

2

Overview of Management Strategy

About This Chapter

- Review of the Medium-Term Management Plan (2021-2025) formulated during the COVID-19 pandemic
- Initiatives in existing business domains
- New Business Domains Tackled from Social Issues
- Further Increase in Corporate Value by Expanding Growth Investment while Maintaining a Strong Financial Position
—Message from Our Group CFO—

Contents

Review and Outlook of Medium-Term Management Plan FY2021-2025	30
Toward Growth in FY2026 and Beyond	31
Message from Our Group CFO (Financial Strategy)	34
Management Targets	39
Major Initiatives and Results Regarding Sustainability	42



Reflection on the past

The Medium-Term Management Plan, which started in FY2021, has reached its final year. Throughout the period of the Medium-Term Management Plan, we have steadily recovered and expanded our performance and built a basis for growth for the next stage, even amid the environmental changes after the COVID-19 pandemic, under the themes of early recovery from the COVID-19 pandemic and rebuilding of our financial base, business restructuring to achieve sustainable growth, and solving social issues through business.

And for the sustainability of the JAL Group and society, we have made ESG strategies our top priority since Rolling Plan 2023.

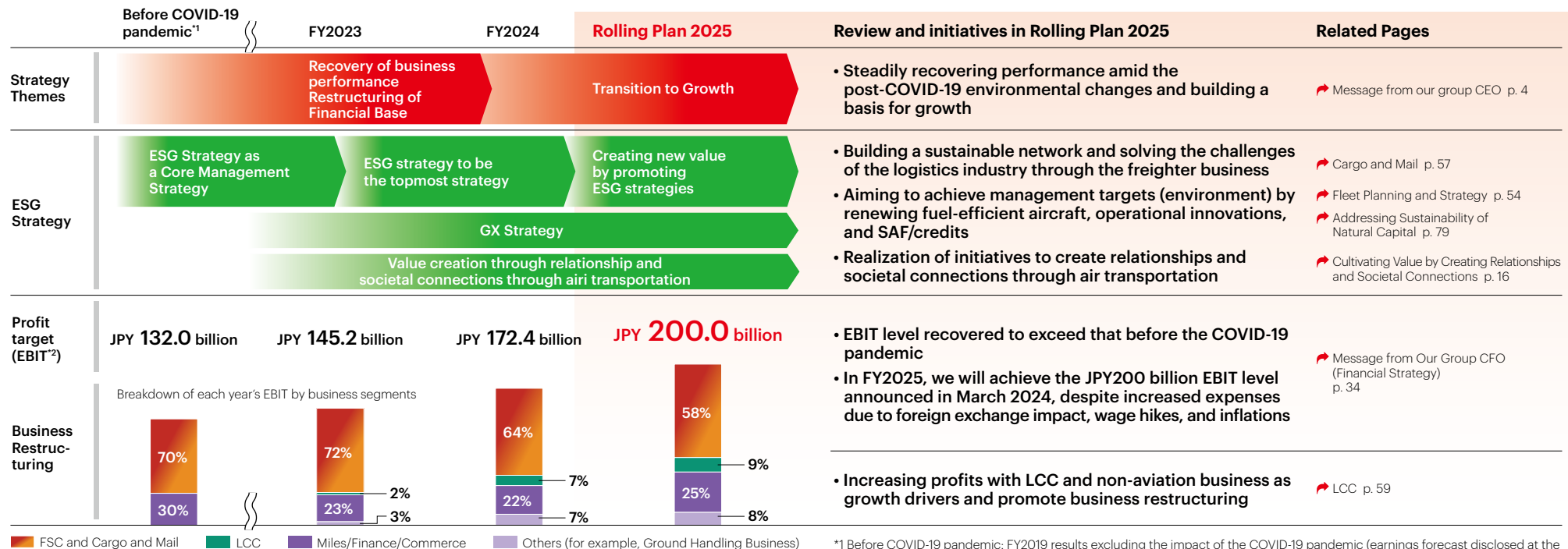
In Rolling Plan 2024, we set a goal of increasing the total amount of relationships and societal connections. In addition, we are working to realize net-zero emissions and to materialize initiatives to create relationships and societal connections through air transportation, we have also started operating freighters in cooperation with Yamato Holdings and are promoting initiatives for the movement of goods. With regard to profit targets, we achieved JPY 172.4 billion in EBIT for FY2024, exceeding our initial target.

Forecast for FY2025

Even as costs increase due to foreign exchange effects, wage hikes, and inflations, we will achieve the EBIT of JPY 200 billion

announced in March 2024 through growth on international routes due to strong overseas demand, improved profitability on domestic routes, and expansion in non-aviation domains.

In addition, by promoting business restructuring, we will rebuild our profit structure and achieve a medium-term profit growth in an environment different from that of the COVID-19 pandemic. We will achieve a business structure with resilience and growth potential by increasing profits with the LCC business and non-aviation business as growth drivers, making them as large as the FSC business and less dependent on aviation business.



■ FSC and Cargo and Mail
 ■ LCC
 ■ Miles/Finance/Commerce
 ■ Others (for example, Ground Handling Business)

¹ 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))

² EBIT: Earnings Before Interest and Taxes

Risks and Opportunities

The risks and opportunities that need to be addressed are also changing as the environment surrounding existing business domains has changed significantly since the COVID-19 pandemic, including the progress of climate change, population decline, continuous inflations, and an increase in inbound tourism.

Growth Initiatives

In order to achieve steady growth even in a changing environmental changes, we will focus on the following themes in our existing domains as "deepening business restructuring": "expansion of the scale of international flights" to seize

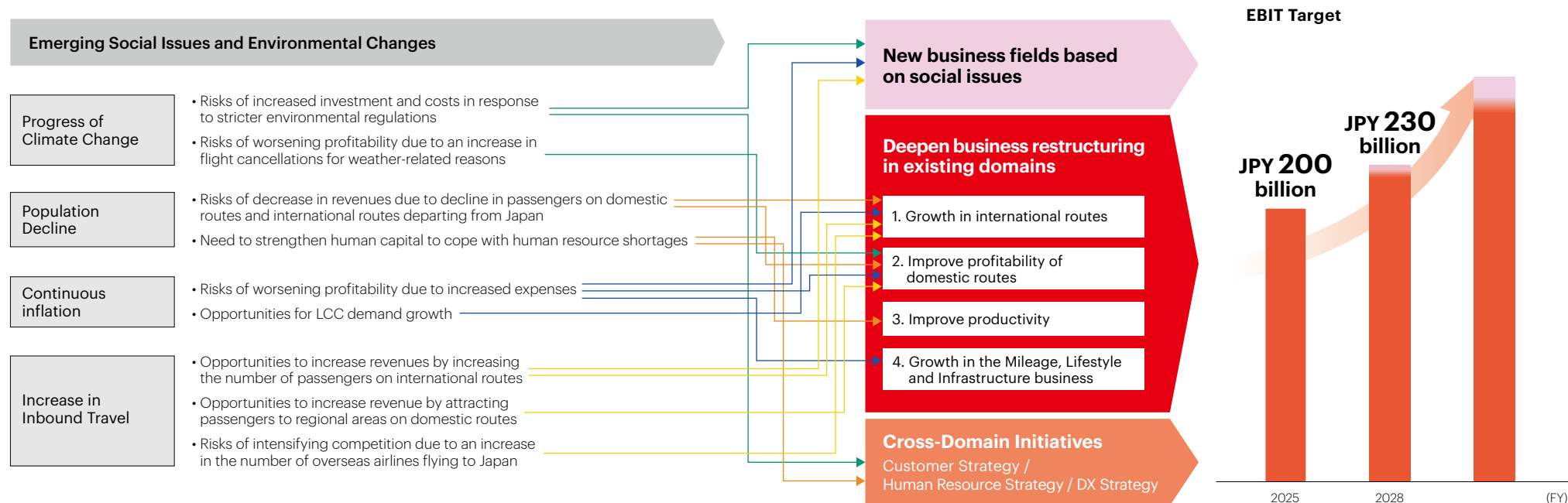
opportunities for revenue growth, mainly through an increase in inbound travel, "improvement of profitability" and "productivity" of domestic flights with an eye to population decline, and "growth of Mileage, Lifestyle and Infrastructure" as particularly important.

In the mid- to long-term, we will also view the social issues that will emerge in the future as opportunities to create new needs, and we will actively work to create businesses in "new domains that address social issues based on social issues.

In order to realize these goals, we will promote customer strategy, human resource strategy, and DX strategy across our businesses. In the customer strategy, in addition to services that satisfy customer needs, we will provide services centered on customer values, so that our customers can feel a sincere connection with the JAL Group and become the world's most

preferred airline group, as stated in our Purpose. In our human resource strategy, in order to strengthen our human capital, which is our greatest strength, and to improve productivity, we will work to create an organization that maximizes the power of diverse "individuals" in addition to supporting the growth of "individuals" by providing each employee with growth opportunities and strategically allocating them. In addition, we will actively promote marketing sophistication, productivity improvement, and value creation through DX strategies centered on AI and data.

Through these efforts, we will further grow our business over the medium-to long-term to realize social sustainability and people's well-being.



Deepen Business Model Restructuring in Existing Business Domain

During the period of the current Medium-Term Management Plan, we have sought to enhance our resilience and growth potential by making our business structure less dependent on aviation alone.

This Business Model Restructuring has two perspectives: restructuring of profit structure and profit expansion and growth. The restructuring of profit structure means increasing the profitability of existing business domains, while the profit expansion and growth means firmly expanding the growth areas of LCC Business and Mileage, Lifestyle and Infrastructure Business, so that about half of our profits will come from these businesses.

In order to deepen this Business Model Restructuring over the medium-to long-term, we have identified expansion of scale of international flights, improvement of profitability of domestic

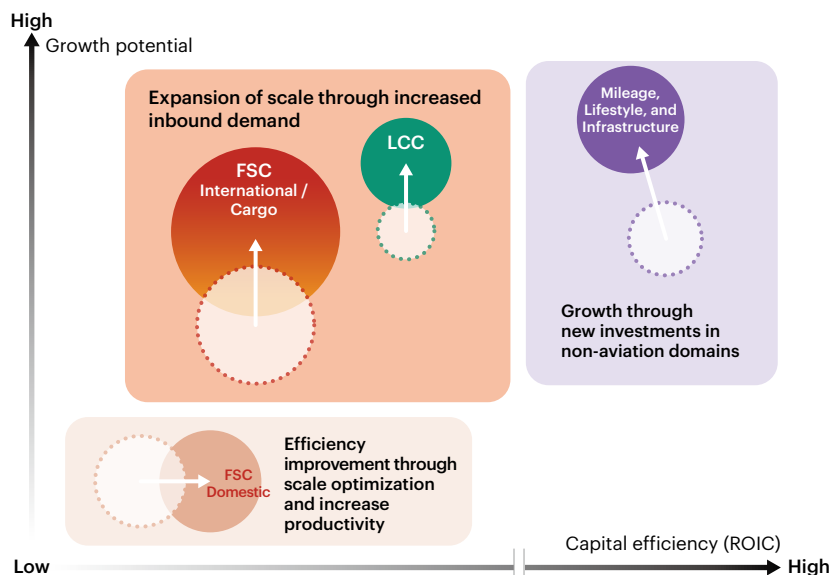
flights, improvement of productivity, and growth of Mileage, Lifestyle and Infrastructure Business as key themes in our existing business domains.

In the international FSC business, Cargo and Mail business, and LCC business, we will expand the scale of our business by firmly capturing overseas demand. For domestic FSC business, we will improve profitability by optimizing the scale of the business through supply-demand matching and improving efficiency by enhancing productivity. In Mileage, Lifestyle and Infrastructure Business, we will aim for growth by promoting new investments.

In addition to the international FSC business, Cargo and Mail business, and LCC business, which have high growth potential, we will allocate resources to non-aviation domains such as mileage/finance and commerce, which have high capital efficiency. This will enable us to achieve an EBIT of JPY 230 billion in FY2028, and to enhance our corporate value over the medium-to long-term.

● Business Portfolio Image

Size of circle = Size of sales revenue (Dotted circle: FY2025, Circle: FY2030 and beyond)



Improve Productivity

● Improve productivity of FSC ground operations by 30 percent

Improve productivity of airport, customer contact center, sales and indirect operations (approx. 20 percent of group staff) by 30 percent from FY2019 by FY2030, and shift to growth areas

● Clarify indicators for each business

Promote improvement in productivity in each business by setting indicators and targets for sales, profit, production volume, and other performance measures for each business domain in relation to the number of staff and working hours invested

FY2025 ⇒ FY2028 EBIT growth

FSC

CAGR 4% **EBIT** JPY 130 billion (+11%)

International

Expand scale of medium- and long-haul routes and actively capture inbound demand

- Increase in ASK +3%, increase in revenues from overseas passengers in priority markets +70% (from FY2023 to FY2035)
- Focused allocation of resources necessary to capture inbound demand

Cargo

Expand business scale by utilizing freighters

- Expand network for European and U.S. routes through partnerships with other companies
- Increase the share of high value-added cargo to 30% of freight revenues (+5% from FY2024)

Domestic

Improve profitability of domestic routes

- Yield improvement to offset cost increase
- Enlarge total amount of relationships and societal connections, and guide inbound passengers to local areas
- Service and workstyle innovation using digital technologies and AI
- Review of route network based on the role of aviation

LCCs

CAGR 16% **EBIT** JPY 30 billion (+58%)

Growth due to expansion of international routes

- Increase in ASK +91%
- Introduce ZIPAIR 787-9 and Increase revenue with additional full-flat seats

Mileage, Lifestyle and Infrastructure

CAGR 3% **EBIT** JPY 70 billion (+9%)

Expansion of customer base through expansion of partnerships including Lifestyle and financial services

- Miles issued on a daily life +28%

Contribution to growth of inbound demand

- Ground Handling Business revenue: +15%

New Business Domains Based on Social Issues

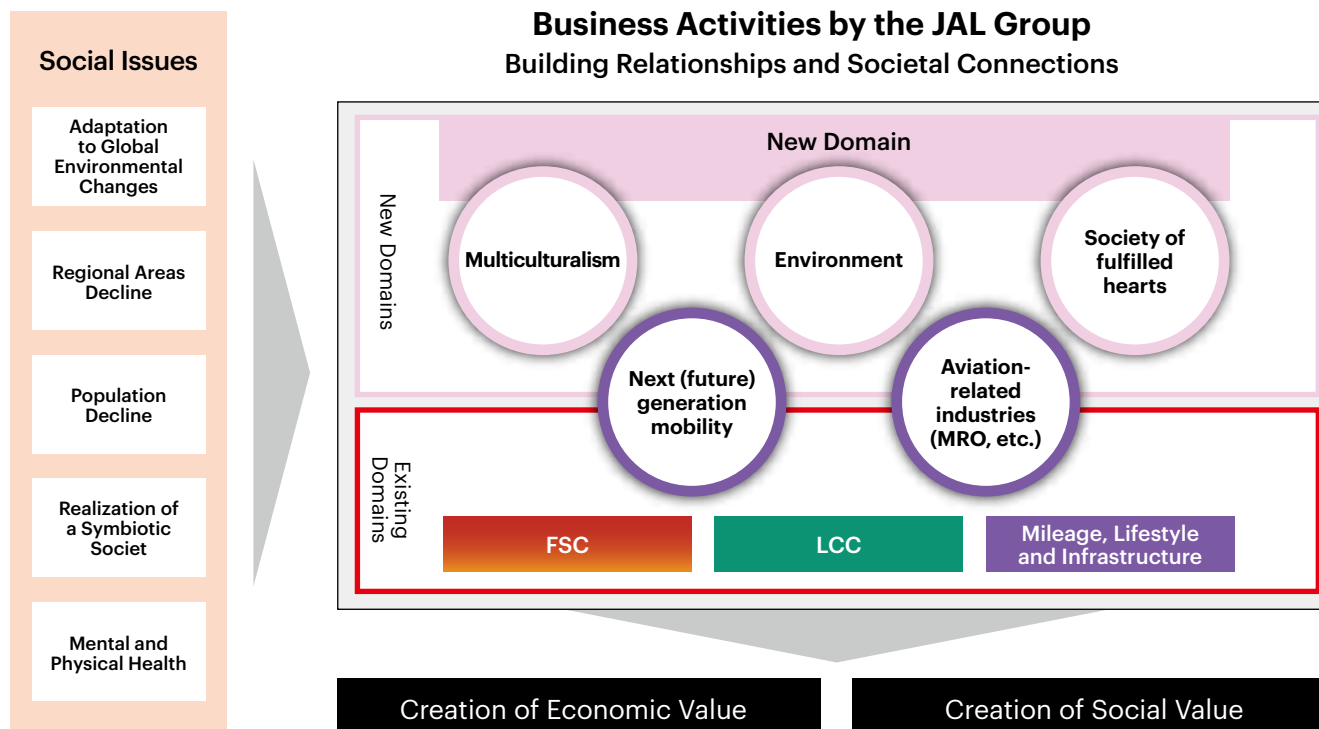
In order for a company to grow over the medium-to long-term, we believe that it is important not only to pursue economic value through business, but also to synchronize the sustainability of the company and society by addressing emerging social issues such as adaptation to global environmental changes, regional areas decline, and population decline.

In the Medium Term Management Plan-Rolling Plan (MRP) 2024, the JAL Group has set the goal of expanding the “total amount of relationships and societal connections” by 1.5 times from the 2023 level by 2030, by improving the “number of people involved” and the “degree of involvement with the community,” and is working to realize these initiatives.

In addition to our efforts to expand the total amount of relationships and societal connections in existing domains, we will work to solve social issues in new business domains, aiming to enhance our corporate value over the medium-to long-term by creating social value as well as economic value.

For example, we believe that we can create social value by developing a next-generation mobility business to address the social issue of regional decline and support regional transportation infrastructure.

The social issues to be addressed in the mid- to long-term will be organized as material issues (materiality) to be addressed by the JAL Group during FY2025, and the direction of new business domains to solve emerging social issues will be further materialized in FY2025 and beyond.



TOPIC

Next-generation air mobility business based on solving social issues in local communities

The JAL Group is working on an air mobility business in Amami and Setouchi Town, aiming to solve social issues in the region. In addition to using drones to deliver medical supplies and daily essentials to the secondary remote islands, which are remote islands that rely on ships for transportation and daily essentials from the main island, we are also using drone aerial photography to assess the damage in isolated villages and transport relief supplies as part of disaster prevention and disaster response. In this way, we are working to solve social issues such as outlying islands logistics infrastructure and lack of personnel by establishing a system (phase-free model) that can be operated in both normal times and emergencies. We will continue to create new social value by supporting local economies, lifestyles, and security through our next-generation air mobility business that takes social issues as its starting point.

➡ Please refer to p. 64 Next Generation Mobility



Drive Business Restructuring to Further Enhance Corporate Value While Maintaining Strong Financial Foundation

SAITO Yuji

Representative Director, Executive Vice President
(Group CFO)



Basic Policy of Financial Strategy

Enhance corporate value through strategic resource allocation while balancing strong financial foundation and high capital efficiency

The JAL Group's basic financial strategy is to enhance corporate value by building a business portfolio through the strategic allocation of management resources, while maintaining both a strong financial position and high capital efficiency. The air transportation business is highly volatile, as its operations are significantly affected by geopolitical risks, fluctuations in resource prices, and changes in demand due to external factors. Therefore, maintaining financial soundness in preparation for event risks is a top priority, and we need to execute growth investments, including large-scale aircraft acquisitions, both efficiently and reliably, while preserving a strong financial structure. Our basic policy states that we will execute investments efficiently and opportunistically by carefully analyzing our business under a disciplined financial strategy.

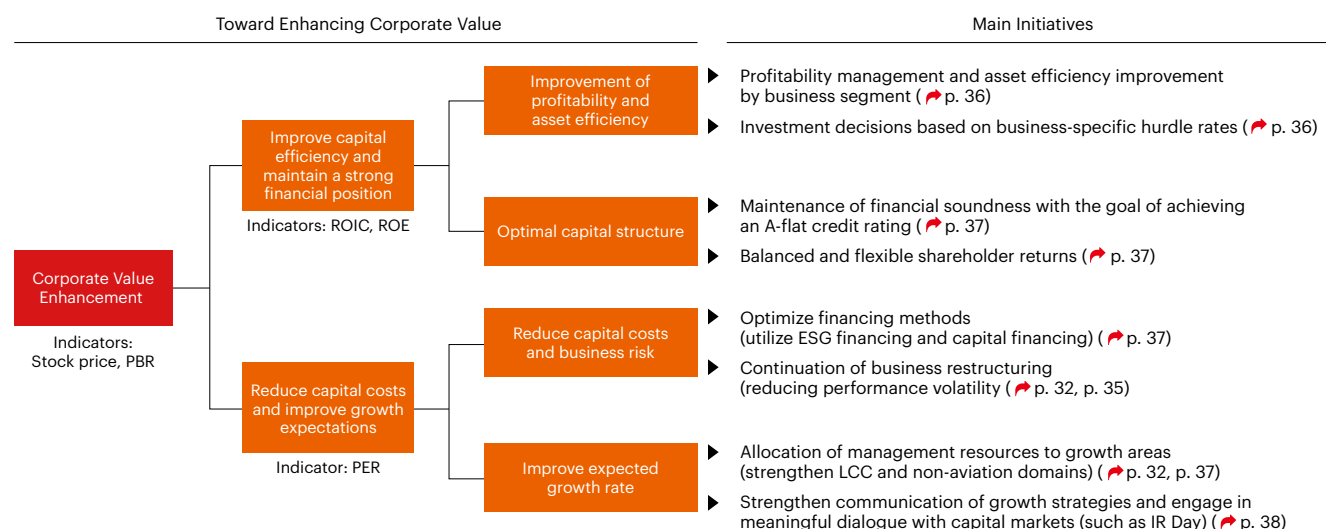
With regard to maintenance of a strong financial position as stated in the policy, we aim to achieve approximately fifty percent of shareholders' equity ratio based on credit rating evaluations, and plan to strengthen risk resilience by obtaining and maintaining credit rating of "A Flat" or higher (from Japanese rating agencies).

Concerning capital efficiency, JAL has set ROIC—using "assets," including aircraft, as the denominator—as one of our management targets. This reflects our business model of generating profits from aviation assets and underscores our commitment to pursuing capital efficiency across all business segments.

The logic tree on the left illustrates our main initiatives to enhance corporate value based on the above basic policy. Through the three pillars of a strong financial position, high capital efficiency, and strategic allocation of management resources, we aim to further enhance corporate value such as improving our stock price and PBR.

From the next page onward, we will review the financial status during the Medium-Term Management Plan 2021-2025 and explain specific initiatives described in the logic tree.

● Logic Tree for Enhancing Corporate Value



Review of the Current Medium-Term Management Plan

Exceeded FY2024 EBIT targets as a result of business restructuring

The current Medium-Term Management Plan began in FY2021, in the midst of the COVID-19 pandemic. Since then, we have advanced to reform our business structure, and customer demand has returned. EBIT for FY2024 exceeded the initial plan, reaching JPY 172.4 billion. Additionally, ROIC was 8.1 percent and is on track to reach the target of 9 percent set forth in the Medium-Term Management Plan.

This is not only due to environmental factors such as strong inbound demand and gradual recovery of business demand

outbound from Japan on international air travel, as well as recovery of domestic air travel demand to pre-COVID-19 pandemic levels, but also due to the efforts to restructure our business portfolio following the company's experience with the COVID-19 pandemic, during which we have been promoting business model reform to create new business models in non-aviation domains and increase Group profitability. To put this in numerical terms, the profit ratio of the FSC business to other businesses was roughly 7:3 before the COVID-19 pandemic, but by FY2024, we were able to raise the ratio to 6:4.

In FY2025, the final year of the current Medium-Term Management Plan, we expect to achieve profit growth over the previous year. On that basis, looking ahead to the next Medium-Term Management Plan, we will continue our efforts to

build a business portfolio that combines profit growth and high resilience, aiming to further accelerate our growth.

Build industry-leading strong financial foundation

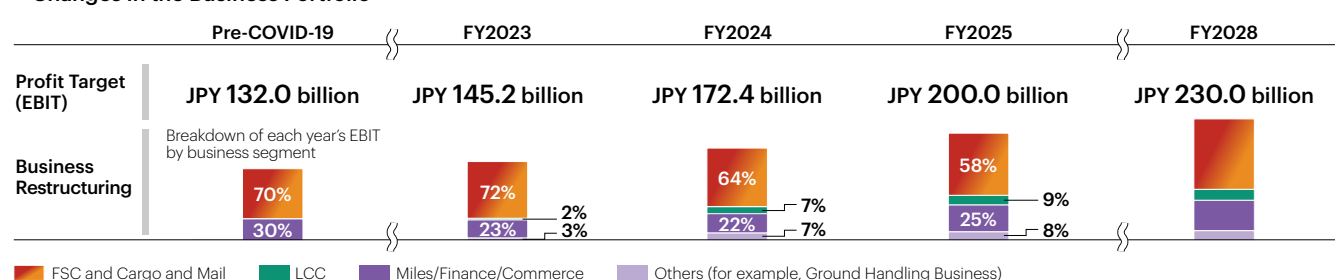
With regard to financial soundness, the COVID-19 pandemic temporarily caused our shareholders' equity ratio to fall to around 30 percent. However, under our fundamental financial management based on our basic policy, we maintained our credit rating at "A minus" (Rating and Investment Information, Inc.). As of the end of FY2024, our shareholders' equity ratio based on credit rating was 41.1 percent and Net D/E Ratio was -0.0x, demonstrating that we have maintained one of the strongest financial positions* in the global aviation industry. Regarding liquidity on hand, as a precaution against event risks, we maintain liquidity equivalent to approximately 5.0 to 5.6 months' worth of passenger revenue, utilizing credit facilities.

* This expression reflects JAL's position as a top-tier company, considering the credit ratings of global airlines.

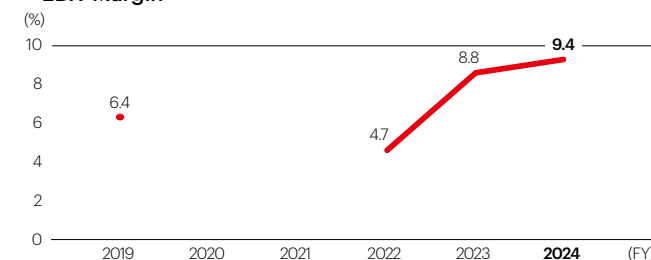
Results and Goals of Each Indicator

			Results of FY2024	Goals of FY2025
Profitability Indicator	EBIT Margin	Business goal	9.4%	10% or higher
	EPS	Business goal	JPY 245	At level of JPY 290
Efficiency Indicator	ROIC	Business goal	8.1%	9% above WACC
	ROE		11.4%	10% above cost of equity
Safety Indicator	Equity ratio		41.1% (credit rating)	Approx. 50% (credit rating)
	Credit Rating		R&I: A minus JCR: A Flat	Achieve "A Flat"
	Liquidity on hand		JPY 899 billion Credit Facility JPY 150 billion	Secure 5.0-5.6 months' worth of passenger revenue (including credit facility)
Shareholder Return	Dividends		FY2024 Dividend: 86 yen/share	Maintain a dividend payout ratio of about 35% Flexible share buybacks

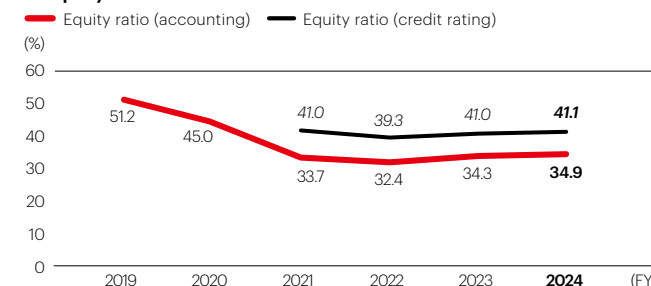
Changes in the Business Portfolio



EBIT Margin



Equity Ratio



Enhance Capital Efficiency

Achieve ROIC above cost of capital

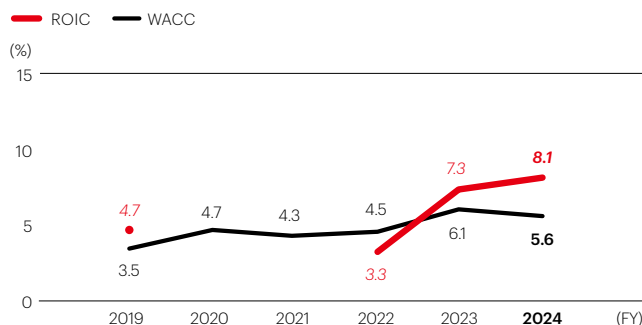
With regard to ROIC, which JAL has set as a key indicator of capital efficiency, we aim to achieve stable growth and exceed the cost of capital required by the capital markets.

We calculate the Weighted Average Cost of Capital (WACC) using the Capital Asset Pricing Model (CAPM). For FY2024, we have achieved a certain positive spread, with an ROIC of 8.1 percent, exceeding our estimated WACC of approximately 6 percent.

Since FY2019, following the outbreak of the COVID-19 pandemic, ROIC has declined due to deteriorated profitability and remained below WACC during the subsequent recovery phase. To strengthen business portfolio management, we have implemented various measures, including profitability management by business segment, calculation of segment-specific ROIC, and setting hurdle rates for each business segment. As a result, from FY2023 onward, we have achieved an ROIC that exceeds our WACC.

Going forward, we will continue these efforts and, on the asset front, aim to achieve ROIC exceeding our WACC by replacing assets with more profitable ones through initiatives such as introducing more competitive aircraft and pursuing M&A in non-aviation business areas.

ROIC and WACC



ROIC = EBIT (after tax) / Average of fixed assets* at the beginning and end of the fiscal year

* Fixed assets: Inventories + Non-current assets - Deferred tax assets - Assets for retirement benefits

Strengthen business portfolio management

Profitability management by business segment was initiated in FY2024 in order to improve profitability and asset efficiency by driving business restructuring. After appropriately allocating costs, a segment-level profitability management system was also implemented for each segment. As a result, in addition to clarifying the scope of operations and management responsibilities, more precise and quantitative analysis has enabled better allocation of management resources.

Moreover, to further enhance asset efficiency, we are also working to monitor ROIC by segment and utilize it in management. We intend to use this indicator to understand the relative performance of each segment and to support future cash allocation decisions.

Strategically allocate investment resources

JAL Group sets hurdle rates for each investment project in order to achieve further growth through investment while effectively managing risks, as its business portfolio diversifies.

Previously, the hurdle rate was set at 9 percent, which is also the ROIC target in the current Medium-Term Management Plan, as a premium above the expected WACC. This rate was applied to evaluate all investment projects. In response to the environmental changes brought about by the COVID-19 pandemic, we began setting appropriate hurdle rates for each investment project starting in FY2023 to further promote business portfolio management. Specifically, as shown in the table below, by classifying risk levels using the aviation business as a benchmark, we set lower hurdle rates for non-aviation businesses with lower event risk volatility, enabling strategic allocation of management resources.

Hurdle rate for each investment project

Project	Hurdle Rate
Aviation Business	10% in principle
Non-Aviation Business	8-9%

Sustainable ROIC

The JAL Group is also considering introducing a new investment efficiency indicator called "Sustainable ROIC (tentative name)" that incorporates social value. We are studying the quantification of social value, with a focus on Internal Carbon Pricing (ICP), to develop an indicator that better evaluates investments that create social value with a medium-to long-term perspective.

We are also using ICP in our investment decisions and have introduced a system to evaluate and promote investments with higher social value.

Sustainable ROIC

$$\text{Sustainable ROIC} = \frac{\text{EBIT} + \text{Social Value}}{\text{Fixed Assets}}$$

Allocation of Management Resource

Actively invest in growth areas while maintaining financial soundness

The JAL Group has set a goal of obtaining and maintaining a credit rating at “A Flat” or higher (Japanese rating agencies), and as of August 2025, we have received an “A (stable)” from Japan Credit Rating Agency and an “A minus (stable)” from Rating and Investment Information, Inc. The Group’s policy for the allocation of management resources is, based on maintaining and improving financial soundness, i.e., the current credit rating level, to carry out growth investments in cutting-edge aircraft and new business areas, as well as providing continuous and stable dividends. In addition, we intend to actively implement share buybacks based on business and financial conditions and prospects.

Shareholder returns aligned with market expectations

Our target shareholder return ratios are a dividend payout ratio of approximately 35 percent and a total payout ratio ranging from

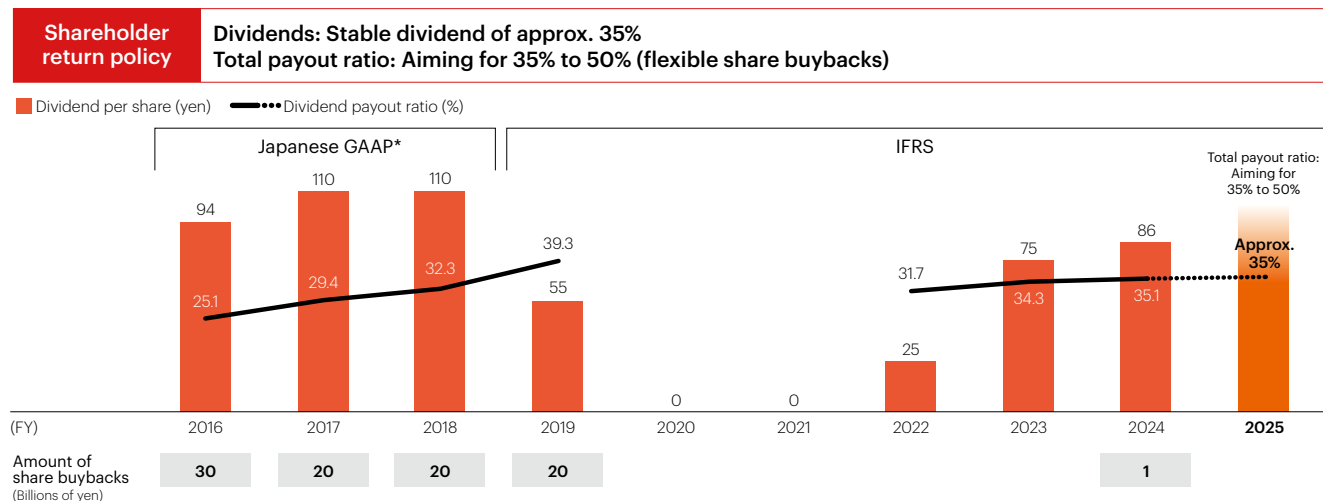
approximately 35 to 50 percent range.

With the recovery from the COVID-19 pandemic, we paid a dividend of JPY 86 per share in FY2024, achieving a dividend payout ratio of 35 percent. However, as mentioned earlier, while profitability and efficiency have recovered to pre-pandemic levels, our shareholder return in terms of the total payout ratio is the last missing piece for full recovery.

For FY2025 and into the next Medium-Term Management Plan, we will continue to pursue growth investment opportunities with financial discipline, while exploring flexible share buybacks in light of macroeconomic trends and cash flow conditions.

Regarding financial soundness, which serves as the foundation for allocating management resources, we currently target a credit rating-based equity ratio of roughly 50 percent. However, considering strong demand for future investments and the early optimization of resource allocation, including shareholder returns, we intend to revise this target level in the next Medium-Term Management Plan.

● Shareholder Returns



TOPIC

Aim of “Capital Financing”

In March 2025, at the same time as the announcement of the Medium-Term Management Plan-Rolling Plan 2025, the JAL Group announced the issuance of perpetual subordinated bonds and the amendment of its Articles of Incorporation to allow the issuance of bond-type class stocks. We have already issued JPY 178.9 billion perpetual subordinated bonds in April 2025, and we are preparing for the issuance of bond-type class stocks, following the approval of an amendment to the Articles of Incorporation at the general shareholders’ meeting in June 2025. There are two main reasons for these financing arrangements. One is to diversify our funding sources while expanding our capital and strengthening our financial base without dilution of existing shareholders. Neither of these instruments is common stock but they will be accounted as capital under our accounting standards, IFRS, and we believe they will contribute to reducing the cost of capital.

Secondly, we aim to achieve optimal cash allocation, including shareholder returns. A characteristic of these financing instruments is that they do not receive capital treatment under credit rating methodologies. This structure, unlike existing subordinated financings, enables us to conduct more flexible financial strategies and expanded shareholder returns without being constrained by credit rating.

Going forward, we intend to continue our efforts to enhance corporate value and execute appropriate financings as needed to achieve optimal allocation of management resources at an early stage.

Dialogue with Institutional Investors

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

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

Also, we share suggestions obtained from dialogues with institutional investors with our top management and use them to

improve our corporate management and investor communication.

Through close communication with the capital market, we aim to improve corporate governance and reduce the cost of capital.

Dialogues with Institutional Investors

● Number of Events Held for Institutional Investors

	2020	2021	2022	2023	2024	(FY)
Briefing of Financial Results and Medium-Term Management Plan for Institutional Investors	4	4	4	5	5	
Events for Institutional Investors	3	3	3	4	4	
IR DAY	1	1	1	1	1	
Guided Tour of Facilities	0	0	0	1	1	
CEO Small Meeting / CFO Small Meeting	2	2	2	2	2	
Conferences Sponsored by Securities Firms	9	11	12	8	9	

● Number of Institutional Investors Interviewed (Total)

	2020	2021	2022	2023	2024	(FY)
Meetings with Investors in Japan	209	188	162	171	144	
Meetings with Investors in Other Countries	262	164	230	214	201	
Total	471	352	392	385	345	
Interviews with Top Management	173	91	112	124	75	
President	42	12	17	15	15	
Executive Vice President	0	1	7	14	15	
Group CFO and Senior Vice President, Finance and Accounting Division	68	74	86	95	45	
Others*	63	4	2	0	0	

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

TOPIC

IR DAY

At the IR Day held in May 2025, 13 executive management members from JAL, including the president, the chairman and president of ZIPAIR, and the president of Spring Japan, a total of 16 executives appeared on stage. This was an opportunity to discuss the contents of the Medium-Term Management Plan FY2021-2025-Rolling Plan 2025 as well as medium-term growth strategies and other topics directly with our investors. In addition to strategies for FSC, LCC, and Mileage/Finance and Commerce, participants deepened their understanding of the JAL Group from various perspectives, including ESG strategies and human resource strategies.



Guided Tour of Facilities

At the facility tour held in January 2025, we provided investors with a tour of the maintenance facilities that play a fundamental role in the JAL Group's flight safety. Participants also received an overview of the maintenance work supporting safe air travel with the JAL Group, and deepened their understanding of the composition of maintenance costs and our cost management strategies.



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

At the CEO Small Meeting and the CFO Small Meeting, we held dialogues with investors on the JAL Group's growth strategy and business conditions. Outside directors also explained at the CFO Small Meeting the JAL Group's future possibilities and challenges from the perspective of outside directors and engaged in dialogue with investors.

Sharing with Top Management

Feedback to our Directors and Councils

We regularly provide feedback to the Board of Directors and Group Management Council on key concerns and opinions of institutional investors worldwide to identify issues and drive management improvements. We also share this information widely with relevant divisions within the Group to improve management practices and IR activities.

In order to better communicate with investors, we will continue the ongoing cycle of identifying issues through internal feedback, formulating and implementing improvement measures, and incorporating market evaluations within the Group.

Setting Medium-Term Management Plan -Rolling Plan 2025 based on Investor Feedback



Management targets

The JAL Group has set management targets to be achieved by FY2025 based on the social environment, stakeholder expectations, the degree of impact through business, and the importance of the targets to management. Specifically, we have set targets for “Safety and Peace of Mind” and “Sustainability,” which are social values as stated in JAL Vision 2030, and for “Finance,” which is an economic value, and will work to improve the wellbeing of our customers, society, and employees by addressing each as a top priority management issue.

Safety and Peace of Mind

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

Sustainability

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

Finance

The management targets are profitability (“EBIT margin”), which is to be increased through business model reform, return on investment capital (“ROIC”), which is to exceed the cost of capital, and “EPS”, which is to exceed the pre-COVID-19 level.

FY2025 Targets		
Safety and Peace of Mind	Safety	Aircraft accidents and serious incidents: 0 cases (During the entire period of the Medium-Term Management Plan)
	CX (Peace of Mind)	Top level customer experience both in air travel services and daily life NPS*1 : +4.0 pt (FSC international and domestic)
Sustainability	Environment	CO ₂ emission reduction Total emissions: below 9.21 million tonnes (FY2019 result)
		Reduction of single-use plastic*3 Cabins and lounges: No use of new petroleum-based plastics Cargo and airports: 100 % switch to eco-friendly materials contained*4
	Communities	Regional revitalization Domestic passengers*5 and cargo transport volume: +10 % vs. FY2019
	People	Promotion of DEI Group female manager ratio*6: 30 % Consistent efforts to encourage various human resources to demonstrate their potential
Finance	EBIT Margin (Profit margin on sales)	Achieve 10 % or higher
	ROIC*7 (Return On Invested Capital)	Achieve 9 %
	EPS (Net profit per share)	Approx. ¥290

*1 Net Promoter Score (NPS): an objective measure of customer satisfaction (compared to the beginning of FY2021)

*2 Including 120,000 tonnes of CO₂ emissions in FY2019 by Spring Japan, which became a consolidated subsidiary in FY2021 *3 Refers to single-use plastics provided to customers

*4 Items that do not use new or reduced petroleum-based raw materials, such as biomass, recycled plastic, and certified paper.

*5 Increase in total passengers between metropolitan areas and rural areas due to stimulated tourism demand, etc. *6 Organizational managers

*7 Return On Invested Capital (ROIC) = EBIT (after tax) / average of fixed assets at beginning and end of period*8

*8 Fixed assets = Inventories + Non-current assets - Deferred tax assets - Assets related to retirement benefits * (Improvement of Total Shareholder Return)

Progress of Management Targets and Future Initiatives

Safety

Zero aviation accidents and zero serious incidents



- **Aircraft accidents and serious incidents**
 - Appropriate measures are taken through the collection of information and analysis of factors related to cases in order to preventively respond to new risks, such as the increase in cases of collisions and close calls in and around airports outside Japan, bird strike, and inflight fires that may be caused by baggage incidents

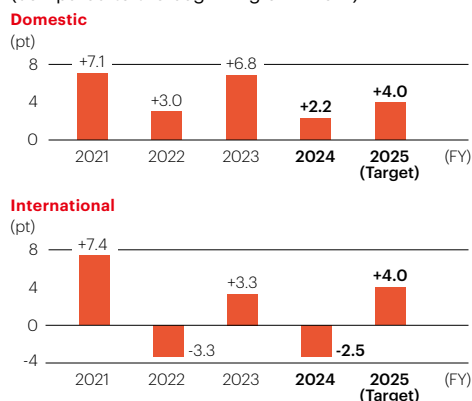
➡ p. 23
- **Drinking alcohol related issues: Reform internal "Awareness", "Structure and Culture" and "Organization" in light of the Administrative Guidance for the Business Improvement Order and the Business Improvement Advisory**

➡ p. 26

CX (Peace of Mind)

NPS: +4.0pt

FSC international and domestic routes (compared to the beginning of FY2021)

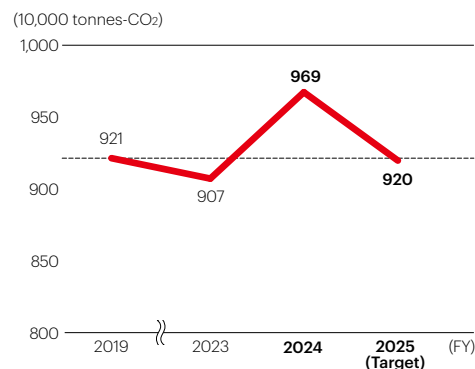


- **Common**
 - Enhanced complimentary inflight Wi-Fi service (streaming on domestic flights, complimentary Wi-Fi service on international flights) to allow customers to spend more time the way they want on inflight
 - JAL's mobile app will be revamped by the end of FY2025 to deliver a simple, easy-to-use digital experience through a unified design and improved responsiveness
- **Domestic**
 - Provide stress-free air travel by expanding JAL SMART AIRPORT

➡ p. 49

Environment (Reduction of CO₂ emissions)

CO₂ emissions: Less than 9.21 tonnes (FY2019 result)



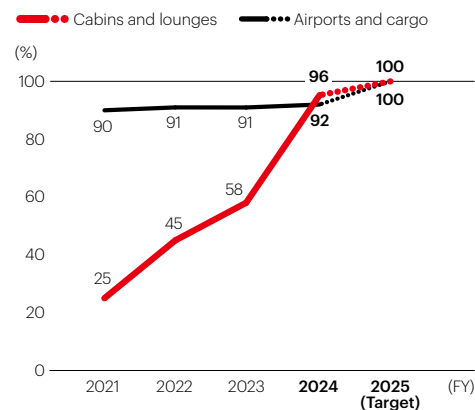
- **Renewal to fuel-efficient aircraft**
- **Operational Innovations**
- **Use of SAF (1 percent of all onboard fuel will be replaced by SAF by FY2025)**
- **Use of CORSIA* qualified credits**

*CORSIA: Carbon Offsetting and Reduction Scheme for International Aviation

➡ p. 79

Environment (Reduction of Single-use Plastics)

Cabins and lounges: Elimination of all new petroleum-based materials Airports and cargo: Switch to 100% ecofriendly materials contained

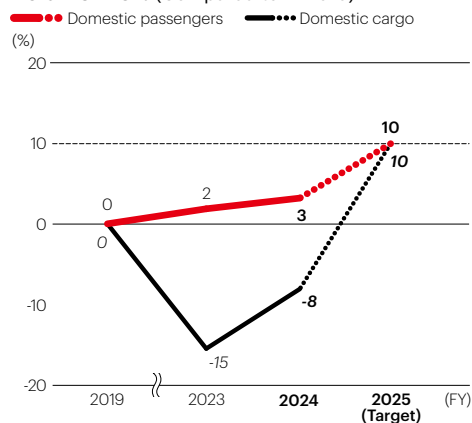


- **Cabins: Changed materials for toothbrushes, paper hand towels, among others**
- **Lounges: All materials have been eliminated**
- **Cargo: Changed the material of binding film**
- **Airports: Changed 100 percent**

➡ p. 96

Community

Domestic Passenger and Cargo Transport Volume +10% (Compared to FY2019)

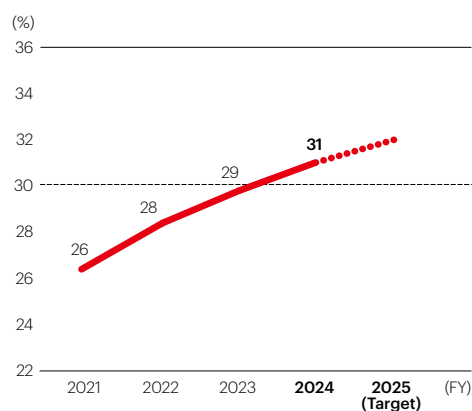


- **Expand domestic passenger* transport volume**
 - Attract inbound travelers to the local areas
 - Capture the air transport demand on the occasion of EXPO 2025 Osaka, Kansai, Japan
- **Expand domestic cargo transport volume**
 - Promote shift from land transportation to air cargo transportation through the use of freighters and partnerships

* Increase in total passengers between metropolitan areas and rural areas due to stimulated tourism demand, etc.

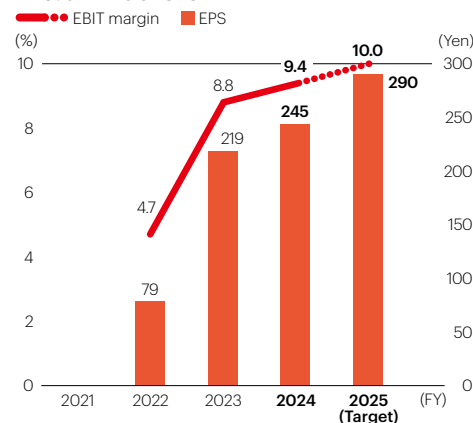
People

Proportion of female managers: 30%



- **Strengthening Female Leadership Development**
 - In order to increase the proportion of female managers and vice presidents, the number of participants in the training program for female leaders has been expanded. [p. 66](#)
- **Promoting the appointment of women to management positions**
 - Promoting the appointment of human resources with diverse experience and skills across the Group, regardless of their attributes and job titles. [p. 66](#)

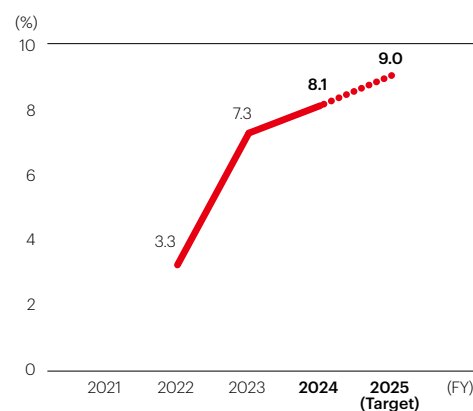
Profitability Indicators

EBIT margin: 10% or more
EPS: JPY 290 level

- **Business Restructuring**
 - Improve efficiency in the FSC domain through business management based on unit profit
 - Expansion of revenue composition ratio in Mileage, Lifestyle and Infrastructure Business [p. 32](#)
- **Thorough cost control and promotion of productivity improvement** [p. 32](#) · [p. 69](#)

Efficiency Indicators

ROIC: 9%



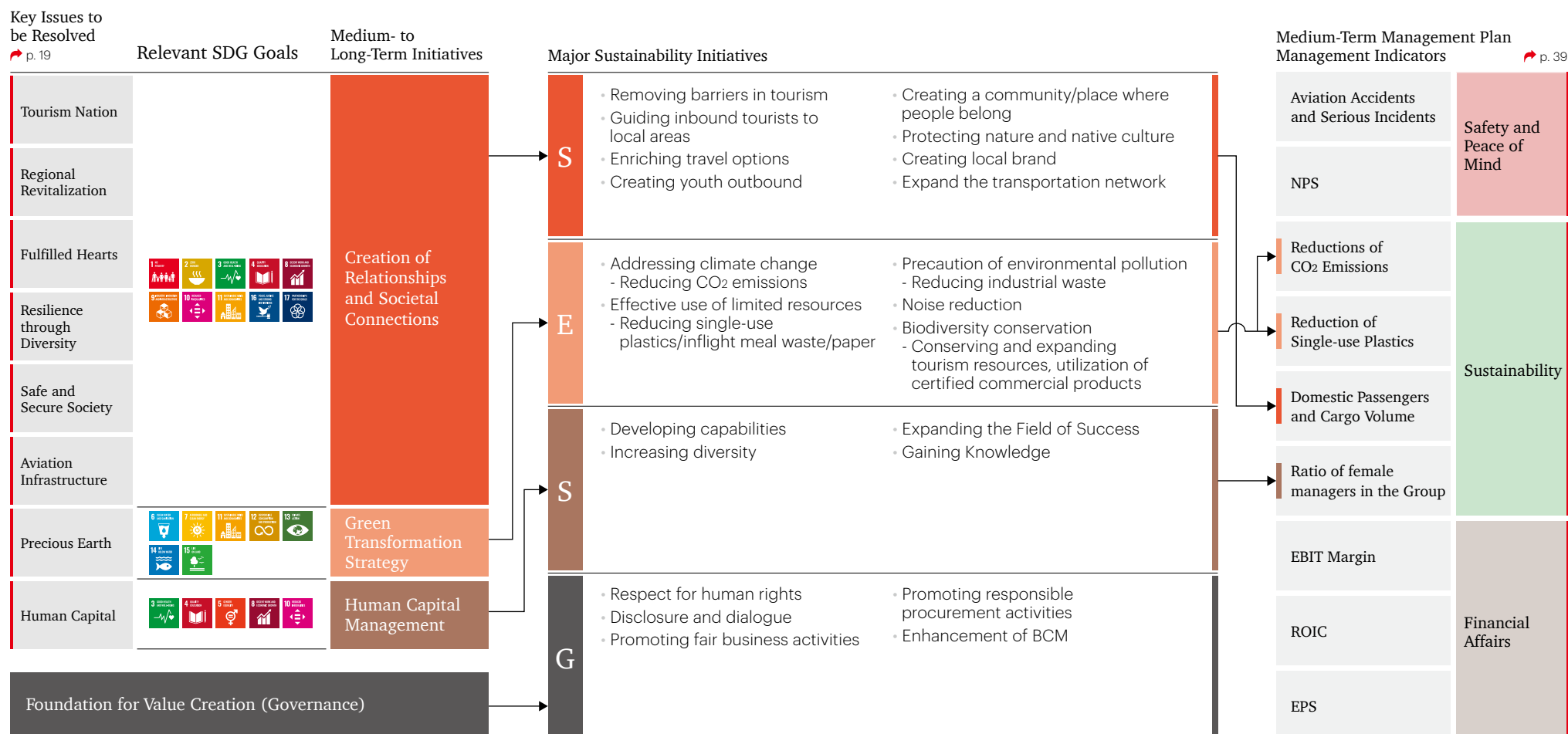
- **Realization of effective investment**
 - Careful selection of investments with efficiency in mind
 - Manage investment progress and strengthen PDCA [p. 32](#) · [p. 36](#)

Major Initiatives and Results Regarding Sustainability

Economic values and businesses created through air transportation and societal connections, we have set and managed progress in each of the three themes of (1) Creation of Relationships and Societal Connections (2) Green Transformation Strategy and other initiatives for environmental issues to pass on precious Earth to the next generation, (3) Human Capital

Management aimed by our Human Capital Strategy, and Governance which is the foundation of value creation and promote ESG management. Four of these initiatives, namely “reducing CO₂ emissions,” “reducing single-use plastics,” increasing “the ratio of female managers,” and “regional revitalization,” have also been set as management targets

(sustainability). We will accelerate our efforts to achieve the management targets of the current Medium-Term Management Plan, realize JAL Vision 2030, and resolve the materiality issues through a backcasting approach.



S Creating Relationships and Societal Connections through Air Transportation

Initiatives	Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Results of FY2024	Targets for FY2025	Related Key Materiality
Performance indicators	Total amount of relationships and societal connections*1	—	—	—	—	7.2 million person/times	7.5 million person/times	7.65 million person/times	Tourism Nation
Increase in domestic passengers*2 and cargo traffic	Increase ratio (Passengers)	—	-74.2% v.s. FY2019	-59% v.s. FY2019	-15% v.s. FY2019	+1% v.s. FY2019	+3% v.s. FY2019	+10% v.s. FY2019 Management target	Regional Revitalization
	Increase ratio (Cargo)	—	-30% v.s. FY2019	-34% v.s. FY2019	-17% v.s. FY2019	-15% v.s. FY2019	-8% v.s. FY2019		Fulfilled Hearts
Maintenance and development of regional route networks including outlying island routes	Number of domestic entry points (including code share)	62 points	61 points	61 points	64 points	65 points	64 points	More than 65 points	Resilience through Diversity
Expansion of services provided through increased contract orders	Number of passenger and cargo flights regarding ground handling for foreign carriers	87,000 flights	9,000 flights	17,000 flights	29,000 flights	66,000 flights	82,770 flights	94,000 flights*3	Safe and Secure Society
Promoting the use of domestic flights to in-bound tourists	Number of users	701,240 people	49,188 people	121,844 people	582,180 people	912,578 people	1,161,629 people	1,505,000 people	Aviation Infrastructure
Drone logistics and commercialization of eVTOL Air Taxi	Commercialization	—	—	—	—	Drone commercialization (operation) started	Establishment of eVTOL operation company completed	FY2023: Commercialization of drone delivery FY2026: eVTOL commercialization	
Promoting air travel to customers who find it difficult to travel	Ratio of such passengers onboard	0.36%	0.29% (0.8 times v.s. FY2019)	0.64% (1.8 times v.s. FY2019)	0.71% (1.9 times v.s. FY2019)	0.81% (2.2 times v.s. FY2019)	0.82% (2.3 times v.s. FY2019)	2.5 times v.s. FY2019 results	
	Number of wooden wheelchairs which go through metal detectors	478 units	478 units	478 units	508 units	508 units	461 units	580 units	
Enhancing pharmaceutical transportation	Transport weight	610 tonnes	721 tonnes +18% v.s. FY2019	1,172 tonnes +92% v.s. FY2019	1,363 tonnes +123% v.s. FY2019	3,274 tonnes*4 +437% v.s. FY2019	4,355 tonnes +614% v.s. FY2019	+50% v.s. FY2019	
Enhancing transportation of fresh products	Transport weight	—	—	—	—	8,175 tonnes +54% v.s. FY2019	10,029 tonnes +89% v.s. FY2019	+142% v.s. FY2019	
Promoting JAL Wellness & Travel	Number of municipal partnerships	—	—	—	4 cases	5 cases	9 cases	10 cases	
Strengthening planning and sales of recycled products in cooperation with companies outside the JAL Group	Number of affiliated companies	—	—	—	—	5 companies	12 companies	15 companies	
Promoting Go Somewhere with Miles	Cumulative number of users	—	—	—	540,000 people	630,000 people	710,000 people	810,000 people	

*1 Relationship between interacting community x level of community involvement

*2 Incremental total passengers between metropolitan and rural areas due to stimulated tourism demand

*3 Target revised due to environmental changes in operational contracted flights

*4 Including temperature-controlled storage for pharmaceuticals in Narita airport entrusted from overseas airlines

E Precious Earth

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Results of FY2024	Targets for FY2025	Related Key Materiality
Addressing Climate Change	Reduction of CO ₂ emissions	Scope1 emissions from aircraft	9.09 million tonnes (9.21 million tonnes ^{*)})	4.39 million tonnes	6.19 million tonnes	8.19 million tonnes	9.07 million tonnes	9.69 million tonnes	Less than 9.21 million tonnes Management target	Precious Earth
		CO ₂ emissions per paid ton kilometer (Revenue tonne kilometer)	1.0648 kg-CO ₂ /tonne kilometers	1.3763 kg-CO ₂ /tonne kilometers	1.2751 kg-CO ₂ /tonne kilometers	1.0829 kg-CO ₂ /tonne kilometers	1.0040 kg-CO ₂ /tonne kilometers	0.9595 kg-CO ₂ /tonne kilometers	0.8365 kg-CO ₂ /tonne kilometers ^{*2}	
		Scope2 emissions from ground facilities	60,000 tonnes	51,000 tonnes	53,000 tonnes	56,000 tonnes	53,000 tonnes	57,000 tonnes	54,000 tonnes	
		Percentage of fuel-efficient aircraft	82%	84%	85%	86%	86%	86%	86% ^{*3}	
		Ratio of SAF to total fuel	0.0001% Loaded in all five A350 delivery flights	0.0000009% Domestically produced SAF loaded on domestic scheduled flights	0.0002% • Loaded on four A350 delivery flights • Loaded simultaneously on two types of domestically produced SAF for domestic scheduled flights	0.004%	0.012%	0.035%	1% of all loaded fuel	
		Reduction through JAL Green Operations promotion (CO ₂ reduction through operational ingenuity)	157,000 tonnes (1.7% of emissions)	82,000 tonnes (1.8% of emissions)	142,000 tonnes (2.3% of emissions)	195,000 tonnes (2.4% of emissions)	217,000 tonnes (2.4% of emissions)	224,500 tonnes (2.3% of emissions)	Reduction equivalent to 2.5% of CO ₂ emissions from aircraft	
		Number of JAL Carbon Offset website visitors		Tracked from FY2021 the fourth quarter		13,122 people (1.5 times v.s. FY2021)	21,215 people (2.4 times v.s. FY2021)	36,329 people (4.1 times v.s. FY2021)	30,000 people (3.4 times v.s. FY2021)	
		Number of Carbon Offset users		Tracked from FY2022		385 people	1,785 people (4.6 times v.s. FY2022)	2,310 people (6 times v.s. FY2022)	2,000 people (5.2 times v.s. FY2022)	
		Number of total contracted companies of JCSP (JAL Corporate SAF Program)				Tracked from FY2024		12 companies (Cargo: 3 companies) (Corporate Passenger: 9 companies)	15 companies	
Effective Use of Limited Resources	Reduction of plastic ^{*4}	No use of “new petroleum-based” plastics of JAL original items in airport lounges and cabins	2.5%	10.4%	25%	45%	58%	96%	100% Management target	
		Percentage of eco-friendly materials contained in cargo and airports ^{*5}	Starting from FY2020	87.6%	90%	91%	91%	92%	100% Management target	
	Reduction of inflight meal waste	Yield rate	—	—	—	—	4.4%	2.6%	Less than 2.5%	
	Paper reduction	Electronic AWB (Air Waybill)	—	—	25%	62.5%	82.6%	83.3%	JAL flight e-AWB completed	

*1 Includes 120,000 tonnes of FY2019 CO₂ emissions by Spring Japan, which became a consolidated subsidiary in 2021 *2 Factoring in the impact of bypassing Russian airspace *3 Target modified due to change in fleet plan

*4 Single-used plastic served to customers *5 Items that do not use new or reduced petroleum-based raw materials, such as biomass, recycled plastic, and certified paper

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Results of FY2024	Targets for FY2025	Related Key Materiality
Precaution of Environmental Pollution	Industrial waste reduction	Final disposal rate	0.3%	0.6%	0.3%	0.6%	0.7%	0.5%	Keep below 1%	Precious Earth
Noise Reduction	Low-noise aircraft operations	ICAO Chapter 14 standard compliant aircraft ratio	45%	40%	41%	42%	42%	44%	45%*	
Biodiversity Conservation	Preservation and expansion of tourism resources	[Okinawa] Number of grown sexually reproduced corals	—	600 clusters	1,000 clusters	1,700 clusters	1,150 clusters	1,557 clusters	1,000 clusters by 2026	Precious Earth
	Utilization of certified commercial materials	Percentage of inflight paper items with international certification in consideration of forest resources	15.9%	66.5%	66.5%	87.8%	94.4%	96.5%	100%	Tourism Nation
	Prevention of illegal wildlife trade	Number of illegal wildlife transports	0	0	0	0	0	0	0	Regional Revitalization
	Incorporating biodiversity considerations into the ingredients and commercial products	Number of violations of internal guidelines related to ESG risk in ingredients and commercial products	—	—	—	0	0	0	0	
	Reducing the impact on ecosystems surrounding airports	[Tokyo] Number of incidents of improper management of water containing hazardous substances	—	—	—	—	0	0	0	

* Target modified due to change in fleet plan

S Human Capital

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Results of FY2024	Targets for FY2025	Related Key Materiality
Developing Capabilities	Providing opportunities for education and challenges to maximize individual potential	Training cost per person ¹	¥449,480/person	¥109,321/person	¥84,469/person	¥138,651/person	¥164,103/person	¥176,579/person	¥338,000/person	Human Capital
Increasing Diversity	Providing opportunities to gain a variety of experiences regardless of attributes	Ratio of women in management	18.4%	19.5%	21.9%	22.8%	29.8% ²	31.5%	30% Management target	
		Employment ratio for persons with disabilities ³	2.62%	2.67%	2.64%	2.75%	2.90%	2.91%	3.2%	
		Percentage of men taking childcare leave ^{4, 5}	81.8%	106.3%	99.3%	87.2%	80.5%	87.5%	100%	

Initiatives		Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Results of FY2024	Targets for FY2025	Related Key Materiality
Expanding the Field of Success	Providing opportunities for growth and learning	Internal relocation through open recruitment	—	—	—	30 people/year	85 people/year	100 people/year	100 people/year	Human Capital
Gaining Knowledge	Deepen internal knowledge and acquire external knowledge	Career recruitment ratio	—	—	—	—	40.0%	50.0%	50.0%	
		Number of employees who took DX education	—	—	—	—	80 people	376 people	900 people	
	Organizational revitalization through the practice of the JAL Philosophy by organizational managers	Ratio of managers who took Leader education	—	—	—	—	99.6%	99.4%	100%	
Basement of Human Capital	Improving the ratio of health check-up	Employee consultation ratio	100%	100%	100%	100%	100%	100%	Maintaining 100%	
		Family consultation ratio ^{*6}	37.5%	36.0%	40.7%	47.1%	47.3%	To be disclosed within FY2025	75%	
		Ratio of mammography (employees)	—	—	58.9%	62.0%	61.4%	57.3%	70%	
		Ratio of mammography (families 35 and over)	—	—	30.2%	33.4%	34.7%	35.4%	40%	
		Ratio of uterine cancer screening (employees)	—	—	54.1%	57.9%	57.4%	54.7%	60%	
		Ratio of uterine cancer screening (families 35 and over)	—	—	25.4%	27.9%	29.8%	29.4%	40%	
Results of Human Capital Management	Increasing engagement	Percentage of highly engaged employees	54.4%	54.4% (no survey)	51.7%	51.7% (no survey)	53.8%	58.1%	64.4%	
	Value creation	Sales per capita ^{*7}	—	—	-50% v.s. FY2019	-2% v.s. FY2019	+16% v.s. FY2019	+20% v.s. FY2019	+38% v.s. FY2019	
	Labor Productivity Improvement	Total work hours ^{*4}	1,862 hours/person	1,878 hours/person	1,890 hours/person	1,884 hours/person	1,876 hours/person	1,875 hours/person	1,850 hours/person	
		Percentage of usage of annual paid leave ^{*4}	79.0%	71.5%	74.5%	81.0%	84.5%	80.0%	100%	
		Average number of hours of overtime and holiday work per month ^{*4}	9.5 hours/person	8.0 hours/person	9.9 hours/person	10.5 hours/person	9.7 hours/person	10.2 hours/person	4 hours/person (linked to 1,850 hours of total annual labor)	

*1 Return to employees will be measured as "investment in human capital per employee," amount of investment in education plus base salary, from FY2024 onwards.

*2 Changed calculation method from FY2023

*3 Total value of Japan Airlines Co., Ltd. and JAL Sunlight Co., Ltd., a subsidiary that hires people with disabilities

*4 Japan Airlines Co., Ltd. only

*5 Calculated based on the number of people in childcare leave applicants before FY2021

*6 Until FY2020, the data was compiled for family members aged 35 and over. From FY2021, the data is compiled for family members aged 40 and over

*7 Concept of "value added per hour" will be introduced from FY2025 onward

G Governance

Initiatives	Performance indicators	Results of FY2019	Results of FY2020	Results of FY2021	Results of FY2022	Results of FY2023	Results of FY2024	Targets for FY2025	Related Key Materiality
Respect for Human Rights	Conducting human rights due diligence	Implementation ratio of human rights due diligence	—	—	—	100%	100%	100%	100%
	Respect for human rights of stakeholders	Completion of human rights investigations of new key suppliers	—	—	—	—	Completed	—	100%
		Percentage of self-assessment questionnaires for significant suppliers (60 companies)	—	—	—	—	—	100%	100% by FY2024
		Attendance ratio of education related to respect for human rights	—	—	—	81.9%	75.5%	75.5%	100%
		Ratio of employees who work long hours	—	—	—	1.98%	3.57%	3.33%	0%
Disclosure and Dialogue	Strengthening the dissemination of information on corporate website sustainability pages	Number of views	765,912	786,229	893,469	840,170	820,095	845,451	1 million or more
	Strengthening the dissemination of information to individual shareholders and investors	Members registered to stockholders' website	—	—	—	—	—	75,814 people	100,000 people
Promoting Fair Business Activities	Preventing information leakage	Number of incidents	0	2 ¹	0	2	0	2	0
	Number of Incidents to Prevent Corruption and Bribery	Number of incidents ²	0	0	0	0	0	0	0
Responsible Procurement	Supply Chain Management	Confirmation ratio of integrity of critical suppliers	18%	37%	62%	81%	100%	—	100%
		Number of human rights audits conducted on key suppliers (23 companies)	—	—	—	—	—	100%	100% by FY2024
		Number of aviation security audits of all caterer factories and machine supply depots	2	2	2	2	2	2	2
Enhancement of BCM	Improving the effectiveness of BCP	Number of BCP-based exercises	1	1	4	4	2	2	2

*1 Number of information leakage incidents reported to authorities

*2 Criminal or more severe penalties counted

Related Key Materiality

Resilience through Diversity