavering Commitment to Safety

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

The JAL Group has established the Safety Charter as its fundamental safety policy based on its Corporate Policy. The Safety Charter, based on JAL Group Corporate Policy, expresses our determination and basic approach to flight safety, which is a prerequisite for value creation as an airline company, and our actions 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, can share a common understanding of safety. Safety is the “basic premise” of the JAL Group’s existence.

All JAL Group employees, including top management, carry a Safety Charter Card that describes the Safety Charter, and each and every one of them performs their daily duties as flight safety professionals in conformance with this Charter.



Reciting the Safety Charter before starting work

The Safety Charter
<https://www.jal.com/en/safety/>

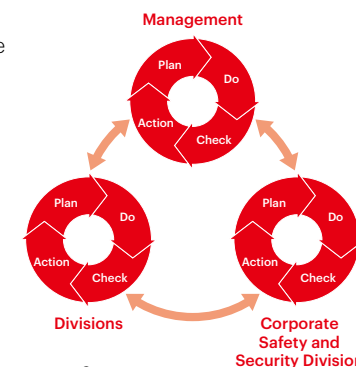
Safety Management System

Operating Policy of the Safety Management System

The JAL Group’s safety management system is a systematic

framework structure that collectively refers to our safety policy, organizational structure, division of responsibilities, and methods of managing safety-related risks, and among others. In accordance with the Safety Charter, which is our fundamental safety policy, management, the Corporate Safety and Security Division ensure that the PDCA cycle for safety is implemented and organically linked. By doing so, we will ensure that our Safety Management System functions effectively and drive continuous improvement.

● PDCA Cycle in Safety Management Systems



Operating Policy of the Safety Management System
https://www.jal.com/en/safety/management_policy/

Safety Management System

The JAL Group implements safety management based on common policies formulated by the Group Safety Enhancement Council in order to maintain a homogeneous and high level of safety throughout the eight airlines, including Japan Airlines.

In addition, the Group Corporate Safety and Security Division has established the Group Operational Safety Promotion Committee in order to maintain and strengthen cooperation regarding flight safety among the divisions and Group airlines.

The ultimate responsibility for safety rests with the President, while the Chief Safety Officer (CSO), who oversees the safety management system, is involved in important management decisions and other matters. CSO 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, and reports important safety-related matters to the President.

Safety Management System
https://www.jal.com/en/safety/safety_system/

Safety Risk Management

In formulating flight safety measures and promoting responses to accidents and events in flight safety, we implement risk management through the following four steps.

• Identify hazard

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

• Assess risk for Identification of the main risks

After identifying hazards, we determine the severity of consequences and the probability of occurrence, assess the acceptability of the risk level and examine the need to take action.

• Establish measures

Each department establishes and implements measures to eliminate each hazard so that high priority risks are reduced to a tolerable level.

• Monitor and review

Monitor the implementation of measures and evaluate their effectiveness. If it is determined that the risks have not been reduced to an acceptable level, additional countermeasures are planned and executed to ensure the safety management system functions effectively.



Implementation of Safety Management
https://www.jal.com/en/safety/content/#risk_management

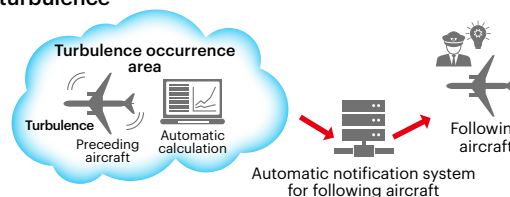
Efforts to Improve Safety

• To protect yourself from sudden turbulences

Injuries to customers due to turbulence have been occurring worldwide as a result of changes in weather conditions. In response, we are working to create a system to prevent aircraft shaking and injuries.

We have analyzed cases of injuries in cabins caused by turbulences, and in addition to a mechanism for automatically sharing turbulence information from the ground to the cockpit, we have established a mechanism for obtaining turbulence information through the use of mobile apps.

• A mechanism to quickly collect information related to turbulence



We have begun airing an inflight educational video on the importance of always wearing seatbelts and how to protect from sudden turbulence.

• Notification Contents in the Awareness Video

- In case of sudden jolts, always fasten seat belts low on the hips without loosening or twisting while seated.
- The cabin attendant may ask the passengers to fasten their seatbelt when they cannot confirm that the seatbelt is properly fastened.
- If you are suddenly jolted in an aisle or restroom, grab a nearby handle or lower your posture to support yourself.



Awareness video being shown onboard

• Reinforcement of efforts to predict and prevent aircraft malfunctions

In addition to aircraft manufacturers, we collaborate with other companies outside the aviation industry to analyze all kinds of inflight data and develop new failure prediction models on a daily basis. By “fixing things before they break,” we are able to reduce the number of aircraft malfunctions, and at the same time, lead to more efficient maintenance.

Improved work efficiency through wear prediction

JAL, in collaboration with Bridgestone Corporation, is working on developing technology to predict tire wear.

This initiative has not only streamlined the tire replacement process but also leveled out and reduced the inventory of tires and wheels. The elimination of wasteful tire changes has also led to reductions in CO₂ emissions and resource conservation. Furthermore, the ability to “plan” tire changes has improved the workstyle of maintenance engineers. Going forward, we aim to enhance maintenance quality through the further expansion of preventive maintenance.

Comment

The Path to Improving Tire Replacement Efficiency through Data Utilization

Traditionally, tire replacements were performed based on visual inspections by maintenance engineers, targeting tires that met replacement criteria, resulting in inconsistent workloads on the ground. However, through recent collaboration with Bridgestone, the tire manufacturer, it has become possible to predict tire wear based on flight data. This advancement enables the prior calculation of replacement timing, leading to standardized workloads for tire replacement and more uniform tire production. Additionally, monitoring wear conditions contributes to improving the quality of the aircraft equipment.



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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 unsafe 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.

 **Safety Culture**
<https://www.jal.com/en/safety/content/#culture>

Education, Training and Safety Awareness

Safety education for new employees, 10-year employees, and newly appointed managers

At the JAL Group, we will think about safety through a memorial climb to Mt. Osutaka, a tour of the Safety Promotion Center, and watching videos of people who were directly involved in the accident. Finally, employees verbalize their thoughts in the form of a safety declaration and link them to their daily actions.

FY2024 Results: 98 times, 2,376 participants



Memorial climbing to Mt. Osutaka



Safety declaration card

● Example of a safety declaration by an employee who attended the course

New employee	"Fulfill the responsibility of each and every task as a member of the precious life entrusted to us." <Airport Passenger Division>
10-year employee	We are committed to providing a solid foundation for the "safety" that our colleagues in the JAL Group <Maintenance Department>
New managers	"Creating an organization where inconvenient information comes up quickly. Be comfortable calling on myself as a manager." <Support Department>

• Safety Promotion Seminar for All JAL Group Employees

For JAL Group employees and subcontract staff, we hold seminars where employees voluntarily participate, such as a tour of the Safety Promotion Center, and a safety seminar for interindustry exchanges. We strive to raise safety awareness by holding conversations about safety with the participation of employees from both domestic and overseas job categories and regions.

FY2024 Results: 15 times, 792 participants

• Training and Evaluation to Ensure Stable Safety and Quality Standards

To ensure a stable level of safety and quality for cockpit crew, maintenance engineers, cabin attendants, and dispatchers, training and verification are conducted at the time of appointment and on a regular basis.



Emergency evacuation training

Third-party Assessments

Safety Audits by External Organizations

The JAL Group undergoes regular on-site safety inspections conducted by the Civil Aviation Bureau of the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), as well as the International Air Transport Association Operational Safety Audit (IOSA) program. These audits are utilized to continuously improve the safety management system of the JAL Group.



Certificate of IOSA registered operator

Advice and Recommendations from the Safety Advisory Group

JAL has established a Safety Advisory Group composed of five experts with extensive knowledge and experience in safety. In 2024, the group visited nine frontlines, including Narita Airport branch, and held dialogues with employees. Through these activities, we received valuable insights regarding our safety initiatives.



Visiting the JAL Engineering's frontline

TOPIC

World's First to Receive Level 2 International Certification for Aviation Security Management

The JAL was the first airline in the world to receive Level 2 Operating Certification from International Air Transport Association (IATA) for its aviation security management. This certificate indicates that JAL has achieved a high level of aviation security management in the aviation industry.



Evaluation Points

- The JAL Group has established a risk management system that can proactively respond to new threats with the active involvement of management.
- The JAL Group is committed to continuous improvement through the introduction of industry best practices, external and internal audits, and review of aviation security case studies.

In April and December 2024, inappropriate alcohol-related incidents involving our pilots occurred and we received Administrative Guidance from MLIT twice. We take the loss of trust of our customers and society very seriously, and we have formulated the following five-point preventive measures, and under the leadership of top management, all employees are working together to prevent a recurrence.

Further efforts to ensure flight safety (Business Improvement Advisory): https://www.jal.com/ja/safety/trouble_info/pdf/report_250124.pdf (Japanes only)

Background Leading to the Administrative Guidance from the MLIT

In April 2024, a captain staying in Dallas, USA, engaged in inappropriate behavior due to excessive alcohol consumption, which resulted in his inability to operate the scheduled flight and caused the flight's cancellation. Subsequently, in May 2024, JAL received an "Administrative Warning Regarding Further Initiatives to Ensure the Safety of Air Transportation" and have since implemented measures to prevent recurrence of alcohol-related issues.

However, in December 2024, another inappropriate alcohol-related incident involving cockpit crew members occurred. Additionally, our safety management system failed to function properly, leading to a delayed report to the Civil Aviation Bureau after the incident was discovered. We take this matter extremely seriously and deeply regret having undermined the trust of society and our customers.

Analysis of Contributing Factors and Development of Recurrence Prevention Measures

Despite implementing measures following two Business Improvement Orders in 2018 and 2019, we believe the major reason we failed to prevent the recurrence of alcohol-related issues was that management did not fully grasp the effectiveness and level of assimilation of those measures.

Based on this reflection, we have developed detailed and comprehensive recurrence prevention measures centered around five key pillars, and under management leadership, all employees are working together to address the issue.

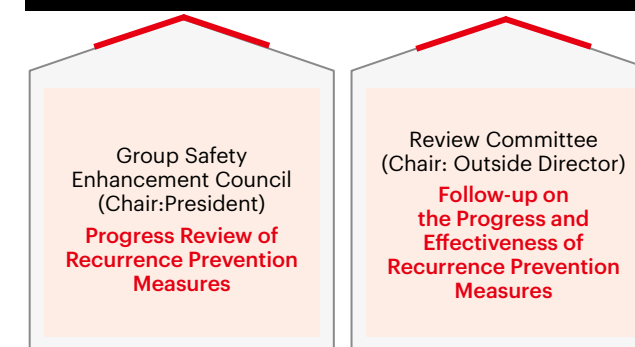
● Prevention of recurrence based on five key pillars

1. Reforming internal awareness	Renewal of safety-related education
2. Further strengthening the management of flight crew members' drinking habit	Accurate management based on drinking tendencies
3. Reconstructing the alcohol testing system	Prompt and reliable sharing of inspection results and process automation
4. Rebuilding the safety management system	Enhancing risk response capabilities through crisis management training
5. Address organizational issues in flight operations division	Strengthening organizational management in the flight operations division

Follow-up by the Review Committee

JAL is progressing as planned with a total of 37 measures based on five key pillars. Moving forward, the progress of these measures will be regularly reviewed at the Group Safety Enhancement Council chaired by the President. Additionally, in February 2025, we established a Review Committee chaired by an outside director, which has begun its activities. This committee will objectively follow up on the progress and effectiveness of the measures. Through these efforts, we aim to ensure the definite prevention of recurrence..

Prevention of recurrence with 5 pillars: 37 in total



JAL Philosophy

Part 1: In Order to Lead a Wonderful Life

Chapter 1: Formula for Success (Formula of Life and Work)

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

Chapter 2: Have the Right Attitude

Base Criteria for Decision-Making on
"Doing What Is Right as a Human Being"
Have a Beautiful Mind
Be Humble and Honest
Always Be Cheerful and Positive
A Small Good Is Like a Great Evil, While a Great Good May
Appear Merciless
Wrestle in the Center of the Ring
Grasp Matters Simply
Possess Opposing Extremes

Chapter 3: Accumulate Tedious Efforts with Passion

Work Earnestly
Accumulate Tedious Efforts
Work with Voluntary Attention
Fire Yourself Up
Strive for Perfection

Chapter 4: Ability Will Improve

Ability Will Improve

Part 2: To Become a Wonderful JAL

Chapter 1: Each of Us Makes JAL

What It Is Each of Us Makes JAL
What It Is Discuss Frankly
Lead by Example
Be the Center of the Vortex
Valuable Lives Are Entrusted to Us in
Our Work
Be Thankful
Put Yourself in the Customer's Position

Chapter 2: Have a Keen Sense of Profitability

Maximize Revenues and Minimize
Expenses
Elevate Our Cost-Consciousness
Pursue Profit Fairly
Manage the Company Based on
Accurate Figures

Chapter 3: Unite Our Hearts

Make the Best Baton Pass
Align Mental Vectors
"Workfloor" Management
Follow the Merit System

Chapter 4: Possess a Fighting Spirit

Maintain an Ardent Desire
Never Give Up Until We Succeed
Boast and Make It Come True
Possess True Courage

Chapter 5: Be Creative in Our Work

Today Should Be Better Than
Yesterday; Tomorrow Better Than
Today.
Conceive Optimistically, Plan
Pessimistically, and Execute
Optimistically
Think Through to Visualize the Results
Decide and Act with Speed
Face Challenges with Courage
Aim High



Creating an Organizational Culture and Sustainable Growth

Executives and employees gathered in the JAL Group participate in JAL Philosophy Workshop twice a year. In addition, executives and department heads participate in seven tiered trainings per year, and managers participate in two tiered trainings per year, transcending departmental boundaries to return to JAL Philosophy. In this way, since the bankruptcy of JAL Group in 2010, the leaders in JAL Group have primarily set aside time to reflect on the JAL Philosophy. However, a decision-making axis based on JAL Philosophy is not something that can be acquired during the JAL Philosophy Workshop; it is refined through the challenges and troubles of daily work, and as a result, employees grow. The JAL Group holds JAL Philosophy Awards, an annual awards ceremony, to recognize the growth and achievements of our employees in their daily work and to honor them as assets of the entire JAL Group.

JAL Philosophy is not just a statement of values. It is valuable only when it is put into practice. That is why we continue to make efforts to incorporate JAL Philosophy into our daily actions. Making decisions based on JAL Philosophy, which is essentially "what is right as a human being," in our daily work will help to create a healthy organizational climate in JAL Group and will serve as the foundation for creating an environment in which each and every employee can thrive.

We, the employees of the JAL Group, will continue to work together to realize our Corporate Policy and Purpose, create new

value, and achieve sustainable growth and fulfill our social responsibilities under the organizational climate created by actions based on JAL Philosophy.

JAL Philosophy Workshop held at Osaka Itami Airport



What is JAL Philosophy?

JAL Philosophy is an axis of decision-making that everyone involved in JAL services and products values in their daily work. We make management decisions, organizational management, and even each of our daily tasks based on "what is right as a human being," which is the essence of JAL Philosophy. It is not easy to always act in accordance with JAL Philosophy as the axis of our decision-making, but each and every one of us in the JAL Group is sincerely committed to JAL Philosophy and continues to improve ourselves and our organization in order to instill this philosophy in all of us.

To Realize the Progress and Development of Society

What each of us at the JAL Group hopes to accomplish through our daily actions based on JAL Philosophy is our purpose "to become the world's most preferred and valued airline group, where many people and goods freely move around." We will realize healthy profits by fulfilling our social responsibilities and creating sustainable value. The JAL Group believes that approaches based on our JAL Philosophy will build a sustainable society and realize progress and facilitate development.

Management Based on the Participation of All Members

The divisional profitability management system is a business management system based on amoeba management. This system has such strengths as development of managerial human resources, participation by all, and proactive management. All employees of JAL Group face the figures related to corporate management and aim to maximize profits. Through JAL Philosophy, we pursue profits from the perspective of company-wide (best for all) optimization and aim to realize our Corporate Policy.

Under this system, each organization formulates an annual revenue and expense plan and operates a monthly management cycle to achieve the plan. Specifically, planned and forecast figures are updated monthly to reflect the latest situation with respect to the planned figures, and all members of the organization work together to achieve the goals. After the actual results are determined, we analyze the factors that cause the difference between the planned and actual results, and promptly consider and implement measures to achieve the annual revenue and expense plan in response to the market environment.

This management cycle is summarized in the Target and Result Table, a format common to the JAL Group, which lists planned figures, Scheduled figures, forecast figures, and actual figures. By visualizing the management status using this Target and Result Table, all employees are able to understand the

management status of the organization from the same perspective.

In addition, under this system, the leader of each organization is responsible for its own income and expenditures. In order to achieve the planned figures, the leader works with all members of the organization to solve problems through the management cycle, and gains experience as a manager by achieving management targets. This experience will lead to the development of the next generation of managerial human resources.

Toward the Promotion of Business Structure Reform

From FY2024, in accordance with the Medium-Term Management Plan, we are strengthening business management by business segment, in addition to business management by organizational unit, such as airports and operations control, in order to clarify revenue and expense plan by business segment and properly manage our business portfolio. The business segment manager takes the lead in determining the income and expenditures of each business segment on a monthly basis and, with the involvement of related organizations, discusses measures to maximize the income and expenditures across business units.

At Group Business Performance Reporting Meetings attended by all executives, the earnings situation of each business and measures to be taken are repeatedly discussed. Based on the principle of “maximize revenue and minimize expenses,” the best for all management is achieved by all participants sharing their wisdom toward achieving the annual

revenue and expense plan for each business.

In addition, the JAL Group aims to improve productivity by visualizing the status and effects of initiatives and implementing improvements through the PDCA cycle. Specifically, we use indicators such as “hourly profitability,” which analyzes whether we are efficiently generating sales and added value for the resources we have invested, to accurately grasp the current situation, formulate strategies and action plans, and then implement them.

The divisional profitability management system is based on three indicators: “maximum sales, minimum expenses,” plus “time efficiency,” and these efforts contribute to maximizing the income and expenditures of the entire organization and improving management efficiency.

By leveraging the divisional profitability system and growing each segment, we will drive business reform and ensure JAL Group’s sustainable growth.

Comment

Aiming for an Exciting Divisional Profitability

After working in shipside loading and unloading, and guidance operations for about three years, I was transferred to the Planning & Human Resources Department, where I am currently involved in divisional profitability. As an individual company challenge goal for FY2024, we set the hourly profitability at 4% over the previous year. To achieve this goal, we actively discussed progress and issues at monthly Business Performance Reporting Meetings and implemented cost containment and personnel measures across departments. Being in charge of the divisional profitability secretariat has allowed me to gain insights and connections that I did not have in my frontline job, and it has led to my personal growth. Although there are some difficult situations, I would like to continue to share the fun of divisional profitability with my colleagues while keeping my excitement in mind. I am deeply grateful for the opportunity to grow every day through these opportunities.



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Realization of JAL Group Corporate Policy

