3
Strategies for Each Business

About This Chapter

- Enhancing the corporate value through customer-oriented management that draws sympathy from a wide range of customers - CCO Message -
- Strategies and Progress in Each Business to Realize Medium- to Long-term Management Strategies
- Aircraft Fleet Plan to Achieve Both Competitiveness and Sustainability for Growth in the Aviation Field
- Establishment of a Business Model that does not Rely on the Airline Business

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Photography by ABIKO Sachie

Message from Our Group CCO

Increasing corporate value by responding to diverse customer values through customer-oriented management

AOKI Noriyuki
Representative Director, Executive Vice President (Group CCO)

Aim for Customer-Oriented Management

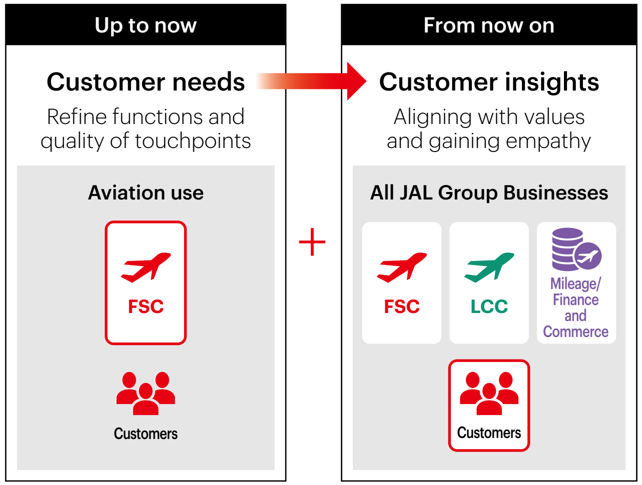
On October 25, 1951, our very first flight departed from Haneda Airport with 36 passengers. Seventy-four years later, around 45 million passengers travelled with us in just the fiscal year 2024, bringing the total number of passengers we've served since our founding to 1.7 billion. We sincerely thank all our customers for their continued trust and support.

The JAL Group's Corporate Policy is to deliver unparalleled service to our customers, and as the wings of Japan, we have fulfilled our mission of flying customers safely to their destinations with peace of mind. In recent years, customers, society, and the market have undergone significant and rapid changes while recovering from the serious effects of the COVID-19 pandemic. Against this backdrop, we established the role of Chief Customer Officer (CCO) in our 2023 fiscal year, with our current CEO TOTTORI Mitsuko serving as the first CCO. We also established the Customer Value Creation Council as an Executive Management Council meeting body, and have begun efforts to implement customer-oriented management, often referred to as the "customer-in" approach. We believe that the mission of the CCO is to align the actions of all employees toward our customers with the aim of becoming an airline group that increases corporate value by creating new value together with our customers.

Stories that Resonate

The primary touchpoints between customers and airlines have historically been limited to physical locations such as airports and cabins, with the key challenge being how to enhance customer satisfaction in that situation. When hearing the word "JAL," many people might imagine our aircraft adorned with the Tsurumaru logo. While our roots are in passenger aviation, through ongoing business restructuring, a key theme of the 2021-2025 Medium-Term Management Plan, our business domains have expanded and diversified alongside our products and services. Today, touchpoints with customers have expanded to include not only traditional air travel, but also daily life touchpoints that can be seen in areas such as in the Mileage / Finance and Commerce business. The JAL Group is constantly evolving its services and offerings to meet the evolving demands of customers with something special, and today services include LCCs like ZIPAIR and SPRING JAPAN, as well as offerings like JAL CARD, JAL Pay, JAL PLAZA, and JAL Mall. We believe that this "something special" is for the JAL Group to be a company that truly resonates with customers, and we must design a story across all touchpoints that invites customers to relate to who we are and what we do. While we continue to refine our service quality, we will maintain close contact with our customers and continue to make every effort to earn their trust and empathy to be their airline of choice.

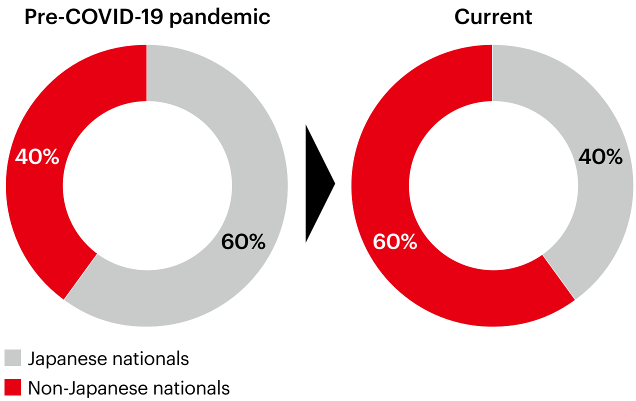
● Diagram of Empathy



Delivering Diversified and Personalized Experiences

One of the most notable changes that we have seen since the COVID-19 pandemic has been a diversification of our customer composition and their values. Since restructuring our business, we have seen a dramatic increase in the number of customers using LCCs and non-aviation services. In addition, the growth of the global passenger aviation industry has led to a significant increase in the number of customers originating from overseas. The number of customers coming to Japan is rapidly increasing, and once again is expected to reach an all-time high again this year. On our international routes, we now welcome a greater number of non-Japanese customers than Japanese customers, while we are also seeing an influx of more customers from abroad than there have been in the past. As our customers and their values continue to diversify, we must deliver personalized experiences by focusing on each individual customer, achievable only if we are able to obtain and analyze data from our ever-important digital channels. Aiming to achieve this, we are developing and improving products and services and optimizing marketing activities that leans on the strength of the JAL Group's customer base, including approximately 40 million JAL Mileage Bank members and 3.56 million JAL Card members across its travel and product sale businesses. At the same time, digital experiences including websites, apps, and chatbots, have become a major key factor in customers' purchasing decisions, and it's not an exaggeration anymore to say they can be a competitive advantage on their own. Recognizing the ever-increasing importance of data and digital experience, we will promote continuous DX investment, which will be the starting point of our future growth strategy, leveraging our experience in leading large-scale system renewal projects.

● Customer Composition (Image of total passengers on international flights)



Human Resources Define the JAL Brand

Up until now, the aircraft cabin was more restrictive compared to on the ground, with very visible limitations to services we could offer on board. However, through advancements in seat and communication technologies, the inflight experience can be comparable to what you can experience on the ground. The JAL Group offers innovative experiences across its businesses, including the world-class A350-1000 and innovative cabin offering on JAL international routes, and full-flat seats available on its LCC brand ZIPAIR. While these experiences have only been made possible through a strong financial base that has allowed us to continue to invest and renew our aircraft during the COVID-19 pandemic, such hardware will not always be the greatest differentiating factor for customers. Rather, our greatest strength lies in each and every employee who embodies the JAL philosophy and delivers truly inimitable human service–that is to say, the very essence of the JAL brand. In my own experience in overseas stations and JAL Group companies, no matter where I have been, I have sensed an innate sense of hospitality at the core of all JAL Group staff that can't be replicated through even the most robust training or education. All 40,000 employees of JAL Group–from frontline staff delivering safety and peace of mind to our guests, through office personnel supporting their efforts–will work as one to continuously enhance the JAL brand based on the precious trust we have been able to establish on the back of delivering operational safety and warm hospitality that truly moves people.

Crafting the Future Together

Society is now at a major turning point, and we must consider our impact on customers and local communities. For example, we must address global environmental issues. No matter what measures are taken to achieve Net Zero CO2 emissions, an increase in costs in the short term seems inevitable. In some other countries, we have seen models in which costs are directly passed onto customers, but we believe it is important to listen to customer feedback and consider how society as a whole should bear the burden of these costs in making this decision.

Another major issue is the declining population in Japan, especially in rural areas across the country. Regions with rich nature and unique culture are valuable legacies in themselves. Creating a new flow of people, goods, and logistics through tourism and dual residences living will enhance the sustainability of local communities and deliver special experiences to our customers. Through my first-hand experiences managing regional aviation in the Okinawa region, I was able to feel this from the bottom of my heart.

It is my sincere hope to create a bright and sustainable future for our skies alongside customers and local communities, viewing societal challenges not merely as risks, but as opportunities to generate new values for customers and society alike.

Inspiring Experiences for Even More Customers

With seemingly unlimited access to information and ways to occupy ourselves, digital experiences have fundamentally changed the way we live. At the same time, however, the unique and unrepeatable nature of real-life and analog experiences is being re-evaluated, especially by digital natives who have only ever known this hyper-connected way of life. As we support the movement of people and goods, we must convey the message that authentic experiences that excite the senses are irreplaceable assets for a full life. I believe that the mission of airlines moving forward will be to support new encounters and endeavors, and to foster meaningful relationships and connections across people, places, and society. As such, the entire JAL Group will strive to deliver memorable experiences to more and more customers built on the essential qualities of safety, on-time operations, comfort, and convenience.




Special Feature 1

Broadening How We Resonate with Our Customers

JAL Group places importance on three elements that shape our services in order to broaden how we resonate with our customers who say, "I like JAL." And all of us are working together to deliver services that are close to the thoughts and feelings of our customers and what they value.
In this feature, we will introduce the value we hope to deliver through JAL Group's services, along with case studies.

Broadening How We Resonate with Our Customers 1

An authentic experience that tickles the senses

As the digital society progresses, we have more and more opportunities to experience a variety of options, but our customers say they would like to experience more attractive and real discoveries. JAL Group stays close to our customer's wishes and is committed to create highquality services that blend warmth and sophistication. Our goal is to provide travel value that is rich in sensitivity to customers wanting to feel and experience and to deliver emotions and emotional connections that transcend the ordinary.

Examples Pursuit of quality centered on airline service

Airbus A350-1000, our state-of-the-art aircraft, is a next-generation wide-body aircraft that combines advanced technology with a high level of comfort. In addition to its excellent fuel consumption performance, the aircraft's cabin is designed to be larger than ever before, and the latest seat design allows passengers to enjoy a quality travel experience even on long flights thanks to its spacious and comfortable ride.

In addition, through our partnership with HERALBONY, an art lifestyle brand, the JAL Group supports and promotes artists with disabilities to expand their possibilities. The artists' unique artwork is used in the design of inflight amenities and lounge space, adding color to the travel experience. The JAL Group will continue to provide customers with experiences that delight their five senses through innovative technology and the dissemination of new and unfamiliar culture.

Inflight image of the newest aircraft, A350-1000

Broadening How We Resonate with Our Customers 2

Inspire new horizons

Lifestyles are diversifying, and the options in life are becoming more diverse than ever before. We want people to enjoy exploring and discovering their own personalities amidst unlimited possibilities. We are promoting initiatives to create opportunities to encounter their dreams and hopes and to encourage them to take steps toward their aspirations, particularly among the younger generation.

Examples DREAM MILES PASS and other initiatives to encourage customers to take on challenges

The JAL Group, together with OHTANI Shohei, is implementing the DREAM MILES PASS project to support young people all over Japan who are challenging their dreams. JAL will continue to support young people, who are pursuing their dreams, by providing them with air tickets and encouraging them to embark on new journeys. JAL will continue to accompany you as you take the first steps toward your dreams and challenges, and expand the possibilities for the future through air transportation.

In addition, SKYMATE is a special program for customers under 25 years old or under that allows them to travel easily at a substantial discount compared to regular fares on domestic flights. In addition, by using JAL CARD, customers can earn flight mileage to make their next trip even more enjoyable.

DREAM MILES PASS to support young people who pursue their dreams

Broadening How We Resonate with Our Customers 3

Making meaningful connections

As social progress and environmental changes reduce opportunities for people to feel connected to each other, the peace of mind that comes with a place to belong and a presence to connect with others is invaluable. The JAL Group is committed to playing a role in expanding the possibilities of the future by providing new encounters and emotional connections through travel, and by acting as a bridge to create "connections that enrich lives" of our customers.

Examples Expanding relationships, connections, and networks through the collective efforts of the JAL Group

JAL is focusing on the promotion of the "dual residences" concept as an opportunity to create connections that enrich our lives. "Dual residences" is a lifestyle in which one has another living area in a different region from the main living base. JAL supports air travel by utilizing its airline network to create opportunities for people to feel connected to the local community and to create relationships and connections through transportation by making people aware of the possibilities of new lifestyles and diverse ways of life.

As for LCCs, by offering fare options that match the values of our customers, we are providing a new bridge that makes people's travel easier and contributes to the expansion of domestic and international travel demand and the revitalization of inter-regional exchange and tourism. Furthermore, we are strengthening our partnership with JAL, a full service carrier (FSC), and developing a diverse service model unique to the JAL Group.

"Dual residences" initiatives to promote

Airline Business Portfolio Strategy

In the airline business, we aim to increase revenues by optimizing resources while flexibly responding to environmental changes in the market environment by making the most of the different brands of full service carrier (FSC) and low-cost carriers (LCC) and the unique characteristics of each airline rooted in different regions.

Furthermore, by deepening and expanding partnerships with joint business partners and code-share partners, we will mutually utilize resources and sales capabilities in each market to improve customer convenience and increase revenue.

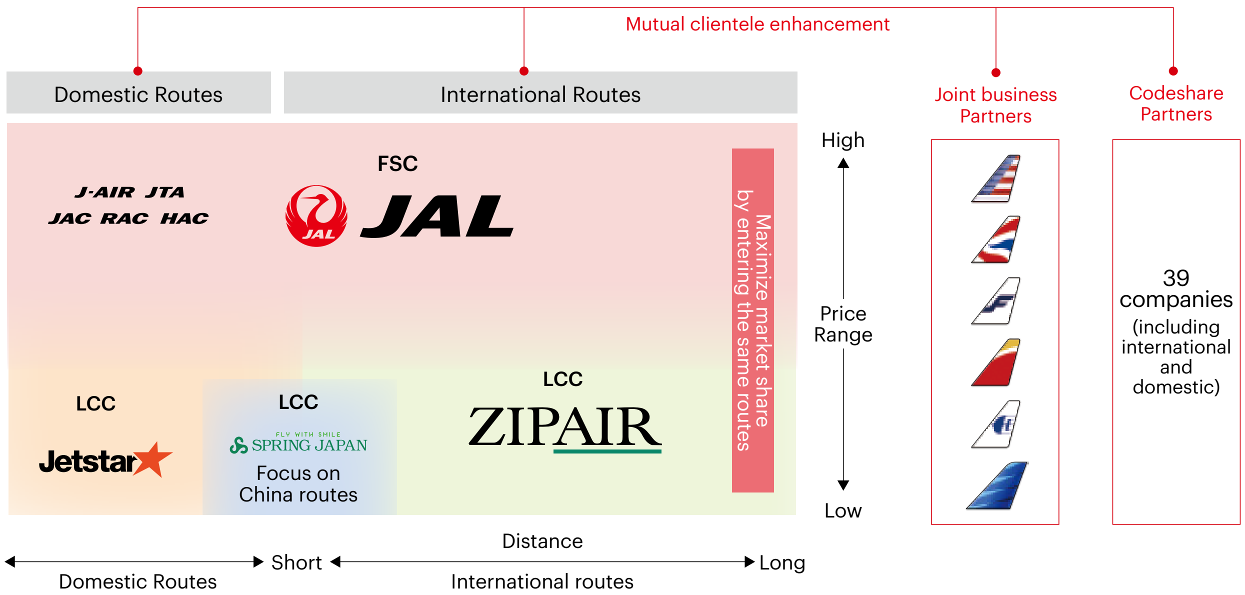
Through these efforts, we will build a sustainable route network that connects the world and Japan, and cities and regions.

On international routes, both FSCs and LCCs will expand supply to growing markets. In addition to maximizing market share in each market, including joint business partners, we will contribute to the creation and expansion of human flow by meeting diverse air transport demand in accordance with customers' purposes of use, with the aim of expanding the scenes of air travel.

On domestic routes, we will strengthen cooperation between FSCs, LCCs, and partnerships, aiming to both improve profitability by optimizing resources and to fulfill the social responsibility of the JAL Group, which has many outlying island routes and lifestyle routes.

Furthermore, we will promote various initiatives that contribute to maximizing the profitability of the entire airline business, regardless of the classification of FSCs, LCCs, or international or domestic routes.

● Portfolio



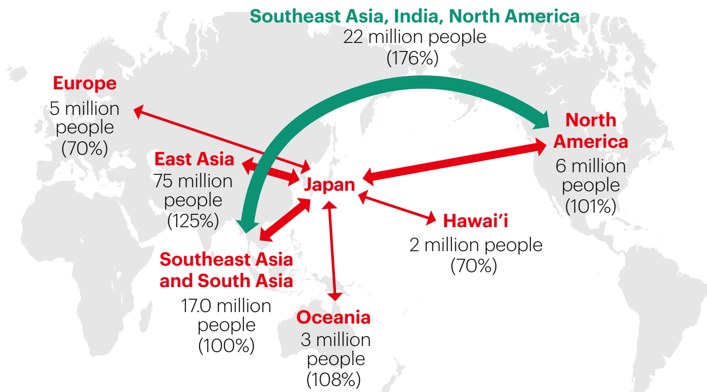
Expansion of Capacity and Network on International Routes

On international flights, inbound demand to Japan and connecting international flights between North America and Asia have continued to grow since the COVID-19 pandemic was contained. Recognizing this as a business opportunity in the airline business, FSCs will renew and enlarge their fleets and restructure their routes, while LCCs will expand their capacity and network in growing markets by increasing their fleet size and improving their utilization ratios.

Furthermore, through four joint businesses, including the joint business with Garuda Indonesia that started in April 2025, we will build an international route network that JAL could not achieve on its own.

Transpacific joint business	Joint business on European routes
American	BRITISH AIRWAYS, FINNAIR, IBERIA
Joint business on the Malaysia-Japan route	**Joint business on the Indonesia-Japan route**
malaysia airlines	Garuda Indonesia

● FY2025 Inter-regional Flows



Fleet Planning and Strategy

Fleet Planning and Strategy Linked to Business Needs

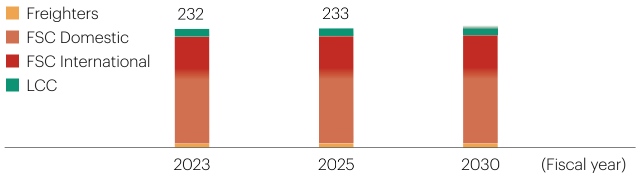
JAL Group has decided to introduce 20 Airbus A350-900s and 10 Boeing 787-9s on international routes, and 11 Airbus A321neos and 38 Boeing 737-8s on domestic routes.

On international routes, we will expand our route network, focusing on North America and Asia, where future growth is expected. With a view to expanding our combined FSC and LCC business by approximately 1.5 times by FY2030 compared to fFY2023, we will increase the number and size of our fleet by introducing the Airbus A350-900 and Boeing 787-9.

ZIPAIR, an LCC, will introduce the new Boeing 787-9 in addition to the Boeing 787-8, increasing the number of seats and offer with its competitive full-flat seats, which are not available with other LCCs, while approximately doubling its fleet and expanding its business scale.

On domestic routes, we will introduce the Airbus A321 neo aircraft to renew our fleet of medium-sized Boeing 767 aircraft and replace our Boeing 737-800 aircraft with the new Boeing 737-8, a smaller aircraft. By increasing the ratio of smaller aircraft to 63 percent by 2030, we aim to match supply and demand and improve profitability. We will also decide on the successor aircraft types for the domestic regional jet fleet, keeping an eye on future demand trends.

● Total number of aircraft



*Exclude Jetstar Japan

Expand the Ratio of Fuel-Efficient Aircraft

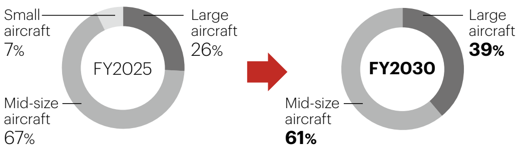
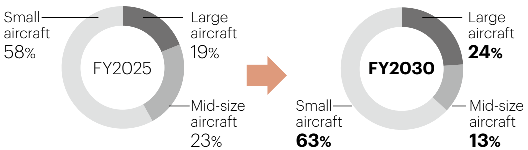
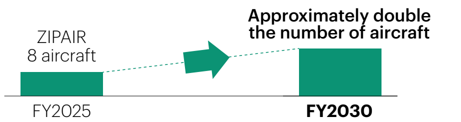
In order to create relationships and societal connections through air transportation while reducing environmental impact, we will accelerate the introduction of new fuel-efficient aircraft, and reduce CO_2 emissions while providing the best possible service to our customers.

On international routes, a growth area, the existing Boeing 777 and 767 aircraft will be replaced by new fuel-efficient Airbus A350 and Boeing 787 aircraft in order to expand supply volume.

On domestic route the Boeing 767 and 737-800 aircraft will be renewed with fuel-efficient aircraft, such as the Airbus A321 neo and Boeing 737-8, in order to maintain the network and supply according to demand.

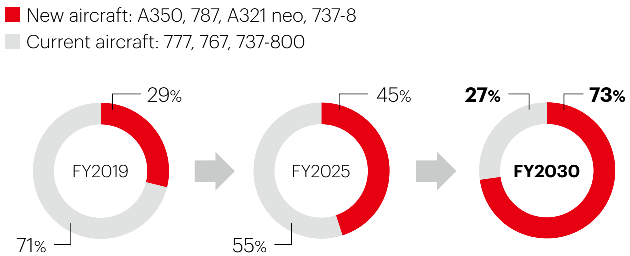
Through aircraft renewal, CO_2 emissions per aircraft will be reduced by 15 to 25 percent compared to current aircraft, and the ratio of these fuel-efficient aircraft, will be increased to 73 percent by 2030.

● Aircraft portfolio (FY2025-FY2030)

	Aircraft to be introduced in the future	Change in aircraft size ratio
FSC International Routes	• Introducing the A350-900 on international routes • Unify aircraft types to large and mid-size (A350/787) and increase the size of the fleet  A350-1000 A350-900  787-9	
FSC Domestic Routes	• Ordered 17 additional 737-8 • Introduced 737-8 in FY2026 and A321 neo in FY2028 • Increase ratio of small aircraft from 58 percent to 63 percent  A321 neo A350-900  737-8	
LCC	• Newly introduced 787-9 to ZIPAIR • Increase the number of full-flat seats  787-8 787-9	

*FSC: Regional jets and propeller aircrafts are not included in the ratio of domestic routes

● Fuel-efficient aircraft ratio



Full Service Carrier (FSC)

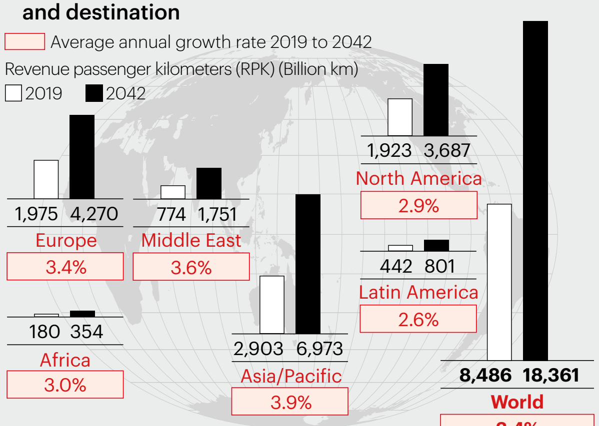
Maintain and expand networks while reducing environmental impact by introducing fuel-efficient aircraft, and stimulate interacting community

Business Environment

Growth Opportunities	Risks
• Strong inbound demand will further expand • Increased demand for connecting flights between North America and Asia • Expanded route network through partnerships and code-sharing • Increased productivity due to technological advancements	• Delayed recovery of outbound demand from Japan • Cost increase due to exchange rate impact and price hikes • Global economic slowdown and geopolitical risks • Impact of natural disasters, terrorism, infectious diseases, and large-scale accidents on flight operations

Strengths	Challenges
• Continuous introduction of state-of-the-art fuel-efficient aircraft • Competitiveness of products and services at airports, cabins, and the like • Operational structure that can respond to flexible route planning	• Improve passenger yield • Further increase in inbound passengers and attracting them to the region • Initiatives to counteract cost increases, including measures to reduce environmental impact

● Forecast on Air Transport Demand by regional origin and destination



Source: Japan Aircraft Development Corporation (JADC)

Completion of Mid-Term Strategy

FSC provides high-quality products and services and a highly convenient route network, and operates its flights by leveraging the strengths of the group airlines in accordance with the scale of air transport demand and route characteristics. In addition, FSC will deepen partnerships with partner airlines to build a route network that is essential for business, tourism, and even daily life, connecting regions of the world and Japan and contributing to the revitalization of human flow and logistics.

To realize our ESG strategy, we are introducing state-of-the-art fuel-efficient aircraft. We are introducing the Airbus A350-1000, which emits less CO_2 than conventional aircraft, and have expanded the fleet to 10 aircraft as of July 2025. To the goal of eliminating the single-use of new petroleum-derived plastics by FY2025, we have already achieved total elimination in lounges by the end of FY2023, and expect to achieve this goal for inflight services by the end of this fiscal year, and are making steady progress in reducing our environmental impact.

In order to strengthen our competitiveness toward achieving our EBIT target, we are introducing aircraft equipped with the latest cabin configuration, providing stress-free service through renewal of the digital experience, and intermittently reviewing our inflight services in line with customer needs.

On international routes, we will strengthen our efforts to capture inbound demand, which is expected to grow, and further increase the ratio of regions outside Japan to total sales. We will work toward the Japanese government's target of 60 million total passengers visiting Japan by 2030, while simultaneously improving passenger yield by strengthening competitiveness and revenue management.

On domestic routes, we will counteract rising costs due to price hikes, market conditions, and exchange rates by improving productivity through reorganization of flight frequency and fleet plan, and promotion of DX, and promote structural reform to make the business more stable. In addition, we will promote the creation of new domestic human flows, such as inbound travel to various regions in Japan and new tourism, in order to increase revenue.

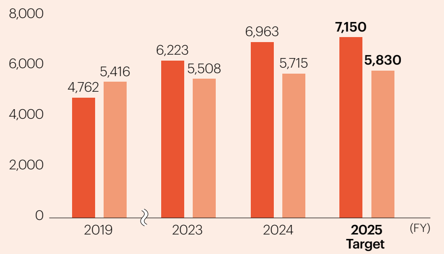
● Progress toward achieving FY2025 targets

FY2024	FY2025
Strengthen efforts to capture robust inbound demand and promote initiatives to cope with high costs	**Achieve both demand acquisition and yield improvement** **Promote business restructuring in response to cost increases and other environmental changes**
• Strengthen efforts to capture inbound demand • Promote introduction of fuel-efficient aircraft A350-1000 • Promote productivity improvement by utilizing DX • Promote initiatives to cope with rising costs, including price hikes and yen depreciation	• Capture inbound demand and improve yields • Attract inbound travelers to the region, taking advantage of EXPO 2025, OSAKA KANSAI and other events • Expand supply in growth markets, including partnerships with alliance partners • Promote business structure reforms to offset cost increases

FY2025 Targets

Sales

FSC business sales



Initiatives and Results for FY2024

International Routes

Strengthen acquisition of passengers originating overseas

On international routes, we continued to work on strengthening our efforts to capture strong inbound demand and demand between North America and Asia. The new A350-1000 aircraft with private business class cabins will be in service on eight aircraft by the end of FY2024. The aircraft is in operation in Haneda=New York, Dallas-Fort Worth, and London routes to strengthen its competitiveness for high unit price passengers. In June 2024, we concluded a global partnership agreement with Liverpool Football Club to increase JAL's recognition among passengers departing from overseas. We will continue to promote brand recognition in regions outside Japan, emphasizing the shared values of both parties, such as connecting with communities and supporting women and the young.

Expanding supply to growing markets

We worked with our joint business partners to expand supply to North America and Southeast Asia to meet the growing air transport demand in light of economic growth. The total seats supplied on JAL-operated flights expanded to 107% year over year. And in June 2024, our joint business partner American Airlines began to serve on the Haneda–New York route, expanding supply in addition to the two flights operated by JAL, with three round-trip codeshare flights per day in different time zones, enhancing the convenience of our network to cities in the U.S.A. and Central and South America. Preparations for the launch of joint business with Garuda Indonesia on the Japan-Indonesia route and on both domestic routes have steadily progressed and began in April 2025.

Domestic Flights

Promoting structural reforms

On domestic routes, we will promote business structure reforms in light of environmental changes, such as business demand falling below pre-COVID-19 pandemic levels due to factors such as the establishment of remote meetings, and cost increase due to recent price hikes and the weak yen. In order to increase revenue, we will work to capture inbound demand and create new human flows. As an important infrastructure supporting society, we will work to maintain and optimize our route network by maximizing the resources of our Group airlines, as well as devise travel demand and create and communicate regional attractions.

We will counteract changes in our cost structure due to rising prices and the weak yen by raising the cost per passenger by strengthening revenue management and improving productivity through the promotion of DX and other measures and promote structural reforms to create a stable business potential.

Capturing inbound passengers

We will entice inbound passengers, which have been growing significantly compared to the pre-COVID-19 pandemic period, to local regions by promoting their attractions.

Currently, inbound passengers mainly travel from Tokyo to major cities such as Hokkaido and Osaka on domestic flights. Thus we believe that we can contribute to regional revitalization by focusing more on persuading inbound passengers to the regions. To do so, we will provide captivating information and an easy-to-understand, stress-free purchase and boarding experience for inbound passengers through designing and improving fare measures, promotion, and easy-to-understand UI.

In 2025, we will also work to tempt passengers by strengthening sales to EXPO 2025 OSAKA, KANSAI and by expanding code-sharing on domestic routes with international carriers.

Voice

JAL Mahalo Fare
An Option to Connect Hawai'i to the Future

On June 5, 2024, the World Environment Day, JAL launched the JAL Mahalo fare, a new plan on the Hawai'i route. By purchasing tickets with this fare, a portion of the amount will support organizations that conserve the environment and culture of Hawai'i.

Mahalo, means 'thank you' in Hawai'ian. This fare contains the appreciation and respect JAL has towards Hawai'i after their deep bond for many years. JAL is also the first Japanese airline to donate to organizations that conserve the environment and culture with their airfares.

The JAL Mahalo fare is flexible as passengers are able to change or ask for refunds. It not only provides a convenient itinerary but also recommends new values in protecting the rich nature and culture of Hawai'i. As a JAL member, who participated and interacted in the organizational activities, the significance of this project is more meaningful to me. Going forward, I would like to discover ways to support a sustainable environment and culture of Hawai'i with JAL and its customers.

WADA Eri
International Route Marketing Division
Assistant Manager

Cargo and Mail

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

Business Environment

Growth Opportunities

- Growth in global air cargo transport demand, especially in the international express and the e-commerce market
- Expanding volume of pharmaceuticals, Japanese regional products and fresh products, and chemicals
- Modal shift from domestic ground transportation

Risks

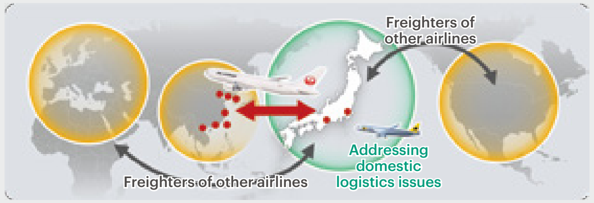
- Disruption in global markets due to high tariffs in the U.S.A., to name a few.
- Fluctuations in supply-demand balance due to uncertainties in e-commerce demand from China
- Shortage of medium and large widebody freighters to meet market demand for freighters
- Sluggish growth in total domestic cargo demand

Strengths

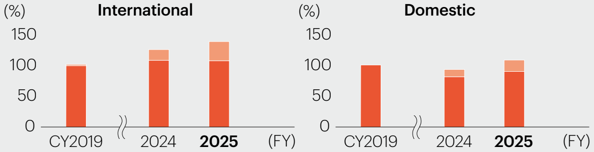
- High quality cargo handling operations
- Flexible and agile supply system with a combination of our freighters, cargo space on our passenger flights, and freighters provided by partnerships
- Japan's Geographical Advantages as the Ideal Relay Point between China/Asia and North America

Challenges

- shortage of human resources for cargo handling



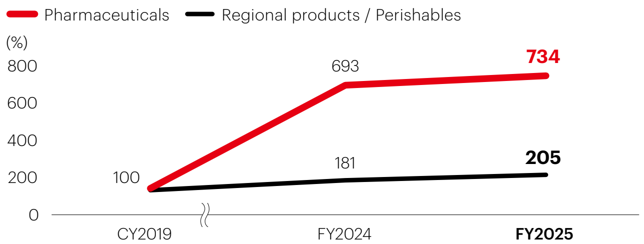
Changes in transported weight (compared to CY19)



Completion of Mid-Term Strategy

In the cargo business, we will expand the route network and the scale of our business by utilizing out freighters and passenger flight cargo space, and through partnerships that have large widebody freighters. We will operate our our three Boeing 767 freighters, namely 767 freighter, and open new routes such as the Hanoi route, and increase the number of flights to Hong Kong, Shanghai, and Taipei. In addition, through partnerships with Kalitta Air and Qatar Airways, the route network expansion will be carried out on routes to Europe and the U.S.A. Moreover, to expand our business, we will strengthen our efforts to capture international express demand, which is expected to grow steadily, by deepening partnerships with global partners such as DHL Express. Also, to build a stable profit structure, we aim to increase the volume of high value-added cargo such as pharmaceuticals, Japanese regional products and fresh products, to name a few, which is essential to society and where the advantages of air transportation can be utilized. Furthermore, we aim to deepen data-driven management through DX and improve productivity through smart handling to realize sustainable business potential.

Expand transportation volume of high value-added cargo



Progress toward achieving FY2025 targets

FY2024

Achieved revenue increase by capturing demand from China and Asia to North America and high value-added cargo. Began domestic freighter operations with Yamato HD

- Expanded routes served by our 767 freighter. New service to Tianjin and Dalian.
- Acquired IATA CEIV Lithium Batteries certification program for the air transport of lithium battery, and strengthened flight safety system.
- Began freighter services with Yamato HD with five bases in Japan where Haneda Airport offers the only late-night cargo service in Japan.

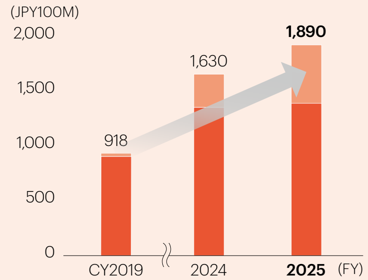
FY2025

Route network expansion by utilizing freighters and strengthening partnerships. Challenge to expand and grow business

- Launch new flights to Hanoi with our 767 freighter and increase flights to Hong Kong, Shanghai, and Taipei.
- Expand route network with partnership freighters on routes to Europe and the U.S.A.
- Increase volume of high value-added cargo
- Investigate introduction of fire resistant containers for expansion of transportation volume for lithium batteries, etc.
Strengthen sales promotion of pharmaceuticals from overseas

FY2025 Target

Sales



Initiatives and Results for FY2024

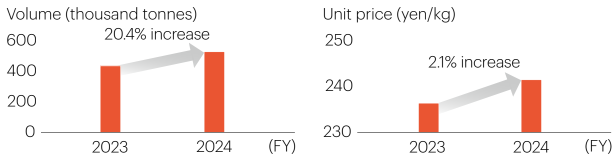
International Routes

Achieved revenue growth through effective use of freighters

We expanded the number of routes served by our 767 freighter and the new service from Narita to Tianjin and Dalian. In addition to route network expansion combined with our own passenger flights, we strived to increase the volume of cargo transported, particularly cargo from China and Asia to North America. In addition, we strengthened our efforts to acquire high value-added cargo such as pharmaceuticals and fresh products to improve unit prices.

Both volume and unit price exceeded the previous year (volume +20.4%, unit price +2.1%), resulting in a significant increase in revenues from the previous year.

● International cargo volume and unit price (YoY)



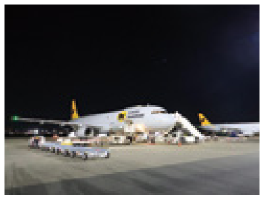
Expanding transportation of high value-added cargo

To expand transportation of high value-added cargo, we acquired the IATA CEIV Lithium Batteries certification, an international standard for lithium battery transportation, and advanced to build a safe and high-quality transportation system for lithium batteries. In addition, in order to expand the transportation volume of pharmaceuticals, regional products originating from Japan, and fresh products, we participated in industry exhibitions and trade fairs where many related parties gather to raise awareness of our high-quality transportation services.

Domestic Routes

Started operation of freighters, striving to capture new demand

In April 2024, we began operating three freighters with Yamato Holdings Co., Ltd. and are currently operating flights between five domestic bases, which are Narita, Haneda, New Chitose, Kitakyushu, and Okinawa. The inauguration to Haneda Airport enabled us to provide speedy transportation during the late-night and early-morning hours when existing passenger flights do not operate, thereby attracting new demand. As a result, the volume of goods transported exceeded that of the previous year (+9% over the previous year), resulting in an increase in revenue.



Toward expansion of domestic freight demand

In order to maintain and expand air transport demand, we launched new initiatives at Haneda Airport, including the launch of an X-ray-based aviation security inspection service and efforts to provide smooth cargo connection services between domestic and international flights.

Furthermore, with regard to cargo acceptance services, we promoted labor-saving operations by deploying automated cargo weighing and measuring devices and acceptance gates.

Voice

The successful additional 767 freighter flight on the Bangkok route

In February 2025, we JALCARGO realized the 767 cargo freighter with an extra flight from Bangkok. In response to strong international cargo demand from Thailand to the U.S.A., ensured the highest level of safety, maximized cargo capacity fulfilling and exceeding our customer expectations.

In preparation for the first freighter operation in 14 years, we strived quickly and closely together to ensure handling skills specific to freighters, optimized cargo space, and coordinated across divisions to achieve on-time operations and high-quality handling on the day of the flight. It was a really proud moment for our Bangkok team when we saw off the 767 freighter with all its cargo safely departing for Narita.

The success of this extra flight was an important experience that will lead to JALCARGO's continued growth in the future. We will continue to refine our high-quality cargo handling services to flexibly meet to our customers' expectations and contribute to solve social issues as a high-quality logistics infrastructure.

PUNBUA Chetta
Bangkok Cargo Office
FFU, Cargo Office

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

Business Environment

Growth Opportunities

- Strong inbound demand will further expand
- Increase in demand for connecting flights between North America and Asia
- Increase productivity driven by technological progress

Risks

- High costs due to currency fluctuations and price hikes
- Impact of natural disasters, terrorism, infectious diseases, and large-scale incidents on flight operations

Strengths

- Unique network based in Narita that differs from JAL
- Provides the safety standards and quality of a full service carrier (FSC)

Challenges

- Establish a structure to expand business scale
- Further expand competitiveness by improving aircraft utilization

● Route network of JAL Group LCCs

Completion of Mid-Term Strategy

In a market expecting further growth stems from diversifying needs, the three LCCs will each leverage their distinct network strengths and affordable pricing to expand options for diverse travel demands. By making air travel more accessible, we will create value in human mobility and connectivity.

In addition, we will achieve high profitability and expand the scale of our business by expanding inbound travel and creating demand for connecting flights through the hub of Narita Airport, where the three JAL Group LCCs are based.

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

ZIPAIR will maximize its first-mover advantage as a pioneer of medium- and long-haul LCCs in Japan to increase its share in the long-haul LCC market. SPRING JAPAN and Jetstar Japan will strengthen their sales capabilities and expand their business by leveraging the brands of their joint business partners. As demand originating overseas is expected to expand further going forward, LCCs consisted with a high percentage of inbound demand will play a role in capturing strong inbound demand and contribute to the creation of human flow.

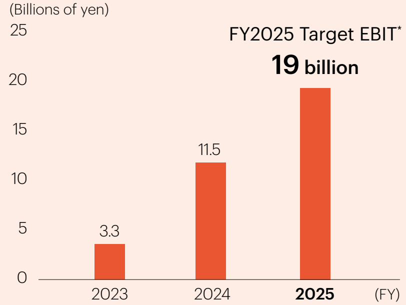
● Progress toward achieving FY2025 targets

ZIPAIR / SPRING JAPAN / Jetstar Japan

	FY2024	FY2025
	Achieve high profitability through aggressive international expansion	Capture strong inbound demand by further expanding international routes
ZIPAIR	• Establishment of production system and development of new North American routes and services for further growth	• Establishment of production system and introduction of new services to expand business scale
SPRING JAPAN	• Expand international network in China	• Increase international flights to China and build a production system for further business expansion
Jetstar Japan	• Expand short-haul international routes in Asia	• Further capture inbound demand through increasing international route network

FY2025 Targets

Profit target (EBIT)



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

Initiatives and Results for FY2024

ZIPAIR

Establishment of production system and introduction of new services to expand business scale

In FY2024, ZIPAIR launched its first service to Houston, a city in southern U.S.A., in March 2025, and has expanded its network to ten routes in six countries. ZIPAIR was also named a Four Star™ Low-Cost Carrier in the LCC category of APEX* Official Airline Ratings, an airline evaluation program.

Going forward, we plan to increase the number of aircraft to enhance business expansion, strengthen human resources and organizational structure, and equip the inflight Wi-Fi with Starlink, a high-speed internet communication, to provide customers with a stress-free internet environment. Through these efforts, we will improve operations and introduce new services and continue to evolve to become a "NEW BASIC AIRLINE" that ZIPAIR aims for.

SPRING JAPAN

Efforts to capture Chinese inbound demand

In addition to establishing a stable business operation structure by launching a contract business for the operation of dedicated cargo aircraft, SPRING JAPAN expanded its international route network by opening a Beijing route, increasing the number of Shanghai routes, opening a Dalian route, and resuming a Nanjing routes, where all flights are to and from Narita, as demand for inbound flights in China recovered.

As a result, the airline ended in profits for the first time since its establishment.

We will continue to expand our network to China's major cities and regional cities in stages as the market for Japan-China routes recovers and expands, and by leveraging the sales and brand power of the Spring Airlines Group, which is China's largest LCC and is highly recognized and competitive in China, we will act as a bridge between Japan and China and contribute to the expansion of inbound travel from China, where growth is anticipated.

Jetstar Japan

Expansion of international routes to capture inbound demand from Asia

In response to the strong performance of the Kansai-Taipei route, which resumed service in March 2024, we increased the number of round-trip flights from one to two in December 2024, to create a route network that is highly convenient for our customers by offering a flight schedule that meets not only inbound demand but also the gradual increase in demand for overseas travel from Japan.

We will continue to expand our international routes to capture the strong inbound demand from Asia, and at the same time, we will contribute to the transportation of customers to regional areas by utilizing our domestic route network.

* APEX (Airline Passenger Experience Association) is one of the world's largest airline industry associations based in North America. A non-profit organization of airlines, airports, and airline-related suppliers from around the world.

Voice

New Challenges on the 10th Anniversary of the Launch

SPRING JAPAN took on a variety of challenges in FY2024.

In the inauguration of passenger flights, we expanded our international network by opening new routes to Beijing and Dalian. The number of flights to Shanghai increased to three per day, thereby opening flights to seven airports in China. In addition, we are responsible for the operation of freighters, which was launched in cooperation with Yamato Holdings, contributing to the establishment of a logistics network linking Hokkaido to Okinawa, centering on Narita. Simultaneously, as our business expands, we now handle late-night flights. The Operations Control Center, which is responsible for flight safety, is taking on greater responsibility. We are overcoming the various challenges that arise every day by pooling our wisdom and supporting each other. Communication is indispensable to steadily carry out our work by mobilizing everyone's strength. Outside of work, we joke and talk about our thoughts for the future and at times enjoy barbecues and picnics to refresh ourselves and deepen our bonds. Flight safety is the fruit of this teamwork. We will continue to believe in the power of every one, and will continue to take on challenges to achieve even higher levels of flight safety.

CAI Qiwen
SPRING JAPAN Co.
Vice President

Mileage / Finance and Commerce

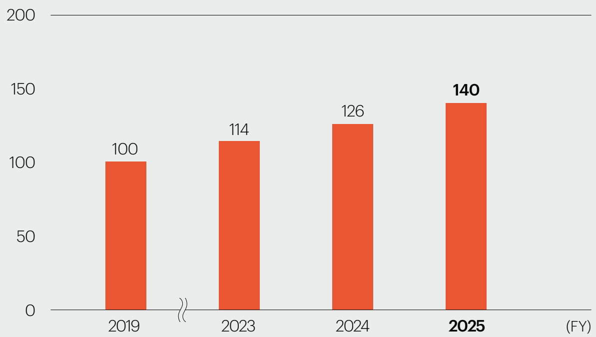
The JAL Mileage Lifestyle helps to enrich the lives of our customers

Business Environment

Growth Opportunities	Risks
• Penetrate cashless payments • Expand e-commerce markets • Growth potential of financial domain business • Establish digital communication platforms such as JMB mobile app and the like	• Decline in credit card merchant fees • Intensifying competition with other points of sale due to industry restructuring • Decline in delivery efficiency and higher costs due to labor shortages in the logistics industry

Strengths	Challenges
• Excellent membership base centered on JAL CARD members • Enhancing a variety of extraordinary redemption awards • JAL assets • Highly productive operating structure	• Establish a business model that does not rely on air transport demand • Differentiation from other loyalty program operators by increasing the value of frequent flyer miles • Connection with customers who do not use air travel

● Target for miles issued for non-air transport services



Note: Index with FY2019 = 100

Completion of Mid-Term Strategy

In FY2025, the final year of the medium-term strategy, we will focus on further growth of thepayment business, including JAL CARD, and the commerce business, as well as on expanding our business domains.

In FY2024, we released new services such as JAL Hikari to expand the JAL Mileage Lifestyle and enhance our mileage partnership services that allow customers to accumulate miles in their daily lives. In addition to JAL Mileage Bank award tickets, we prepared several extraordinary experience awards that are possible only by using miles as premium mileage redemption awards, such as special seats at sport stadiums.

HIROSE Suzu, a popular actress across all generations, was cast as the commercial character to make JAL mileage more familiar to the younger generations and customers, who are not frequent flyers.

To meet the diverse needs of customers not limited to air travel, the Life Status Program was introduced last year to extend the mileage validity period and to add hotel partnership awards. The new Life Status Program is designed to provide attractive lifetime benefits for a wide range of travelers, from air travel to daily life.

In FY2025, the final year of our mid-term strategy, we will focus on further growth and expansion of business areas in the settlement and commerce businesses, including the JAL CARD, which is the key to establishing a business model that does not rely on air transport demand. In the JAL CARD business, we will seek to achieve sustainable growth by issuing new types of certificates and intensifying cooperation with the status program. In the commerce business, we will aim to maximize earnings by expanding the e-commerce market as a growth opportunity. We will work toward the completion of the mid-term plan by achieving unprecedented business domain expansion and a non-continuous business growth through business investments and other measures.

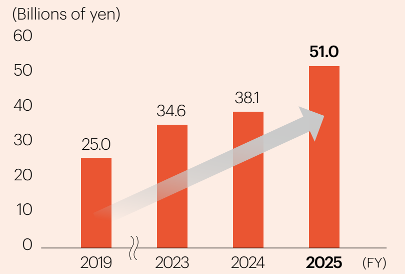
● Progress toward achieving FY2025 targets

FY2024	FY2025
Promotion of JAL Mileage Lifestyle and achievement of profit targets	**Penetration of JAL Mileage Lifestyle and achieve profit targets by expanding business domains for a sustainable growth**
• Expand customer base and enhance profitability by raising awareness of JAL Mileage Lifestyle • Expansion of Life Status Program awards • Expand JAL Mileage Lifestyle through sustainable award development and management • Strengthen profitability of commerce business potentials • Expand services including JAL Hikari	• Growth of JAL CARD business through further expansion of Life Status Program members • Strengthen profitability through expansion of JAL mileage partnership services such as JAL Mobile, JAL Hikari, JAL Insurance, to name a few. • Accelerate growth of the commerce business • Expand the business domain through business investment, among others.

FY2025 Targets

Profit Target (EBIT)

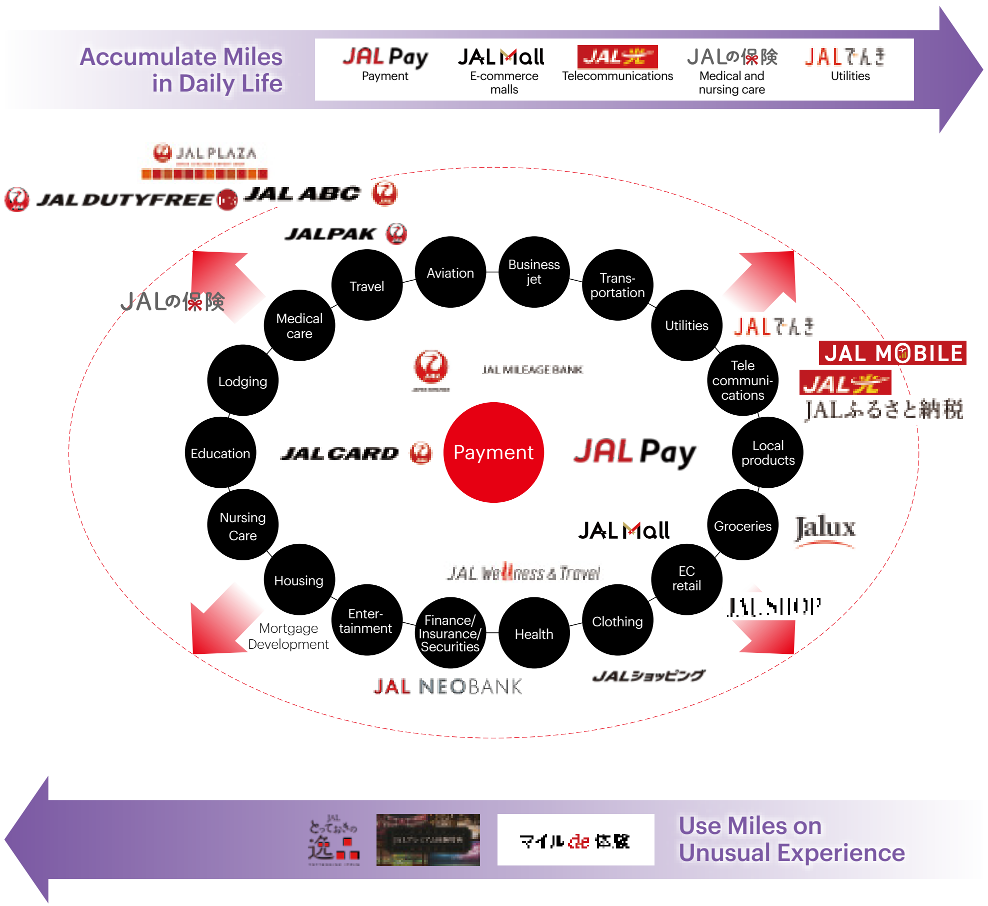
Achieve +100% growth vs. pre-COVID 19



Mileage/Finance and Commerce Strategy Linked to ESG Strategy

Aiming to help enrich the lives of our customers by linking their ordinary and non-ordinary lives with JAL miles, we have been striving to expand the number of occasions in which customers can save miles in their ordinary lives and use them in their non-ordinary lives.

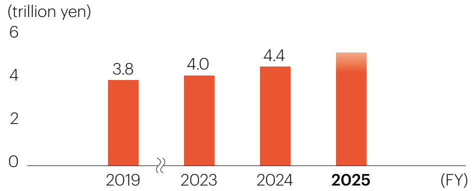
In FY2024, in addition to the growth of existing services such as JAL CARD, JAL Pay, and JAL Mall, the release of new services such as JAL Hikari led to a steady increase in the number of miles issued for daily use. In addition, we will continue to improve the value and attractiveness of miles by steadily increasing the number of options in non-ordinary situations where miles can be used.



Growth of JAL CARD through expansion of Life Status Program (LSP) members

After the first anniversary of its release, the Life Status Program has aimed to make the program more attractive to many customers by adding awards in non-aeronautical domains. By further expanding the program going forward, we intend to increase the loyalty of a wide range of customers, including the younger generation, and achieve sustainable growth in the JAL CARD business and other frequent flyer businesses.

● JAL CARD transaction volume



Accelerating Growth in the Commerce Domain

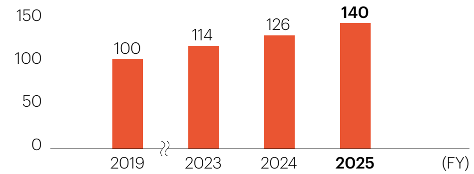
JAL Mall, celebrating its second anniversary, has expanded the number of stores and products it offers, aiming to become an online shopping mall that can be used by more customers. JALUX, the core company in the commerce domain, achieved steady growth in revenue thanks to the growth of its Aircraft Engine Maintenance Business and FURUSATO Hometown Tax payment business.

We will continue to develop original products utilizing JAL assets and strengthen data analysis, and we continue to provide special purchasing experiences.

Expanding mileage issuance and redemption through cross-industry partnerships

In the area of mileage issuance, we will create an environment that makes it easier for customers to accumulate miles in their daily lives, including the release of JAL Mobile. In mileage redemption, we will further enhance extraordinary and premium awards, such as an invitation to a private Michelin dinner, in order to create an award frontline that meets the needs of more customers.

● Increase in daily miles issued



*Index with FY2019 as 100

EBIT expansion through business investment

We will achieve unprecedented business domain expansion and business growth by aggressively pursuing strategic business investments and partnerships with other companies, while trailing sustainable business expansion and growth in existing businesses. This will create new business opportunities while leveraging the strengths of the airline business and JAL's frequent flyer program, which has an excellent customer base.

Ground Handling Contracts

Contributing to a tourism-oriented nation by creating inbound human flow and logistics to Japan
Pursuing further quality and profit increase as a leading airline in ground handling services

Business Environment

Growth Opportunities

- Increased inbound demand and government promotion of acceptance
- Gained momentum to ground handling industry, including the establishment of an industry association
- Expanded e-commerce and pharmaceutical transportation markets

Risks

- Sudden reduction in demand due to event risk
- Increase in costs due to rising commodity prices

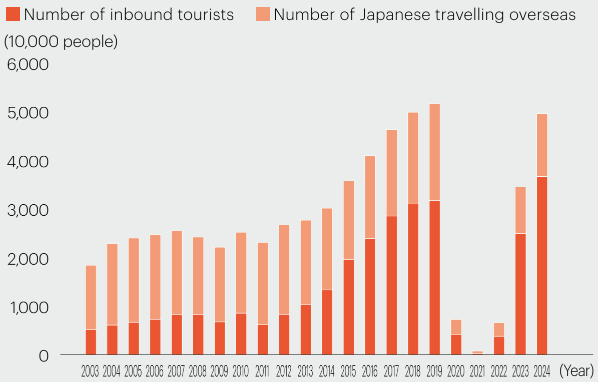
Strengths

- Provided contracted services with the largest number of contracted points in Japan and the top market share
- Provided a comprehensive package that brings together the strengths of three areas unique to airline companies: airports, cargo, and maintenance

Challenges

- The system to meet the expected growth of inbound demand (personnel, equipment, airport facilities, and the like)

Transition of the number of inbound tourists and the number of Japanese travelling overseas



Completion of Mid-Term Strategy

Ground handling contracts is a business that provides ground handling services necessary for non-Japanese airlines to depart from and arrive at airports around Japan. Supported by strong inbound and global air transport demand, the number of flights of non-Japanese airlines serving to Japan has been recovering steadily since the COVID-19 pandemic and is expected to continue to grow. Against this backdrop, we are transitioning to a sustainable business operation structure to continue contributing to the expansion of inbound human and logistics flows to Japan.

In order to establish a production system that can respond to the strong demand, a sustainable system was prepared for the future decline in the working population by introducing automatic check-in machines and automatic baggage deposit machines to improve productivity. Opportunities were also created for a diverse workforce for experienced and non-Japanese workers.

At the same time we invested in human capital by creating an environment in which ground handling personnel can remain active for a long period of time by improving compensation and other measures. In addition, in order to strengthen our resilience to volatility risk, including the withdrawal of non-Japanese airlines due to event risk in the country of departure point, we have begun efforts to create a mechanism for related parties to share the risk, such as by concluding cooperative agreements with airport building companies and local governments in Hokkaido.

In addition, we have concluded agreements with non-Japanese airlines to make contract fees, which were previously rigid, changeable in response to significant cost fluctuations caused by price increases. In addition to ground handling contracts, we are also working on the expansion of ground handling contracts for aircraft maintenance for other airlines and aircraft components, taking advantage of the JAL Group's advanced technological capabilities.

● Progress toward achieving FY2025 targets

FY2024

Transition to a sustainable business operation structure as we enter a growth phase

- Establish a public-private partnership to accommodate a greater number of flights than the number of flights before the COVID-19 pandemic .
- Further promote price revisions for non-Japanese airlines and establish a risk-sharing mechanism.
- Expand ground handling contracts, including aircraft maintenance and equipment components
- Promote the use of temperature-controlled warehouses for the transport of medical supplies, and the like.

FY2025

Maintain a sustainable business operation structure by reviewing business processes and expansion of ground handling contracts

- Implement timely and appropriate resource management of ground handling contracts to cope with the increase in the number of flights.
- Promote self-service of airport procedures, such as automatic check-in and Self Baggage Drop (SBD).
- Improve warehouse operation efficiency through automated transfer, and the like.

FY2025 Targets

Expansion of ground handling contracts and increase in revenues

Next Generation Mobility

Not just a means of transportation, but a new value-creating infrastructure for the region

Business Environment

Growth Opportunities

- Growing need for infrastructure renewal due to aging infrastructure and lack of skilled workers
- Rapid growth of next-generation mobility, such as air mobility and micromobility, markets and technologies

Risks

- Delays in the development of laws and regulations in the air mobility field and tightening of regulations
- Decline in social acceptance of next-generation mobility in terms of safety, cost, and the like.
- Increased procurement costs for next-generation mobility

Strengths

- A route network connecting Japan and the rest of the world
- Safe and secure flight know-how and human resources cultivated through our aviation business
- Relationships and societal connections with local communities

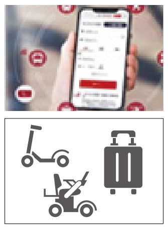
Challenges

- Selection of safe, secure, and efficient aircraft and vehicles
- Reflect aviation business know-how in the development of laws and regulations
- Establish a regional cooperation system to create seamless value in an integrated manner

Creation of new means of transportation

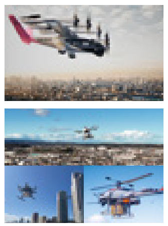
Mid-term strategy toward FY2026

JAL MaaS



Connecting means of transportation by land

AIR MOBILITY



Create new means of transportation in the sky

Completion of Mid-Term Strategy

The maintenance and management of local transport infrastructure has become a social issue due to aging infrastructure, community residents, and labor shortages. The JAL Group is addressing this by providing safe, secure, next-generation mobility that integrates various transportation modes.

At Expo 2025 OSAKA KANSAI, JAL will introduce eVTOL and drones, establishing new mobility forms in the airline industry. From FY2026, we will accelerate mobility infrastructure construction to support value creation.

We have accumulated know-how and data for remote operation and simultaneous device control, implementing phase free models for emergencies and normal times.

From FY2025, we will train flight operation personnel, build operator support platforms, and enable safe, efficient operations meeting regional needs; this supports regional mobility needs.

Simultaneously, to realize safe, secure mobility fostering societal connections, we will expand JAL MaaS, connecting flight safety to all transport modes, providing seamless, customer-focused mobility.

Through these, JAL aims to contribute to regional value creation as a safe, efficient provider of next-generation mobility infrastructure.

● Progress toward achieving FY2026 targets

FY2024

Accelerate value creation through co-creation and expand the air mobility market

- Joint business with Sumitomo Corporation to establish Soracle Corporation, an eVTOL operation company
- Received the MLIT Award at the 7th JAPAN OPEN INNOVATION PRIZE for "Drone-Based Resident Services in Setouchi Town on Amami Oshima Island in Peacetime and Emergency Situations.
- Participated in the design of a national system through a trial of simultaneous operation of multiple aircraft and succeeded in simultaneous operations of five drones.
- Expansion of collaboration with regions and transportation operators (26 airports and 66 operators), and enhancement of JAL MaaS functions through multilingual support and other measures.

FY2025

Expanding Model Cases and Use Cases Making Air Travel More Accessible

- *Sora Cruise by Japan Airlines* is an immersive theater at EXPO 2025 OSAKA, KANSAI. Will accelerate efforts for social implementation after the Expo.
- Expand solution services using drones and lead social implementation
- Accumulate operational data and develop operational support services
- Improvement of convenience features such as digital tickets and route search for JAL MaaS, and strengthening of last-one-mile services.

FY2026 Targets

Realization of future society through new business models

Building a platform for digitally integrating and optimizing various types of mobility