Corporate Governance Report

Last Update: NOVEMBER 9, 2026

Japan Airlines Co., Ltd.

Securities code: 9201

http://www.jal.com/

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

We maintain an awareness that our corporate group is a member of society at large with the duty to fulfill our corporate social responsibility and contribute to society as we develop our business, in addition to fulfilling our financial responsibility of earning adequate profits by providing high quality products through fair competition while maintaining flight safety as the leading company of safety in the transport sector and providing unparalleled service to our customers.

Taking this into account, we have established JAL Philosophy in accordance with the JAL Group Corporate Policy, "JAL Group will pursue the material and intellectual growth of all our employees, deliver unparalleled service to our customers, and increase corporate value and contribute to the betterment of society." We will strive to enhance corporate value and achieve accountability by establishing a corporate governance system that results in high management transparency and strong management monitoring, while at the same time engaging in speedy and appropriate management decision making.

The Board of Directors has established corporate governance by adopting the Fundamental Policies of Corporate Governance as a key set of rules subsequent to the Companies Act, relevant laws and regulations and the Articles of Incorporation, and reviews it as appropriate.

(https://www.jal.com/en/philosophy-vision/governance/#thinking)

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The JAL Group have implemented all principles of the Corporate Governance Code revised on June 11, 2021, and have established a corporate governance system. We will continuously work to increase corporate value.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.3 (Basic Strategy for Capital Policy)]

(Fundamental capital strategy policy)

(1) In order to plan for future corporate growth and adapt to changes in the management environment so as to be prepared for business risks unique to the air transportation business, JAL Group strives to secure net assets required for capital expenditures and to keep the equity ratio stable.

(2) It has established a system to secure diverse and flexible means of procuring capital and strives to maintain a good credit rating to realize this.

(3) JAL Group is also aware of cost of equity and to achieve a level of capital efficiency that exceeds the costs, establishes a management plan and financial targets and discloses and explains them including concrete measures to achieve its targets.

(Policy on shareholder return)

We regard shareholder returns as one of our most important management matters. Our fundamental policy is to actively implement shareholder returns through continuous and stable dividends and flexible share repurchases, while securing internal reserves for making investments for corporate growth in the future and changing business environments and to build a strong financial structure.

The dividend amount will be decided with emphasis on continuity, stability and predictability, targeting a dividend payout ratio of around 35%. In addition, we will actively and flexibly consider share repurchases, considering the company's financial situation and other factors. As a result, we will strive to keep the total payout ratio within the range of around 35% to 50%, based on the sum of dividends paid out and share repurchases, by appropriately allocating profits and managerial resources to our stakeholders. Additionally, when calculating the dividend payout ratio and the total payout ratio, the per share net profit of the current period is calculated by deducting the amount belonging to the owners of equity instruments from the net profit of the current period belonging to the owners of the parent company.
At the same time, we continuously strive to improve capital efficiency through monitoring return on equity ratio, which is calculated by dividing the sum of total dividends paid out and share repurchases by shareholders' equity. We make efforts to maintain this ratio at approximately 3% or above.
The Ordinary General Meeting of Shareholders approves the year-end dividend, but the Articles of Incorporation state that the Company may pay an interim dividend after approval by the Board of Directors, based on a record date of September 30.
The Articles of Incorporation state that the Company may pay an interim dividend after approval by the Board of Directors, based on a record date of September 30.

For the fiscal year under review, although our consolidated results exceeded our earnings forecast announced on March 2, 2026, considering the impact of current conditions in the Middle East, we have left our dividend forecast unchanged, and we propose a year-end dividend of JPY 50 per share and an annual dividend of JPY 96 per share. Based on the full-year consolidated earnings forecast, the annual dividend forecast for the next fiscal year is JPY 96 per share, of which the interim dividend forecast is JPY 48 per share.
We will continue to strive to realize continuous and stable shareholder returns.

(Actions to achieve a sense of management with respect to cost of capital and stock price)
[Update on: August 29, 2025]
On the financial side, we are conscious of our cost of capital and strive to improve capital efficiency. An overview of our financial strategy and targets are presented in JAL REPORT, our integrated report.
Japanese version (https://www.jal.com/ja/sustainability/report/)
English version (https://www.jal.com/en/sustainability/report/)

[Principle 1.4 (Cross-Shareholdings)]
(Principle on holding shares of listed companies)
Building cooperative and collaborate relationships over a broad range of fields such as sales, procurement, and service provision, and maintaining good relationships with local communities are indispensable in operating the air transport business. It is necessary to strengthen relationships with partners in various areas to survive in global competition and achieve growth. To achieve these goals, we may buy and hold shares in other companies. In these cases, we will carefully select and hold shares of companies that will contribute to enhancing our corporate value, on the precondition of maintaining trusting relationships with our stakeholders.
The fundamental policy of holding shares in listed companies is that we will hold the minimum number shares to meet the above goals.

(Contents of verification)
We will always verify the degree of contribution to corporate value enhancement of holding shares. Specifically, we compare profit on transactions attributable to dividends received and shares held with target capital cost, conduct quantitative study and take into consideration qualitative factors.
We also pay attention to market value. If we judge that it is meaningless to hold certain shares in terms of enhancing our corporate value, we will consider selling them, while considering the impact on the market and other business matters.
We checked the effects of the Company’s shareholdings in listed companies at the Board of Directors meeting on January 21, 2026. Additionally, as qualitative benefits of shareholding can be gained without necessarily maintaining the current number of shares, at the Board of Directors meeting in January 2025, we were advised to consider the possibility of reducing the number of shares for all stocks in the future. Accordingly, we reexamined the significance of holding each stock.
The JAL Group will continue to scrutinize the rationale for holding cross-shareholdings, as well as the associated returns and risks, and maintain our ongoing evaluation of the appropriateness of such holdings. As a general rule, we will examine and review all such holdings with the intention of reducing them.

Furthermore, when an entity holding our shares as cross-shareholding proposes its sale, while we may request consideration to minimize the impact on the market, we will not obstruct the sale such as by suggesting a reduction in business transactions or implying any other restrictions on our transaction.

(Standards for exercising voting rights)
Regarding our principle on exercising voting rights of shares we own in a company, we will exercise voting rights in order to contribute to sustainable growth and medium to long-corporate value enhancement of the invested company, on the major premise of contributing to enhancing our corporate value.

[Principle 1.7 (Related Party Transactions)]
Transactions between related parties, such as Directors and major shareholders, etc. are approved by the Board according to Regulations of the Board of Directors. The Board monitors transactions by approving individual transactions.
Matters concerning Directors who have transactions in competition with the Company and transactions with third parties where there is a conflict of interest between the Company and Directors are also approved by the Board according to Regulations of the Board of Directors. Regulations of the Board of Directors stipulate that a Director who has a special interest in any proposal that is deliberated by the Board of Directors shall not be entitled to vote on such matter.

[Supplementary Principle 2.4.1 (Ensuring Diversity, Including Active Participation of Women)]
We are aware that the promotion of the active role of diverse human resources is one of our most important management issues. Accordingly, we have set targets for the ratio of female managers as a management target and have established a HR development policy and a policy to develop an environment that ensures diversity in employment of core personnel, including appointment of female/non-Japanese/mid-career hires to management positions. These policies and status of implementation are provided on the JAL website.
(https://www.jal.com/en/sustainability/report/)

[Principle 2.6 (Roles of Corporate Pension Funds as Asset Owners)]
The Company adopts the defined benefit corporate pension plan and manages the pension fund through the JAL Corporate Pension Fund.
The JAL Corporate Pension Fund has established a fundamental policy on pension asset management and has drawn up a basic asset allocation plan in order to ensure pension benefits into the future.
Changes to the fundamental policy and implementation of new investments require resolutions by the Board of Directors and Board of Representatives. Employees with appropriate qualities are elected as Directors and Representatives.
The Vice President of Finance of the Company serves as the Pension Investment Director who executes management and investment duties of the pension fund. Members of the Secretariat strive to improve their expertise by attending external seminars and such.
The Pension Finance Committee, which is placed under the Chair of the Board of Directors, deliberates on financial operation in general, monitors operation, reports results and submits proposals to the Chair, and reports results to the Board of Representatives. In addition, the Japan Corporate Pension Fund agrees with the purpose of the "Asset Owner Principle", which is considered useful in fulfilling its responsibility, namely fiduciary duty, to manage pension assets in consideration of the best interests of its members, among others, and has expressed its acceptance of all the principles in this Principle at the end of March 2025.

[Principle 3.1 (Full Disclosure)]
To enable our stakeholders to easily access JAL Group's corporate stance, various information such as the JAL Group Fundamental Policies of Corporate Governance, Corporate Policy, management strategies, and management plan, is posted on our website. We issue "JAL Report" containing financial information and CSR activities each year.
(https://www.jal.com/en/sustainability/report/)
Details of our Corporate Policy, management strategies, management plan and fundamental principles of corporate governance, etc. are as follows.

(1) Corporate Policy, management strategy, management plan
(Corporate Policy)
We have established the JAL Group Corporate policy as follows. Details are provided on our website.

“The JAL Group will pursue the material and intellectual growth of all our employees, deliver unparalleled service to our customers, and increase corporate value and contribute to the betterment of society.”
(http://www.jal.com/en/outline/philosophy.html)

(Management strategies, management plan)
We have formulated a new growth strategy, “JAL Group Management Vision 2035”, and published on March 2, 2026.
We have established "JAL Vision 2035” which articulates our “envisioned future society” ten years from now and "the role JAL aspires to play within that society," and mapped out the path to achieve these goals.
Details of “JAL Group Management Vision 2035” are available on our website.
(https://www.jal.com/en/outline/plan.html)

(2) Fundamental concept and fundamental policy on corporate governance
Our fundamental concept on corporate government is indicated in 1-1 Fundamental concept of this Report.
The JAL Group Fundamental Policy on Corporate Government is posted on our website.
(https://www.jal.com/en/philosophy-vision/governance/)

(3) and (4) Remuneration determination policy and process, and election and appointment/dismissal of senior management, Directors and Corporate Auditors
We have established a Nominating Committee and Compensation Committee, which are voluntary committees.
Details of each committee are provided in II-1 Establishment of Voluntary Committees and Supplementary Explanation of this Report.

(5) Explanation of election and appointment/dismissal of individuals
The reason for appointment of Directors and Corporate Auditors is indicated on the Convocation Notice of the General Meeting of Shareholders.

[Supplementary Principle 3.1.3 (Sustainability initiatives)]
Disclosures based on this item are described in Our Approach and Efforts Concerning Sustainability (Supplemental Principle 3-1-3) at the end of this report.

[Supplementary Principle 4.1.1 (Range of delegation to management by the Board of Directors)]
In order to carry out efficient decision-making, the Board of Directors delegates decision-making of matters set forth in the Administrative Authority Criteria Table to the President, pursuant to Regulations for Kessai and Administrate Authority approved by the Board. To conduct detailed deliberations at Board meetings, we have established the Executive Management Council to deliberate over important issues among executive officers including the President in advance, clarify points at issue before submitting them to the Board, and contribute to appropriate and quick decision-making by the President.

[Principle 4.8 (Effective Use of Independent Directors)]
In order to establish a high level corporate governance system that demonstrates high management transparency and a strong management oversight function as well as to enhance corporate value, a minimum of one-third of the total number of directors is elected as Independent Outside Director candidates, in accordance with Standards for Independence of Outside Directors established by the Company and enhances management monitoring.

[Principle 4.9 (Independence Standards and Qualification for Independent Directors)]
The Company’s standards for determining independence are provided in II.1. Relationship with Independent Directors of this Report. Outside Directors are appointed from persons with vast knowledge and experience in various fields in order to ensure diversity. Those who do not qualify as highly independent within the meaning of our “Standards for Independence of Outside Directors” are not appointed.
When appointing candidates for the position of Independent Outside Director, the Nominating Committee elects candidates after deliberating amongst the members from an objective standpoint and reports to the Board of Directors so that the Board is operated actively, constructively and strategically by diverse human resources and monitors and oversees from a neutral standpoint. On receiving the report from the Nominating Committee, the Board decides Independent Outside Directors through the Board’s approval.

[Supplementary Principle 4.10.1(Independence of the Nominating Committee and the Compensation Committee)]

Outside Directors account for a majority of members of the Nominating Committee and the Compensation Committee respectively, and the committee chair is elected by vote by members of the committees.

The Nominating Committee has the authority and role to deliberate on candidates for Executive Officers (including Executive Officers and Directors) and report to the Board of Directors. The Compensation Committee has the authority and role to deliberate on inquiries from the Board of Directors concerning remuneration for Executive Officers (including Executive Officers and Directors) and report to the Board of Directors. When deliberating important matters concerning appointments and remuneration of Executive Officers (including Executive Officers and Directors), the committees engage in their roles and provide advice appropriately from practical and multilateral perspectives including diversity and skills.

Other details are provided in II-1. Establishment of Voluntary Committees and Supplementary Explanation of this Report.

[Supplementary Principle 4.11.1 (Concept on balance of knowledge, experience and abilities in general, diversity and scale of the Board of Directors)]

Directors are selected from among persons who have extensive experience, deep insight and specialized knowledge in various fields, with consideration to making board composition diverse in terms of gender, internationality, career, age and other variables. Furthermore, we have established a system with multiple female Directors.

With regard to the specialized knowledge and experience that the Company's Directors and Corporate Auditors should possess, the necessary skill set includes the basic corporate management skills of Management Experience, Finance & Accounting, Legal/Risk Management, Personnel Affairs/Talent Development, as well as Safety Management, which is particularly important given the business characteristics of the Company, and also Global Experience, CX/Marketing, DX/IT/Technology, and GX/Environment.

The Nominating Committee selects candidates for Director with reference to their experience and skills based on the above concept of Board composition, and additionally takes into account management experience in other companies when selecting candidates for Independent Outside Directors, After the Board of Directors receives a report from the Nominating Committee, candidates for Director are decided by a Board resolution. On receiving a report from the Nominating Committee, the Board decides Directors as resolved by the Board.

[Supplementary Principle 4.11.2 (Status of concurrent duties of Directors and Corporate Auditors)]

When a Director or Corporate Auditor performs concurrent duties as director of another listed company, it is reported to the Board, on confirming whether holding concurrent duties will affect duties as Director or Corporate Auditor of the Company. Persons who hold concurrent positions such as Director or Corporate Auditor in more than four listed companies excluding the Company are not elected either.

The status of concurrent duties of Directors and Corporate Auditors is provided on our website.
(http://www.jal.com/en/outline/directors.html)

[Supplementary Principle 4.11.3 (Analysis and evaluation of effectiveness of the Board of Directors)]

The Board of Directors assesses the effectiveness of the Board and reviews operation, etc. appropriately, while referring to self-assessment by each Director and Corporate Auditor, each year. An overview is carried on our corporate website. An analysis by a third-party organization is used to ensure an objective assessment.
(https://www.jal.com/en/philosophy-vision/governance/#effectiveness)

[Supplementary Principle 4.14.2 (Policy on training for Directors and Corporate Auditors)]

(1) Legal considerations are explained to Directors, as necessary, to ensure that they are fully aware of their duties, including the fiduciary duties of the duty of loyalty and the duty of care. They are provided opportunities for continuous participation in external training and affiliated organizations.
(2) In addition to the provision of corporate information, Corporate Auditors are given opportunities to participate in external training and external organizations.
(3) Outside Directors and Outside Corporate Auditors receive advanced explanations on Board agendas, corporate information and other requests, as appropriate. In order to deepen the understanding of the Company, Directors and Corporate Auditors receive explanations on safety matters through visits to frontlines, a climb up Mt. Osutaka, a tour of the Safety Promotion Center, and explanations on company history and the JAL Philosophy.
(https://www.jal.com/en/philosophy-vision/governance/#support)

[Principle 5.1 (Policy for Constructive Dialogue with Shareholders)]
We recognize that the General Meeting of Shareholders is a vital forum for constructive dialogue with our shareholders. From our shareholders' perspective, we are committed to providing accurate information in the Convocation Notices and other documents, ensuring sufficient time for their consideration. Furthermore, we strive to provide information at the General Meeting of Shareholders in a clear and understandable manner, creating an environment where shareholders can appropriately exercise their rights.
Furthermore, our Representative Directors, Finance and Accounting Director, and others will actively engage in dialogue with a focus on fairness, accuracy, and continuity regarding our management strategies, business strategies, financial information, etc. Under the following policy, we will develop IR (Investor Relations) activities that foster positive, two-way communication.
(https://www.jal.com/en/philosophy-vision/governance/#dialogue)

(1) The Chief Financial Officer of the JAL Group, the Finance and Accounting Director, and the General Affairs Director are assigned as management to oversee dialogue with shareholders.
(2) We assign a supervisor to oversee information gathering, management and disclosure, and also staff to implement these duties in the Finance Department, and disclose information in a timely, fair and appropriate manner in coordination with related departments.
(3) We hold meetings to explain our financial results and management plan when announcing them, issue an integrated report, "JAL REPORT", and arrange tours of facilities, etc. to promote investment opportunities and improve information disclosure.
(4) We feedback results of dialogue with shareholders to management, as necessary, so that management share the shareholders' requests, opinions, and an awareness of issues, and reflect their views in corporate management.
(5) We establish and disclose a "silent period," during which we do not provide any replies or comments to inquiries or information on corporate status to prevent information leaks and ensure fairness. We conduct information management and control insider information.

[Supplementary Principle 5.1.1 (Responder to the shareholders)]
To strengthen constructive dialogue with shareholders, we organize meetings with Executive Officers in accordance with the wishes of shareholders and investors. We also offer opportunities for Outside Directors to engage in dialogue with investors on corporate governance to deepen their understanding of the Company from various perspectives.
Specific information on the status of dialogue with shareholders is provided below.
・Integrated Report "JAL REPORT" (https://www.jal.com/en/sustainability/report/)
・Our website (https://www.jal.com/en/investor/library/ir-event/)

[Principle 5.2 (Establishing and Disclosing Business Strategies and Business Plans)]
We have formulated "JAL Group Management Vision 2035", a new growth strategy looking toward 2035, and published on March 2, 2026.
Based on this vision, we will embrace radical transformation unfettered by the status quo, with a focus on the decade ahead. Simultaneously, we will execute annual plans to respond to current environmental changes with agility and flexibility. By steadily implementing JAL Group Management Vision 2035, we aim to evolve into a corporate group that consistently balances the creation of social value with sustainable growth.

[Supplementary Principle 5.2.1 (Business portfolio)]
Under "JAL Group Management Vision 2035", which was approved at the Board of Directors meeting, we will promote business portfolio transformation to create social value and achieve steady growth, while working on company-wide and financial strategies to realize this transformation. We will achieve steady growth and social value creation while increasing the flexibility and resilience of the entire business by accelerating growth centered on international routes and the Mileage & Lifestyle Business, while strengthening the revenue base by accomplishing structural reforms of the domestic route business.
"JAL Group Management Vision 2035" is available on our website.
(https://www.jal.com/en/investor/library/mid-term/)
We will regularly evaluate and review these strategies and policies considering changes in the business environment.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders]

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	80,000,000	18.60
Custody Bank of Japan, Ltd. (Trust account)	29,609,600	6.88
STATE STREET BANK AND TRUST COMPANY 505001	12,331,136	2.86
JP MORGAN CHASE BANK 385781	10,083,912	2.34
KYOCERA Corporation	7,638,400	1.77
Daiwa Securities Group Inc.	5,000,000	1.16
STATE STREET BANK AND TRUST COMPANY 505223	4,590,360	1.06
STATE STREET BANK AND TRUST COMPANY 505103	3,487,704	0.81
STATE STREET BANK AND TRUST COMPANY 505050	3,454,800	0.80
THE BANK OF NEW YORK MELLON 140040	2,907,722	0.67

Controlling Shareholder (except for Parent Company)	—
Parent Company	NONE

Supplementary Explanation

[Status of Major Shareholders]
1. Shareholding ratio is calculated with 7,191,588 shares of treasury stock excluded, rounded down to two decimal places.
2. The above number of shares held by shareholders may include shares relating to trustee or custodian operations.

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange Prime Market
Fiscal Year-End	March
Type of Business	Air Transportation
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	More than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 50 to less than 100

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

[Approach and Policy on Group Management]
1. Basic Approach to Business Portfolio Strategy
We have established a basic management policy for our group of 142 subsidiaries and 55 affiliates, as defined in the Enforcement Regulations of the Companies Act of Japan, in accordance with the JAL Group Company Management Regulations. We aim to maximize consolidated corporate value through the fair and efficient management of each Group company in accordance with the JAL Group Corporate Philosophy and by contributing to the sound development of the entire Group.

We respect the management autonomy of our Group companies, and our basic policy is to maintain and improve market competitiveness and enhance corporate value through market-based pricing in principle when we do business with each company.
With respect to affiliates, if there is an agreement among shareholders, etc., we will take appropriate actions based on such agreement.

2. Rationality of Holding a Listed Affiliate
As of June 22, 2026, we hold two companies, namely Airport Facilities Co., Ltd. and Lifenet Insurance Company, as listed affiliates. The benefits of maintaining the public listings for the companies include an increase in business partners based on recognition, creditworthiness, and independence from us, as well as an increase in financing and employee motivation, and the ability to maintain and improve the competitiveness of recruitment.
On the other hand, we are aware of the existence of points of attention, such as restrictions on the execution of our Group management, arising from the need to consider minority shareholders when holding the companies as listed affiliates.
Our Board of Directors regularly reviews the significance of the continued listing of the companies and the rationale for holding them. The overview and verification results of each company are as follows.

(Airport Facilities Co., Ltd.)
With the purpose of financing the Haneda Offshore Development Project and the construction of aviation support facilities at various airports, Airport Facilities Co., Ltd. was listed on the OTC market in 1993, the Second Business Division of the Tokyo Stock Exchange in 1995, the First Section of the Tokyo Stock Exchange in 1997, and is currently listed on the Standard Market of the Tokyo Stock Exchange (KKU).
Airport Facilities Co., Ltd. maintains dialogue with us, an airport user, to enable more effective and efficient capital expenditure (CAPEX) and operations. The listing also enhances corporate value by strengthening the company's ability to self-finance its operations to meet the large long-term capital needs associated with owning and maintaining airport infrastructure.
Based on the above, we believe that having Airport Facilities Co., Ltd. as our listed affiliate will lead to its sound development and contribute to maximizing the corporate value of our Group as a whole.

(Lifenet Insurance Company)
As an online life insurance company, Lifenet Insurance Company was approved a life insurance business license in 2008 and began its operations. In March 2012, Initial Public Offering was made on the Tokyo Stock Exchange's Mothers (then), and is currently listed on the Prime Market of the Tokyo Stock Exchange.
By co-creating products and services that integrate Life Insurance Company's know-how as an online life insurer with our assets, such as our customer base and miles, we aim to expand both of our business and deliver new value in life insurance.
Furthermore, through its public listing, the company has gained name recognition and social credibility. As an independent listed company, it has also achieved to expand its network of business partners including companies outside the JAL Group. Additionally, by addressing the funding needs specific to the life insurance industry, such as future benefits (including the accumulation of policy reserves) and financial soundness regulations, and by strengthening its financial foundation through the enhancement of shareholders' equity, the company is increasing its corporate value.
Based on the above, we believe that having Lifenet Insurance Company as our listed affiliate will lead to its sound development and contribute to maximizing the corporate value of our Group as a whole.

[Measures to Ensure the Effectiveness of the Governance System of the Listed Affiliate]
Regarding the approach and policies on the exercise of voting rights for the appointment and dismissal of officers, as well as our involvement in the nomination process at our listed affiliates, Airport Facilities Co., Ltd. and Lifenet Insurance Company, we are committed to ensuring independent decision-making and addressing potential conflict of interests. To achieve this, we emphasize the establishment of an effective governance system that utilizes Independent Outside Directors, alongside the proper management of transactions that could conflict with minority shareholder interests. Based on these prerequisites, and with careful consideration for the interests of minority shareholders and the composition of the Board of Directors, we will exercise our voting rights by comprehensively judging whether the candidates possess extensive experience, a high level of expertise, and skills that will contribute to further increasing corporate value for both companies.
Furthermore, regarding individual transactions with Airport Facilities Co., Ltd., the principle is to maintain

and enhance market competitiveness and corporate value by basing transactions on market prices. These transactions are conducted based on individual contracts determined by the conditions stipulated in the independent party transaction rules negotiated with the company.
Additionally, regarding the promotion of individual transactions and collaborative efforts with Lifenet Insurance Company, we plan to establish and operate an internal governance system. This system will ensure that all activities strictly comply with the laws and regulations applicable to the company. Fundamentally, transactions will be conducted under fair and proper conditions, based on standard market prices, ensuring that inappropriate transactions based on our specific relationship are avoided.

(Airport Facilities Co. Ltd.)
When addressing significant transactions, actions, capital policies and other matters where conflicts of interest may arise between major shareholders or their affiliates and minority shareholders, the company deliberates these issues in a fair and neutral manner from all perspectives based on its own criteria. Through this process, the company makes resolutions on investment and contract decisions.
Furthermore, we have been recommending suitable candidates as director nominees as there was a request for the recommendation of management personnel who possess broad and appropriate knowledge and experience in the aviation industry, aimed at securing human resources that contribute to enhancing the company's corporate value. We will continue to engage in discussions with the company and deepen our considerations, including the necessity of future recommendations.

(Lifenet Insurance Company)
The company has established a robust system to strictly identify and manage significant transactions, actions and capital policies that may cause conflicts of interest between major shareholders or their affiliates and minority shareholders. Under this autonomous governance system, the Board of Directors makes resolutions on investment and contract decisions based on the company's own criteria, following thorough deliberations and judgments by the company.
Furthermore, upon receiving the request for recommendation from the company, the person we recommended as a candidate for Director assumed office as a Director of the company at its 20th Ordinary General Meeting of Shareholders held on June 21, 2026, following thorough deliberations and judgment by its fair and neutral Nomination and Renumeration Committee. The Director has assumed office as a non-executive officer, rather than an Outside Director. This takes into account that while the Director is responsible for close coordination between the two companies, this role differs from that of an independent Outside Director, who oversees the company's management from an independent and objective standpoint. Through this, we will contribute to the enhancement of governance that facilitates close coordination and sustainable growth, while maintaining an independent and equal relationship with the company.

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit & Supervisory Board

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson of the Company (except when concurrently serving as President)
Number of Directors	9
Number of Outside Directors	3
Number of Independent Directors	3

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
YANAGI Hiroyuki	From another company											
MITSUYA Yuko	From another company								○			
KOMODA Masanobu	From another company								○		○	

* Categories for "Relationship with the Company"
* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past
* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Director / Corporate Auditor
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company Outside Directors / Corporate Auditors are mutually appointed (the director himself/herself only)
j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
YANAGI Hiroyuki	○	NONE	Mr. YANAGI Hiroyuki has deep insight as a member of top management in a company pushing ahead with international expansion, as well as extensive experience in marketing and management strategy. The Company expects him to give advice to the Company's management and appropriately supervises the performance of duties from practical and diversified perspectives. For all of these reasons, he is believed to be the right person for the Company to achieve the continued improvement of corporate value, so the Company proposed that you elect him as Outside Director who meets the Independence Standards of Outside Officers stipulated by the Company.
MITSUYA Yuko	○	The candidate, Ms. MITSUYA Yuko, is the President of the Japan Basketball Association. Although the Company has paid sponsorship fees to this Association, the total amount of such fees represents less than 0.10% of the Association's ordinary income. In addition, Ms. MITSUYA Yuko is Vice President of Japanese Olympic Committee and has been acting as President of the committee since November 2, 2023. Although the Company has paid sponsorship fees to the committee, the total amount of such fees represents less than 0.31% of the committee's ordinary income.	Ms. MITSUYA Yuko has abundant experience and broad insight as a corporate manager. As she has extensive experience and practical knowledge in human resource development, she provides advice to the JAL Group's management and supervision of business execution from a multifaceted perspective. Based on the above, we determined that she is an appropriate person for the sustainable enhancement of the JAL Group's corporate value. Thus she has been appointed as an outside director who satisfies our Criteria for Independence of Outside Directors and Outside Corporate Auditors.
KOMODA Masanobu	○	Mr. KOMODA Masanobu, is Chairman of Japan Travel and Tourism Association. Although the Company has paid membership fees and other charges to the association, the total amount of such payments is 10 million yen or less.	Mr. KOMODA has a wealth of experience as a top executive of a company that operates a wide range of businesses with a focus on urban development. He also has extensive expertise in promoting tourism in Japan and provides advice on our management and oversees the execution of duties from practical and multifaceted perspectives. For all the above

			reasons, we have determined that he is an appropriate person for the sustainable enhancement of the Company's corporate value. The Company hereby appoints him as our Outside Director who meets the Independence Standards of Outside Officers stipulated by the Company.

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nominating Committee	Compensation Committee
All Committee Members	5	5
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	3	3
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

[Nominating Committee]
When submitting a proposal to the General Meeting of Shareholders concerning the election of candidates to the positions of Director and Corporate Auditor, the Nominating Committee comprehensively judges the personality, knowledge, ability, experience, performance and other attributes of each candidate based on an inquiry from the Board of Directors and reports back to the Board.
Furthermore, when electing or dismissing an Executive Officer, the Nominating Committee receives a request for consultation from the Board of Directors, comprehensively judges the personality, knowledge, ability, experience, performance and other attributes of each candidate, and submits a report to the Board of Directors, which then makes a resolution based on that report.
The Nominating Committee defines the President and other board members as persons with qualities to steadily get positive results toward realizing the Corporate Policy by working together with every employee based on a firm commitment to safety, which is the basis of existence of the JAL Group, and display of initiative in practicing the JAL Philosophy. The Nominating Committee assists candidates for President and other posts to quickly acquire grounding and discipline necessary for management through practical and diverse experiences.
Furthermore, in case the qualities of any member of top management are found to be questionable due to violation of the law, harassment, negligence of the Board of Directors or other matters, members of the Nominating Committee and other Directors excluding the person in question will immediately conduct investigations based on a motion made by a Director at a Board meeting or other meeting.
Disciplinary action against officers shall be determined by a resolution of the Board of Directors, based on a resolution of the Nominating Committee or a report from the Nominating Committee. Note that the dismissal of a Director requires the approval at the General Meeting of Shareholders.

The Nominating Committee is comprised of the President and no more than four Directors elected by a resolution by the Board of Directors, the majority of members being Outside Directors. The Chair is elected from among Outside Directors.

<In FY2026>
Chairperson: YANAGI Hiroyuki (Lead Independent Outside Director)
Members: TOTTORI Mitsuko, SAITO Yuji, MITSUYA Yuko, KOMODA Masanobu

<In FY2025>
Chairperson: YANAGI Hiroyuki (Lead Independent Outside Director)
Members: TOTTORI Mitsuko, SAITO Yuji, KOBAYASHI Eizo (until June 2025), MITSUYA Yuko, KOMODA Masanobu (after June 2025)
Number of meetings: 6 meetings (Directors other than Directors KOBAYASHI and KOMODA attended 6/6 meetings; Director KOMODA, who has been in office since June 2025, attended 5/5 meetings; Director KOBAYASHI, who retired in June 2025, attended 1/1 meeting.)
Main activities: In addition to matters to be reported to the Board of Directors, the Committee discussed requirements and processes related to the election of candidates for Executive Officers, the process for reappointing the President, and the future succession plan for management personnel. Regarding the confirmation of the reappointment of the President, Outside Directors and the President engaged in dialogue and concluded that Ms. TOTTORI Mitsuko's reappointment as President in FY2026 is desirable for the Group's management, given that she has been contributing to enhancing the corporate value through working on issues that require continuous attention, such as flight safety measures including alcohol related incidents, together with other officers, and making efforts in achieving corporate growth by implementing management practices based on the independence and autonomy of the executive officers through team management.

[Compensation Committee]
The Compensation Committee discusses matters concerning the amount of compensation for Directors, Executive Officers and Corporate Auditors based on an inquiry from the Board of Directors and reports back to the Board. It also verifies as necessary that the compensation system functions as a sound incentive aimed at sustainable growth of the Company.
The Compensation Committee is comprised of the President and no more than four Directors elected by a resolution by the Board, the majority of members being Outside Directors. The Chair is elected from among Outside Directors. As a result, transparency and fairness in the compensation determining process is secured.

<In FY2026>
Chairperson: KOMODA Masanobu (Outside Director)
Members: TOTTORI Mitsuko, SAITO Yuji, YANAGI Hiroyuki, MITSUYA Yuko

<In FY2025>
Chairperson: KOBAYASHI Eizo (Outside Director): Until June 2025
KOMODA Masanobu (Outside Director): After June 2025
Members: TOTTORI Mitsuko, SAITO Yuji, YANAGI Hiroyuki, MITSUYA Yuko
Number of meetings: 7 meetings (Directors other than Directors KOBAYASHI and KOMODA attended 7/7 meetings; Director KOMODA, who has been in office since June 2025, attended 5/5 meetings; Director KOBAYASHI, who retired in June 2025, attended 2/2 meetings.)
Main activities: The Committee discussed specific indicators and evaluation methods for the officer remuneration system to complete the Medium-Term Management Plan and reported it back to the Board of Directors. In addition, the committee is engaged in ongoing discussions to ensure that the current remuneration system is appropriately maintained in accordance with its fundamental policy, as the management prepares to launch initiatives for the steady execution of “JAL Group Management Vision 2035”.

[*Corporate Auditors*]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Corporate Auditors Stipulated in Articles of Incorporation	6
Number of Corporate Auditors	5

Cooperation among Corporate Auditors, Accounting Auditors and Internal Audit Departments

[Status of cooperation among Corporate Auditors and Accounting Auditors] Corporate Auditors receive reports from Accounting Auditors when establishing an audit plan and closing books and request reports as necessary, [Status of cooperation among Corporate Auditors and Internal Audit Departments] Corporate Auditors exchange opinions and information with internal audit departments regularly every quarter.	
Appointment of Outside Corporate Auditors	Appointed
Number of Outside Corporate Auditors	3
Number of Independent Corporate Auditors	3

Outside Corporate Auditors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
OKADA Joji	From another company													
MATSUMURA Mariko	Lawyer													
WATANABE Junko	From another company													

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Corporate Auditor of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a Corporate Auditor
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Corporate Auditors himself/herself only)
k. Executive of a company, between which and the Company Outside Directors / Corporate Auditors are mutually appointed (the Corporate Auditor himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the Corporate Auditor himself/herself only)
m. Others

Outside Corporate Auditors Relationship with the Company (2)

Name	Designation as Independent Corporate Auditor	Supplementary Explanation of the Relationship	Reasons of Appointment
OKADA Joji	○	NONE	Mr. OKADA Joji has a high degree of insight into overall audit operations, including governance and risk management, through his practical experience and expertise as the head of a general trading company's management and finance and accounting departments. He also has extensive experience as a full-time auditor of a general trading company and the head of the Japan Corporate Auditors Association. As a corporate auditor of the JAL Group, he provides audits and advice on financial and other matters. Based on the above, we believe that he is an appropriate person to maintain the JAL Group's soundness and to realize sustainable enhancement of our corporate value. Thus, he has been appointed as an Outside Corporate Auditor who meets the Standards for Independence of Outside Directors as stipulated by the Company.
MATSUMURA Mariko	○	NONE	Ms. MATSUMURA Mariko registered as a lawyer in April 1988. She has a wealth of experience and insight in the legal and compliance fields, and has served as the Chair of the Daiichi Tokyo Bar Association. Based on the above, we determined that she is an appropriate person to maintain the JAL Group's soundness and continuously improve its corporate value through auditing and advice on legal and other matters Thus, she has been appointed as an Outside Corporate Auditor who meets the Standards for Independence of Outside Directors as stipulated by the Company.
WATANABE Junko	○	NONE	Since joining Tohmatsu & Co. (currently Deloitte Touche Tohmatsu LLC), Ms. WATANABE has been involved in auditing, M&A support, internal control, IFRS and accounting advisory, and possesses global insight, high level of expertise, and advanced knowledge of accounting. For all of these reasons, she is believed to be the right person to maintain the soundness of the Company and to achieve the sustainable enhancement of the Company's corporate value. Thus, she has been appointed as an Outside Corporate Auditor who meets the Standards for Independence of Outside Directors as stipulated by the Company.

[Independent Directors / Corporate Auditors]

Number of Independent Directors / Corporate Auditors	6

Matters relating to Independent Directors / Corporate Auditors

All Outside Directors who qualify as independent are appointed as Independent Directors.

We have established the following standards to determine if an Outside Director qualifies as independent in order to establish a corporate governance system that results in high management transparency and strong management monitoring and to enhance corporate value. (Basically, persons who are not described as follows qualify as independent.)

1. A person who executes or has executed business in the Company or a consolidated subsidiary in the past 10 years
2. A person who is described by any of the items a ～ f in the past three years.
   a. a business counterpart or a person executing business of such business counterpart, whose transactions with the Company for one business year exceeded 1% of consolidated revenue of the Company or the business counterpart
   b. a major shareholder of the Company or a person executing business of such shareholder holding an equity ratio of 5% or more in the Company
   c. a major lender for the Company or a person executing business of such lender.
   d. a person who receives over JPY 10 million in donations annually from the Company or a person belonging to an entity receiving such donations
   e. a person receiving remuneration of over 10 million yen excluding director remuneration from the Company or a person belonging to an organization receiving remuneration exceeding 1% of consolidated revenue of the Company.
   f. a person executing business of the Company, who also executes business of another company as Outside Director
3. The spouse or relative within the second degree of kinship of an individual described in 1 and 2.

(Note) A person executing business refers to an executive director or executive officer.

Meetings comprising Independent Outside Directors and Independent Outside Corporate Auditors and meetings attended by Outside Accounting Auditors and Independent Outside Directors are held regularly.

[Incentives]

Incentive Policies for Directors	Introduction of a performance-linked remuneration system

Supplementary Explanation

It is described in [Director Remuneration] < Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods>

Recipients of Stock Options	—

Supplementary Explanation

—

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	No Individual Disclosure

Supplementary Explanation

The total amount by type, such as remuneration of Director, Corporate Auditor and Outside Director and the number of applicable Directors are disclosed.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

[Fundamental policies]
(1) The Company will encourage the performance of duties consistent with our Corporate Policy and management strategies and provide strong incentives for the achievement of specific management targets, with the aim of sustainable and steady growth of the Company and the Group, and of medium- to long-term improvement in corporate value.
(2) The Company will establish appropriate proportions for performance-linked bonus linked to fiscal year performance and, for the purpose of further promoting the aligning of interests with shareholders, a performance-linked share-based remuneration linked to corporate value in accordance with medium to long-term performance, in order to contribute to the demonstration of sound entrepreneurial spirit.
(3) The Company will provide treatment that is appropriate to the management team of the Company, in accordance with the Company's business performance.

[Remuneration levels and remuneration composition ratios]
(1) The Company will set appropriate remuneration levels with reference to objective market data on remuneration and based on the business conditions of the Company.
(2) Taking into account factors including the content of the Company's business and the effectiveness of performance-linked remuneration, the Company sets the proportions of (1) amount of fixed basic remuneration*, (2) amount of performance-linked bonus to be paid according to the degree of achievement against targets, and (3) amount of performance-linked share-based remuneration to be issued according to the degree of achievement against targets, as follows.
Guideline for the case of 100% achievement against targets: (1):(2):(3) = 50%:30%:20%
The above ratio is meant to be a guideline only, and changes may be made to reflect changes in the share price of the Company’s shares or for another reason.
*The amount excludes the amounts of allowances in cases in which an Executive Officer serves concurrently as Director, and the amounts of allowances when the Executive Officer has representative authority.
Note：Remuneration paid to Outside Directors is solely fixed basic remuneration.

[Framework for performance-linked remuneration]
The performance-linked bonus and the performance-linked share-based remuneration will be reviewed as necessary in accordance with changes in the business conditions, the roles of officers, etc.
In terms of performance evaluation indices for performance-linked share-based remuneration, in order to promote initiatives for realizing JAL Group Management Vision 2035, “CO2 emissions per revenue ton-kilometers,” an indicator used until FY2025, has been incorporated into the “number of sustainability indicators achieved,” and “productivity improvement indicator (EBIT per hour)” has been newly set to be used from FY2026.
(1) The amount of performance-linked bonus paid each fiscal year will range from 0 ~ 150 depending on the achievement level, on the basis that the amount to be paid when performance targets are achieved is 100. Performance indicators utilized are EBIT and Personal Performance Evaluation, taking into consideration the achievement level of aviation safety targets. (*1)
(2) The number of shares to be granted each fiscal year as performance-linked share-based remuneration will range from 0 ~ 150 depending on the achievement level, on the basis that the number of shares to be granted when performance targets are achieved is 100. The performance evaluation period (vesting period) is three fiscal years and performance over three consecutive three fiscal years will be evaluated each fiscal year. Performance indicators utilized are TSR (*2), ROIC (*3), the number of sustainability indicators achieved (*4), and Productivity Improvement (*5).
(*1) For Chairperson and President, “personal performance evaluation indices for each officer” is not set, and instead, “EBIT” is used for performance evaluation. The “Personal Performance Evaluation” refers to individual indices for each officer.
(*2) Evaluated based on the ratio of the total shareholder return of the Company’s share to the return of TOPIX including dividends.
(*3) Evaluated based on consolidated ROIC.
(*4) Evaluated based the level of achievement of selected sustainability indicators (selection for DJBIC World Index, FTSE Blossom Japan Index, APEX WORLD CLASS and MSCI WIN, target of CO2 emissions per revenue-ton-km (selection for CDP A- for FY2025)).

(*5) Evaluated based on EBIT per hour.
With respect to common stock granted to eligible Directors and Executive Officers through the share-based remuneration plan, the Company will establish a target number of held shares for each position and impose limits on share sales to further promote the aligning of interests with shareholders. Executive officers cannot sell their shares until performance-linked share-based remuneration has been issued to the amount equivalent to three years' worth (based upon when 100% of performance targets are achieved).

[Procedures for determination of remuneration, etc.]
Matters related to remuneration of Directors will be decided by the Board of Directors, following deliberation and reporting within a Compensation Committee arbitrarily established by the Company. A majority of the members of the Compensation Committee will be Outside Directors, and its Chairman will be appointed from among the Outside Directors. Basic remuneration is to be paid monthly and performance-linked bonuses and performance-linked share-based remuneration is to be paid annually.
Performance-linked bonus for the performance evaluation period of FY2020 and performance-linked share-based remuneration for the performance evaluation period beginning in FY2018 have not been provided as explained above.

[Supporting System for Outside Directors and/or Corporate Auditors]

The Secretary Office assists Outside Directors regularly as secretary, such as checking schedules, conveying information, and providing materials. The Corporate Auditor Office or full-time Corporate Auditors depending on the matter directly contacts Outside Corporate Auditors and assists them regularly in a similar manner.
The agenda of a Board meeting is sent to directors about one week before the meeting, and materials and necessary briefings are provided as necessary for individual questions and comments. We have established a system so that Outside Directors and Outside Corporate Auditors can attend and present opinions at Executive Management Council meetings, where deliberations are conducted over important issues requiring a resolution of the Board and matters requiring approval by the President that need to be confirmed by the Executive Management Council before submitting them to the Board or to the President.

[Situation of those who have retired from the representative directors, etc.]

[Name of Corporate Counselor or Adviser who have retired from the representative directors, etc.]

Name	Position	Business outline	Work Condition	Retirement of the representative directors, etc.	Term
UEKI Yoshiharu	Special Director	Matters commissioned by the Company (external affairs including activities in the business community, activities by various organizations and associations)	Non-permanent, remuneration to be paid	Mar,31,2024	Through June 30, 2027

Number of the relevant person	1

【Other matters】
The Company has regulations concerning “Special Directors” in place, prescribing that persons who have served as Chairperson, Vice-Chairperson and/or President shall be elected, after retiring as an executive director, as a Special Director by a resolution of the board of directors. A Special Director will not be involved in the day-to-day management of the Company.
On the other hand, the Company requires the support of retiring executive directors in external activities such as activities of the Company in the business community. Therefore, compensation and benefits shall be provided commensurate with the work performed under this framework.

2.Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions

(Overview of Current Corporate Governance System)

To expedite the decision-making process, we adopt the Executive Officer system. There are 9 Directors (including 2 female Directors) and 27 Executive Officers excluding concurrent Directors (including 8 female Executive Officers).

[Relationship with Stakeholders]
(1) Ensuring shareholder rights
We conduct business for the joint benefit of the Company and shareholders, comply with provisions stipulated in the Companies Act and Civil Aeronautics Act and give sufficient consideration to ensure that shareholders can exercise their rights smoothly. Especially, we are aware that the general meeting of shareholders is a venue for constructive dialogue with shareholders, and have developed an environment in which they can exercise their rights appropriately from their perspective.
Furthermore, we emphasize fairness, accuracy and continuity, actively engage in IR (Investor Relations) activities to maintain interactive communication, and promote constructive dialogue with shareholders.

(2) Mission and responsibility as a member of society
In accordance with JAL Group Code of Conduct "Commitment to Society", we contribute to regional revitalization through our business and fulfill our social mission and responsibility as a public air transport operator that forms a core part of society's infrastructure. As a good corporate citizen, we are committed to addressing social issues and contributing to the sustainable development of society. We aim to realize our Corporate Policy by collaborating with our shareholders and practicing JAL Philosophy.

[Board of Directors and Directors]
(1) Board of Directors
The Board of Directors exercises strong management monitoring with a high degree of transparency through the nomination of Directors, Corporate Auditors and Executive Officers, decision of officer remuneration, and important decision-making.
To fulfill this role,
a. The Board separates the management monitoring and business execution functions. The Board Chair is nominated from among Directors who do not concurrently serve as Outside Officer.
b. At least three highly independent candidates are nominated for Outside Director, and from the Ordinary General Meeting of Shareholders in June 2021, Outside Directors account for at least one-third of all Board members.
c. In FY2021, we decided to increase female Director appointments.
d. From FY2021, Directors and Corporate Auditors are required to basically attend at least 80% of all Board meetings.
e. The Board delegates appropriate authority to the President to ensure efficient decision-making.

<In FY2026>
Chairperson: AKASAKA Yuji (Director, Chairperson)
Members: AKASAKA Yuji, TOTTORI Mitsuko, SAITO Yuji, AOKI Noriyuki, LEGGETT Ross (after June 2026), NAKAGAWA Yukio, KASHIWAGI Yoriyuki (until June 2026), YANAGI Hiroyuki, MITSUYA Yuko, KOMODA Masanobu

<In FY2025>
Chairperson: AKASAKA Yuji (Director, Chairperson)
Members: AKASAKA Yuji, TOTTORI Mitsuko, SAITO Yuji, AOKI Noriyuki, KASHIWAGI Yoriyuki, TAMURA Ryo (until June 2025), NAKAGAWA Yukio (after June 2025), KOBAYASHI Eizo (until June 2025), YANAGI Hiroyuki, MITSUYA Yuko, KOMODA Masanobu (after June 2025)
Number of meetings: 14 meetings (Directors other than Directors TAMURA, NAKAGAWA, KOBAYASHI, YANAGI, and KOMODA attended 14/14 meetings; Director YANAGI attended 13/14 meetings; Directors NAKAGAWA and KOMODA, who have been in office since June 2025, attended 11/11 meetings; Directors TAMURA and KOBAYASHI, who retired in June 2025, attended 3/3 meetings.)
Main activities: Mainly discussed the following agenda.

1. Management Strategy
・Formulation of “JAL Group Management Vision 2035”

2. Decision and Oversight of Other Important Business Executions
・Strategic transition of shareholders regarding Jetstar Japan
・Investment regarding Mileage and Lifestyle Business
・Establishment of CVC Fund

3. Financial Results and Finance
・Each quarter financial results
・Financing
・Shareholder return

4. Governance and Risk Management
・Report on safety
・The Verification Committee report regarding Business Improvement Advisory
・Board Effectiveness Assessment
・Revision of the Regulations of the Board of Directors and Regulations of Committees
・Verification of policy shareholdings
・Policy on listed affiliates
・Committee reports and decisions on the appointment of new executives and their remuneration
・Development and evaluation of internal control
・Revision of Risk Management Regulations for derivative transactions
・Risk management related reports
・Internal audit report by Audit Department
・Policies and results of audits by Corporate Auditors
・Measures against results of audits by Corporate Auditors

5. Dialogue with Stakeholders
・Approval of shareholder meetings and shareholder return-related proposals
・Operational status of shareholder benefit programs
・Feedback regarding IR orientation meeting
・Disclosure of information on Climate Change Based on TCFD/TNFD

(2) Ensuring Effectiveness of the Board of Directors
The Board of Directors evaluates the Board effectiveness with reference to a self-assessment by each Board member and Corporate Auditor and aims mid- and long-term improvement of the corporate value through reviewing the Board operation. In addition, an analysis by the third-party is carried out approximately once three years, and the latest analysis was done during the effectiveness evaluation in FY2023.
(https://www.jal.com/en/philosophy-vision/governance/#effectiveness)

(3) Directors
[Board diversity]
a. Directors are selected from those with extensive experience in various fields and high insight and expertise, paying attention to ensuring diversity in terms of gender, international nature, work history, and age, among others. In addition, we have also been promoting DEI at the management level. In 2023, we had multiple female Directors, and in 2024, we have appointed female to our President for the first time in our history.
b. The skills matrix for expertise and experience that directors should possess was developed in FY2021, and revised in FY2023, before being made public.
(https://www.jal.com/en/philosophy-vision/governance/#skillmatrix)

[Outside Directors]
a. Outside Directors shall provide advice on the Company's management from a practical and multifaceted perspective and appropriately supervise the execution of business operations.
b. Outside Directors are appointed from persons with vast knowledge and experience in various fields in order to ensure diversity. Those who do not qualify as highly independent within the meaning of our “Standards for Independence of Outside Directors” will not be appointed. In addition, we will not appoint any person

as a candidate for Outside Director who concurrently serves as a Director, Corporate Auditor, etc. for more than four other listed companies.
c. One Outside Director shall be appointed as Lead Independent Outside Director to improve coordination with Corporate Auditors and internal divisions.

[Audit & Supervisory Board and Corporate Auditors]
(1) Audit & Supervisory Board
The Audit & Supervisory Board makes appropriate judgment from an independent objective standpoint, based on their fiduciary responsibilities to the shareholders, when fulfilling their role and responsibilities such as auditing the execution of Director's duties, appointing or removing Accounting Auditors, and executing rights concerning auditor remuneration.

<In FY2026>
Chairperson: KIKUYAMA Hideki (Full-time Corporate Auditor)
Members: KIKUYAMA Hideki, TAMURA Ryo, KUBO Shinsuke (until June 2026), OKADA Joji, MATSUMURA Mariko, WATANABE Junko (after June 2026)

<In FY2025>
Chairperson: KITADA Yuichi (Full-time Corporate Auditor): Until June 2025
KIKUYAMA Hideki (Full-time Corporate Auditor): After June 2025
Members: KIKUYAMA Hideki, KITADA Yuichi (until June 2025), TAMURA Ryo (after June 2025), KUBO Shinsuke, OKADA Joji, MATSUMURA Mariko
Number of meetings: 13 meetings (Corporate Auditors KIKUYAMA and MATSUMURA attended 13/13 meetings; Corporate Auditors KUBO and OKADA attended 12/13 meetings; Corporate Auditor TAMURA, who has been in office since June 2025, attended 10/10 meetings; Corporate Auditor KITADA, who retired in June 2025, attended 3/3 meetings.)
Main activities: In addition to resolutions on routine matters—such as the determination of audit policies and plans, consent to proposals for the election of Corporate Auditors, the selection of Full-time Corporate Auditors, the determination of officer remuneration for Corporate Auditors, the appointment of the Accounting Auditor and consent to their remuneration, and the preparation of audit reports—we held reports and discussions regarding prior approval for non-assurance services by the Accounting Auditor, risk management, EMS audits, and the confirmation of the Integrated Report. Furthermore, a questionnaire was conducted for all Corporate Auditors to perform a self-assessment of the status of auditing activities.

(2) Corporate Auditors
[Audits]
a. Corporate Auditors attend Board meetings and other important meetings, and audit important management matters, business operations and business execution by exchanging opinions with Representative Directors and Outside Directors, and inspecting important agenda items and resolutions to be passed.
b. They also audit business sites and subsidiaries each year together with the Corporate Auditors Office, report back to Representative Directors and provide feedback to executing departments.
c. Further, they work closely with the internal Audit Department and Accounting Auditors, meet regularly with full-time auditors of major subsidiaries, and strive to improve and strengthen Group auditing.

[Candidate of Corporate Auditors]
a. Corporate Auditors are nominated from among persons with extensive knowledge and experience in various fields to conduct audits from a neutral and objective perspective and ensure sound management.
b. Any person who does not qualify as highly independent within the definition of Standards for Independence of Outside Directors established by the Company shall not be nominated for Outside Corporate Auditor.

[Internal Audits]
In accordance with the annual audit plan established by the Audit Department based on the results of the risk analysis, we conduct audits focusing on risks that may hinder the achievement of JAL Vision 2030, such as the risk of serious losses, the effectiveness and efficiency of operations, the reliability of financial reporting, compliance with laws and regulations, and asset preservation. As for the reliability of financial reporting, we evaluate the internal control reporting system for financial reporting under the Financial Instruments and Exchange Act as an independent organization under the direct control of the President.

From the perspective of auditing, the Audit Department, as the third defense line in the Three Lines of Defense model, places emphasis on checking the second defense line, such as the General Affairs Department, Risk Management Department, Legal Affairs Department, IT Planning and Management Department, and Accounting Department, utilizing the expertise, to verify whether they are supporting and monitoring Group organizations properly. In addition, internal audits are conducted annually on the risk management process for the Risk Management Department.
Results of each internal audit are reported to the President and information on important matters concerning internal control is provided to the Corporate Auditors and Accounting Auditors to promote mutual coordination. The Board of Directors is regularly informed of the auditing results.
The Corporate Safety and Security Division, Engineering and Maintenance Division, and Audit Department are responsible for safety audits and maintenance audits which are conducted in compliance with laws and regulations on the air transport business.

[Accounting Audits]
Accounting audits are conducted by KPMG AZSA LLC at our request, according to audits required under the Companies Act and the Financial Instruments and Exchange Act. In addition to periodic audits, accounting issues such as the establishment, amendment and abolition of laws, regulations and rules are checked as necessary to achieve appropriate accounting work.

[Various Committees]
We have established various committees under the Board of Directors in order to build a corporate governance system that demonstrates high management transparency and strong management oversight. A majority of the committee members are Outside Directors, ensuring independence from management.

Additionally, the functions of the Personnel Committee and Officers Disciplinary Committee have been integrated into the Nominating Committee in consideration of current operational practices and the standards of other companies.

(1) Corporate Governance Committee
To make necessary reports and recommendations to the Board of Directors to strengthen corporate governance for the company's sustainable growth and enhancement of corporate value over the medium to long term. The Corporate Governance Committee is comprised of the Chair of the Board and Outside Directors, and the Chair is elected from among Outside Directors.

<In FY2026>
Chairperson: MITSUYA Yuko (Outside Director)
Members: AKASAKA Yuji, YANAGI Hiroyuki, KOMODA Masanobu
Observer: OKADA Joji (Outside Corporate Auditor)

<In FY2025>
Chairperson: YANAGI Hiroyuki (Lead Independent Outside Director)
Members: AKASAKA Yuji, KOBAYASHI Eizo (until June 2025), MITSUYA Yuko, KOMODA Masanobu (after June 2025)
Observer: OKADA Joji (Outside Corporate Auditor)
Number of meetings: 3 meetings (Directors other than Directors KOBAYASHI and KOMODA attended 3/3 meetings; Director KOMODA, who has been in office since June 2025, attended 2/2 meetings; Director KOBAYASHI, who retired in June 2025, attended 1/1 meeting.)
Main activities: Made recommendations on revision of corporate governance-related regulations and made suggestions regarding the Board Effectiveness Assessment.

(2) Nominating Committee
The description of the Nominating Committee is provided in II-1. Establishment of Voluntary Committees and Supplementary Explanation.

(3) Compensation Committee
The description of the Compensation Committee is provided in II-1. Establishment of Voluntary Committees and Supplementary Explanation.

(4) Personnel Committee (Integrated into the Nominating Committee from FY2026 in consideration of the operational practices and other reasons)
The Company discusses matters to be consulted by the Board of Directors regarding the appointment and dismissal of executive officers and reports the results to the Board of Directors. The Personnel Committee is comprised of the President and no more than four Directors elected by a resolution by the Board, the majority of members being Outside Directors. The President serves as Chair.

<In FY2025>
Chairperson: TOTTORI Mitsuko (Representative Director, President)
Members: SAITO Yuji, KOBAYASHI Eizo (until June 2025), YANAGI Hiroyuki, MITSUYA Yuko, KOMODA Masanobu (after June 2025)
Number of meetings: 3 meetings (Directors other than Directors KOBAYASHI and KOMODA attended 3/3 meetings; Director KOMODA, who has been in office since June 2025, attended 3/3 meetings; Director KOBAYASHI, who retired in June 2025, attended 0/0 meeting.)
Main activities: In addition to matters to be reported to the Board of Directors, the Committee discussed nurturing candidates as Executive Officers and the new Executive Officer structure.

(5) Officers Disciplinary Committee (Integrated into the Nominating Committee from FY2026 in consideration of the operational practices and other reasons)
When taking disciplinary action against Directors and Executive Officers, the Officers Disciplinary Committee makes decisions. The Officers Disciplinary Committee is comprised of the President and no more than four Directors elected by a resolution by the Board, the majority of members being Outside Directors. The Chair is elected from among Outside Directors. Any submission of proposals to the general meeting of shareholders concerning the dismissal of a Director requires the approval of the Board of Directors.

<In FY2025>
Chairperson: YANAGI Hiroyuki (Outside Director)
Members: TOTTORI Mitsuko, SAITO Yuji, KOBAYASHI Eizo (until June 2025), MITSUYA Yuko, KOMODA Masanobu (after June 2025)
Number of meetings: 2 meetings (Directors other than Directors KOBAYASHI and KOMODA attended 2/2 meetings; Director KOMODA, who has been in office since June 2025, attended 2/2 meetings; Director KOBAYASHI, who retired in June 2025, attended 0/0 meeting.)
Main activities: Discussed the disciplinary actions of officers related to the Administrative Warning notified by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT).

In addition to the above voluntary committees, the Lead Independent Outside Director organized a few Independent Outside Corporate Auditor Opinion Exchange Meetings, comprising only Outside Directors and Outside Corporate Auditors, to strengthen the network between Outside Officers.

[Information Disclosure]
In order to remain a company trusted by society, the JAL Group strives to enhance and improve the quality of disclosures to achieve transparency and better dialogue with a wide range of stakeholders.
When making disclosures, we strive to provide complete information and engage in constructive dialogue with shareholders, investors and other stakeholders.
For this purpose, in order to make the JAL Group's corporate stance easily accessible, various information is available on the JAL website, including “JAL REPORT”, an integrated report on finance and sustainability, JAL Group Safety Report, which summarizes JAL Group's stance and initiatives on safety, and information on the corporate philosophy, company profile, safety and quality, sustainability and investor relations. We also make disclosures about our business plans and financial results in a timely, fair and appropriate manner.
(https://www.jal.com/en/sustainability/governance/information-disclosure/)

[JAL Philosophy Workshop]
The President conducts JAL Philosophy Workshop for JAL Group Directors including the President, and employees in order to penetrate JAL Philosophy into JAL Group.

[Bodies Directly Controlled by the President]
We have established the following organs concerning governance.

(Executive Management Council)
The Executive Management Council is an organ established by the Company for the purpose of contributing to appropriate and flexible decision-making by the Board of Directors and the President. The committee will deliberate over important issues requiring a resolution of the Board of Directors and matters requiring approval by the President that need to be confirmed by the Executive Management Council before presenting these issues to the Board or to the President.
<In FY2025>
Number of meetings: 37 meetings
The Executive Management Council is an organ established by the Company for the purpose of contributing to appropriate and flexible decision-making by the Board of Directors and the President. The committee will deliberate over important issues requiring a resolution of the Board of Directors and matters requiring approval by the President that need to be confirmed by the Executive Management Council before presenting these issues to the Board or to the President.
Number of meetings: 36 meetings
Main activities: Discussed important management issues to be submitted to the Board of Directors.

(Group Safety Enhancement Council)
To secure flight safety and promote safety management of the entire JAL Group, the Group Safety Enhancement Council makes decisions on important safety management policies, confirms the status of and regularly reviews the Safety Management System, and decides actions to be taken concerning safety in daily operations, etc., according to the JAL Group Corporate Policy and company policies to secure flight safety and promote safety management of the entire JAL Group.
<In FY2025>
Number of meetings: 12 meetings
Main Activities: In addition to ascertaining the actual status of the JAL Group's overall flight safety-related policies and safety management system, the Committee discussed the handling of flight accidents and other incidents that occurred during the fiscal year under review. In particular, taking seriously the fact that the JAL Group received an Administrative Guidance regarding cases of alcohol consumption twice, the Committee discussed and confirmed the progress of measures to eradicate the alcohol consumption problem in the JAL Group. The discussion focused on internal awareness reforms and further strengthening duty management operations against the tendency among flight crew to drink alcohol. In the event of an aviation accident or serious incident, the matter is promptly reported to the Board of Directors.

(Group Risk Management Council)
To conduct overall risk management and achieve stable JAL Group management, the Risk Management Council establishes the fundamental policy on risk management, conducts regular risk assessment, establishes countermeasures, and manages business continuity, etc.
<In FY2025>
Number of meetings: 2 meetings
Main activities: Discussed responses to priority risks and priority issues such as geopolitical risks, an earthquake directly under the Tokyo metropolitan area, an eruption of Mount Fuji, and cyber security, and reported to the Board of Directors a total of two times.

(Sustainability Promotion Council)
With the aim of achieving “A sustainable and well-being future where joyful connections spread throughout society” as envisioned in JAL VISION 2035, we will manage the progress of key issues and annual targets. At the same time, we will conduct reviews on management regarding climate change risks and opportunities, and on the Environmental Management System (EMS).
<In FY2025>
Number of meetings: 4 meetings
Main activities: Discussed and reported to the Board of Directors a total of two times, including reorganization of key issues (materiality) and indices/goals, disclosure on TCFD/TNFD, ESG assessment summary, Dow Jones Best-in-Class Indices assessment results and review, efforts to create relationships and connections through mobility.

(Customer Value Creation Council)
Targeting all customers and society that interact with the JAL Group, this Council conducts cross-group consultations, decision-making, and monitoring regarding important projects and problem-solving, with the

aim of creating and enhancing customer value.
<In FY2025>
Number of meetings: 4 meetings
Main activities: We discussed medium- to long-term customer strategies (brand strategy, touchpoint strategy, and data-driven customer base strategy) to enhance “customer value (JAL's value to our customers)” and achieve sustainable improvement of corporate value.

(JAL Philosophy Council)
Develops, implements, monitors and manages the progress of the measures that enable the JAL Group employees promote their daily operations as trusted colleagues who honestly confront each other toward realizing the Corporate Policy while utilizing the JAL Philosophy as the basis of the judgment.
<In FY2025>
Number of meetings: 1 meeting

(Group Business Performance Reporting Meeting)
The Committee will share the JAL Group's consolidated “business results” with each division and discuss measures to improve business performance.
<In FY2025>
Number of meetings: 12 meetings

(Group Management Council)
The Group Management Council conducts deliberation to check progress of important management issues facing the JAL Group and establish measures to address these issues, and reports of significant importance.
<In FY2025>
Number of meetings: 19 meetings

[Overview of liability limitation agreement]
In accordance with Article 427, Paragraph (1) of the Companies Act and the Company's Articles of Incorporation, the Company has entered into an agreement with each Outside Director and Corporate Auditor, by which they are bound to be liable for damages specified in Article 423, Paragraph (1) of the Companies Act, to the extent of the amount of the minimum liability specified in Article 425, Paragraph (1) of the said Act.

[Summary of Directors and Officers Liability Insurance]
The JAL Group has concluded a Directors and Officers Liability Insurance Policy with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to insure Directors, Corporate Auditors, and Executive Officers. The JAL Group will cover all premiums. The insurance policy covers compensation for damages and litigation costs incurred by the insured due to claims for damages arising from acts committed by the insured in the course of their duties. However, coverage for criminal or intentionally illegal acts by the insured are excluded as a measure to ensure that the insured appropriately performs their duties.

3. Reasons for Adoption of Current Corporate Governance System

We have established a system to establish corporate governance that results in high management transparency and high management monitoring, while at the same time engaging in speedy and appropriate management decision making and enhance corporate value and achieve accountability.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	A convocation notice is sent three weeks before the meeting in order to provide shareholders with sufficient time to examine the agenda.
Scheduling AGMs Avoiding the Peak Day	The meeting is scheduled to avoid dates that other companies hold shareholder meetings to enable as many shareholders to attend.
Allowing Electronic Exercise of Voting Rights	We provide Internet Voting.
Participation in Electronic Voting Platform	We participate in electronic voting platform for institutional investors.
Providing Convocation Notice in English	The convocation notice is prepared in English and posted on our website to enable shareholders to exercise their voting rights smoothly.

2. IR Activities

	Supplementary Explanations
Prepare and publish the Disclosure Policy	The Disclosure Policy was prepared and posted on our website. (https://www.jal.com/en/sustainability/governance/information-disclosure/)
Regular Investor Briefings for Individual Investors	We report the Company's financial results to individual shareholders with attendance of the IR Director, and arrange tours of our facilities several times a year.
Regular Investor Briefings for Analysts and Institutional Investors	We hold investor briefings by the Representative Directors and IR Director in a venue accommodating 300 people when announcing our quarterly results and management plan. *Currently held online
Regular Investor Briefings for Overseas Investors	We report the Company's financial results to overseas investors with attendance of the Representative Directors and IR Director several times a year.
Posting of IR Materials on Website	We post a summary of financial results, securities report, and material for analysts and institutional investors on our website. (http://www.jal.com/en/investor/library/)
Establishment of Department and/or Manager in Charge of IR	Director in charge: SAITO Yuji, Executive Vice President YUMISAKI Masao, Senior Vice President, Finance & Accounting Division Department in charge: Finance Department

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	As required by laws and ordinances, all our employees are familiar with the JAL Group Corporate Policy, JAL Philosophy, and the JAL Group Code of Conduct 'Commitment to Society.' Furthermore, our website publishes safety initiatives, press releases, various results, etc. We will continuously build a relationship of trust, while valuing dialogue with shareholders.
Implementation of Environmental Activities, CSR Activities etc.	"JAL Group Basic CSR Policy" The JAL Group will strive to meet the expectations of society, address social issues, and pass on a better society to future generations through its core air transport business as the 'Wings of Japan'. Our CSR activities will be promoted through the implementation of JAL Philosophy in order to realize the JAL Group Corporate Policy. (https://www.jal.com/en/sustainability/policy/) "JAL Group Environmental Guidelines (excerpts)" The environment must be protected to justify existence in all living being on Earth. To realize their Commitment to Society by Passing on the Precious Earth to the Next Generation as stated in their Code of Conduct, JAL Group

	Supplementary Explanations
	has configured a promotion plan under the below policy to engage in environmental conservation as a member of society and to prevent any events that should occur. (https://www.jal.com/en/sustainability/environment/environment-management/policy/) -Regulatory Compliance -Efforts to Reduce Environmental Impact (a) Address to climate change (b) Effective use of limited resources (c) Prevention of environmental pollution (d) Noise Reduction (e) Biodiversity conservation -Development of Environmental Technology -Raise Awareness -Disclose Information -Continuous Improvement Policy We pledge the JAL Group Environmental Policy based on identified critical items to resolve environmental issues. Based on the environmental policy, we will set environmental goals from a medium- to long-term perspective and work together with various stakeholders to achieve them. We also promote appropriate education and training for our employees to help them understand the impact of their business activities on the environment. (https://www.jal.com/en/sustainability/environment/environment-management/)
Development of Policies on Information Provision to Stakeholders	To enable our stakeholders to easily access the Company's basic stance, various information such as the Fundamental Policies of Corporate Governance, Corporate Policy, management strategies, and management plan, is posted on our website. We also issue an integrated report, "JAL Report," each year. We will continue to further improve disclosures in quantity and quality to realize constructive dialogue with markets and investors.
Other	The JAL Group discloses information in an appropriate manner in accordance with the Disclosure Policy to ensure that stakeholders have an accurate and in-depth understanding of our company's situation and business environment, and in compliance with the Companies Act, Financial Instruments and Exchange Act, other laws and regulations, and the Tokyo Stock Exchange's rules on the timely disclosure of corporate information. We disclose information appropriately in accordance with the Companies Act, the Financial Instruments and Exchange Act, and other laws and regulations, as well as the Tokyo Stock Exchange's rules on timely disclosure of corporate information. In addition, in order to secure the trust of our stakeholders, we disclose information that is useful to society in an accurate and fair manner in accordance with the JAL Group Code of Conduct. We will continue to further improve disclosures in quantity and quality to realize constructive dialogue with markets and investors. "Efforts to Improve Corporate Value and Create a Sustainable Society" In JAL Vision 2035, the JAL Group pledged to aim for "A sustainable and well-being future where joyful connections spread throughout society" in order to enhance corporate value and realize a sustainable society. With a view to achieving the SDGs in 2030 and carbon neutral in 2050, the Group will identify issues in the 4 areas of the environment, People, communities, and governance, resolve social issues through business activities, and aim to realize a sustainable society.

	Supplementary Explanations
	In addition, in promoting ESG management, JAL Group Code of Conduct "Commitment to Society" is constantly educating all employees to ensure that ESG management is thoroughly understood and complied with. (a) Environment In order to pass on the rich Earth to the next generation, we will promote environmental preservation initiatives for each of the following issues. - Address to Climate Change - Effective Use of Limited Resources - Prevention of Environmental Pollution - Noise Reduction - Biodiversity Conservation Details of initiatives related to the Environment are disclosed on the JAL website. (https://www.jal.com/en/sustainability/environment/) (b) People In order to contribute to the creation of a society where everyone can shine safely, securely and lively, we will promote initiatives for each of the following issues. - Pursuit of Customer Satisfaction - Respect for Human Rights - Human Resources Development - Diversity, Equity & Inclusion - Workstyle Innovation - Wellness - Accessibility - Preventing the Infection Spread Details of initiatives related to People are disclosed on the JAL website. (https://www.jal.com/en/sustainability/human/) (c) Communities In order to contribute to the development of local communities as social infrastructure, we will promote initiatives for each of the following issues. - Route Network Expansion - Promotion of Inbound Tourism - Regional Revitalization - Convenience in Mobility and Daily Life - Disaster Restoration Assistance - Community Relations Details of initiatives related to Communities are disclosed on the JAL website. (https://www.jal.com/en/sustainability/community/) (d) Governance In order to implement highly transparent management, we will promote initiatives for each of the following issues. - Robust Risk Management (strengthening BCM) - Fair Business Practices (compliance) - Responsible Procurement - Disclosure Details of initiatives related to Governance are disclosed on the JAL website. (https://www.jal.com/en/sustainability/governance/)

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

[Development of the Internal Controls System (Fundamental Policies)]
To provide unparalleled service to the customers, increase corporate value, and contribute to the betterment of society, the JAL Group has established the Fundamental Policies of Corporate Governance. To increase its effectiveness, we have established rules and organizations concerning the following systems and matters, and ensure that business operations are conducted appropriately in accordance with the Companies Act and Companies Act Enforcement Regulations. We evaluate and verify development and operation of the internal control system and implement corrective action when correction is required.

1. We have developed a system to ensure compliance with the Articles of Incorporation and laws and regulations governing the execution of the duties of directors.
(1) We have established JAL Philosophy as behavioral guidelines of the Company. Directors and employees are encouraged to abide by these practices.
(2) The Board of Directors decides the Fundamental Policies on the Internal Controls System and the General Affairs Department promotes development of the internal control system.
(3) The Risk Management Department supervises compliance operations and monitors development and operation of relevant company regulations.
(4) We have developed an audit system to ensure the duties of directors and employees are executed in compliance with applicable laws and regulations.

2. We have developed a system concerning the preservation and management of information concerning the execution of the duties of directors.
We preserve and manage information concerning the execution of duties of directors in compliance with applicable laws and regulations and company regulations.

3. We have developed regulations and other systems for loss control.
In order to manage risks to the JAL Group, we have established the Group Safety Enhancement Council, the Group Risk Management Council, and other committees and appropriately manage risks and proactively prevent loss. Further, we have established Guidance for Internal Control and other guidelines and the General Affairs Department continuously monitors the appropriateness of duties.

4. We have developed a system to ensure that the duties of directors are executed efficiently.
(1) We hold ordinary Board of Directors meetings once a month and extraordinary meetings when it is necessary to make important decisions regarding group management policies and plans. In addition, to ensure the duties of directors are executed efficiently, we have established meeting structures such as the Executive Management Council and the Group Earnings Announcement Session.
(2) We have defined administrative authority, authority of managerial posts, division of duties, etc. in accordance with company regulations, and have segregated authority in order to ensure that duties are executed efficiently.

5. We have developed a system to ensure that duties in the Company are executed appropriately.
(1) We have established JAL Group Business Management Regulations to ensure that each subsidiary has established a system to carry out management in a fair and efficient manner in accordance with JAL Philosophy. The General Affairs Department has also established Guidance for JAL Group Internal Control and continuously monitors the appropriateness of duties.
(2) We have developed a system to report matters concerning the execution of the duties of directors of subsidiaries, etc. to the Company.
(3) We have developed regulations and other systems for risk management of losses of subsidiaries.
(4) We have developed a system to ensure the duties of directors of subsidiaries, etc. are executed efficiently.
(5) We have developed a system to ensure that directors, etc., and employees of subsidiaries execute duties in compliance with applicable laws, regulations and the Articles of Incorporation.

6. We have developed a system concerning employees in case corporate auditors require the assignment of employees to support their duties, a system concerning independence of such employees from directors, and a system to ensure that instructions by corporate auditors to those employees are effective.

7. We have developed a reporting system to Corporate Auditors
(1) We have developed a reporting system to Corporate Auditors for Directors and employees.
(2) We have developed a reporting system to Corporate Auditors for Directors, Corporate Auditors, employees or any persons receiving a report from them.
(3) We have developed a system to ensure that persons who report are not subjected to disadvantageous treatment as a result of reporting.

8. We have developed a system for advance payment or repayment of costs arising from the execution of the duties of Corporate Auditors and the policy for processing of costs or liabilities arising from the execution of other duties.

9. We have developed other systems to ensure that audits by the Audit & Supervisory Board or Corporate Auditors are executed effectively.

[Operation of the Internal Controls System]
1. We have developed a system to ensure compliance with the Articles of Incorporation and laws and regulations governing the execution of the duties of directors and employees.
(1) We established the JAL Philosophy and the JAL Group Code of Conduct, "Commitment to Society," and permeated and put them into action throughout the Group through education and other means.
(2) We established Fundamental Policies on the Internal Controls System and Guidance for JAL Group Internal Control, and develop, operate and evaluate internal controls in accordance with the Companies Act and Financial Instruments and Exchange Act.
(3) We established our hotline for whistleblowers for public interest including a hotline accessible in both Japanese and English (for internal and external use), which operates 24 hours a day, 365 days a year, and put in place a system that enables early detection of and quick response to incidents etc., related to compliance by regularly providing employees with information on the hotline.
(4) We inspect attributes of new business partner candidates and conduct a review every three years as a regular inspection to verify whether there are any changes in attributes and/or information.
(5) We explain legal considerations to Directors to ensure that they are aware of their duties, authorities, and responsibilities including the fiduciary duty of loyalty and the duty of care as a prudent manager. We provide education courses for employees, etc. to ensure that they acquire the necessary knowledge to perform their duties.
(6) The Audit Department inspects the development and operation of the internal controls system stipulated by Guidance for JAL Group Internal Control according to the fiscal year plan, reports audit results of each audit to management, and regularly reports progress of audits and audit results to Corporate Auditors. The Audit Department regularly reports audit results to the Board of Directors.
(7) The Maintenance Audit Department conducts inspections to verify that maintenance work is performed according to laws, regulations, and internal rules.
(8) The Safety Audit Department checks safety-related deliberations, engagement, instructions, and other operations regarding management by attending Group Safety Enhancement Council meetings and checking materials submitted to the meetings according to the Safety Audit Plan. It also conducts internal audits of production divisions, the Corporate Safety and Security Division, and airports.

2. We have developed a system concerning the preservation and management of information concerning the execution of the duties of directors.
Information related to decision-making (documents and minutes) of Board meetings and other important meetings and Ringi documents are prepared, stored and managed in accordance with laws, regulations, and internal rules.

3. We have developed regulations and other systems concerning risk management of losses.
(1) In order to prevent the risk of losses from occurring, we operate and implement the PDCA cycle of preventive risk management. The results of these efforts are reported to the Group Risk Management Council and the Board of Directors for management evaluation.
(2) In FY2024 and FY2025, we received administrative guidance three times due to safety issues and submitted measures to prevent recurrence to the supervisory authorities. In managing alcohol drinking tendency, we have established a framework that receive regular and objective assessment and advice from external experts. A Verification Committee chaired by an Outside Director will objectively follow up on the

progress and effectiveness of the recurrence prevention measures. Management and employees will work together to implement measures to prevent recurrence.
(3) To improve the effectiveness of our business continuity plan, we established a branch office of the Operations Control Center in Osaka, and have been utilizing the knowledge of outside experts in expanding the plan and conducting training in preparation for contingencies such as an earthquake directly hitting the Tokyo area. In addition, we conduct periodic training as well as regular JAL group wide reporting drills to raise awareness of risk management and check the situation of staff quickly using a safety confirmation system.
(4) We continuously train care givers who take care of victims and bereaved families, and Accident Command Board members to conduct risk management quickly and accurately in case of an aircraft accident or incident.

4. We have developed a system to ensure that the duties of directors are executed efficiently.
Through processes such as evaluation of effectiveness of the Board of Directors, we review administrative authorities and board operation methods every fiscal year and develop an environment for strategic discussions to achieve sustainable growth. In order to make appropriate and quick management decisions, we established the Management Committee and Group Earnings Announcement Sessions directly under the President.

5. We have developed a system to ensure that duties in the Company are executed appropriately.
(1) We have established JAL Group Corporate Management Regulations and Guidance on JAL Group Internal Control, with the General Affairs Department monitoring the appropriateness of business operations.
(2) Implementation of initiatives aimed at achieving targets are monitored through expanded Business Performance Reporting Meetings, and guidance and support are provided.
(3) We coordinate with the General Affairs Department of each JAL Group company daily and regularly, share information, and provide guidance and support, which contributes to strengthening the risk management system.
(4) A basic agreement is signed between the Company and each Group company to clarify the basic relationship between the two companies with regard to business operations.
(5) We guide directors and others involved in the management of group companies to reaffirm their own responsibilities and roles and to ensure fair and efficient management.
(6) The Audit Department conducts appropriate audits of group companies. Additionally, the Board of Directors is regularly informed of the results of these audits.
(7) The Maintenance Audit Department conducts inspections at each subsidiary to verify that maintenance work is performed according to laws, regulations, and internal rules.
(8) The Safety Audit Department checks safety-related deliberations, engagement, instructions, and other operations by management by attending Group Safety Enhancement Council meetings in accordance with the Safety Audit Plan and checking materials submitted to the meetings. It also conducts internal audits of production divisions, the Corporate Safety and Security Division, and airports.

6. We have developed a system concerning employees in case Corporate Auditors require assistance of employees, a system concerning independence of such employees from directors, and a system to ensure that instructions by Corporate Auditors to those employees are effective.
We established an organization independent from directors and assign employees to serve as Corporate Auditors to increase effectiveness of audits by Corporate Auditors and execute audit duties smoothly. They receive work instructions and orders from and are appointed with the consent of Corporate Auditors.

7. We have developed a system concerning reports, etc. to Corporate Auditors.
(1) Corporate Auditors attend Board meetings and other important meetings, read Ring documents requiring approval by executive officers and directors, and audits the status of execution of duties relating to our company through interviews with the President, hearings with related departments, and visits to internal departments. Issues identified through audits are reported to the Audit & Supervisory Board and the Board of Directors twice a year, and ensuing action is confirmed."
(2) Corporate Auditors exchange opinions and information regularly with Corporate Auditors of Group companies and visit them.
(3) Corporate Auditors check the development of systems to ensure that persons who have reported to them do not receive disadvantageous treatment for making such reports.

8. We have developed a system for advance payment or repayment of costs arising from the execution of the duties of Corporate Auditors and the policy for processing of costs or liabilities arising from the execution of other duties.
Necessary expenses for audits by Corporate Auditors are paid for appropriately.

9. We have developed other systems to ensure that audits by the Audit & Supervisory Board or Corporate Auditors are executed effectively.
Corporate Auditors exchange opinions and information regularly with the Audit Department and auditing company and increase effectiveness of audits.

2. Basic Views on Eliminating Anti-Social Forces

The JAL Group and its special interest groups, shareholders, business partners, etc. have no relations whatsoever with anti-social forces. We respect the "Manual for Implementing Charter of Corporate Code" announced by Nippon Keidanren (Japan Business Federation)(revised April 2007), "Guideline for How Companies Prevent Damage from Anti-Social Forces" (agreed upon at a meeting in June 2007 of cabinet ministers responsible for anti-crime measures) and Organized Crime Exclusion Ordinances established based on these guidelines (enforced in all prefectures in October 2011) as our fundamental principle, and have built and operate a system to exclude anti-social forces accordingly. JAL Group's policy, standards, etc. are established according to Company Policy & Regulations for Correspondence to Anti-social Forces, which is repeatedly disseminated and reinforced at major internal meetings and staff training.
We have distributed Guidelines for Correspondence to Anti-social Forces to every JAL Group company and every department to disseminate information on excluding anti-social forces. Furthermore, we have posted information on ways to deal with anti-social forces on our Intranet to enable employees to respond appropriately when approached by them. We screen business parties with whom we start new business deals prior to the signing of a contract to confirm that no anti-social forces are involved. An "article on exclusion of anti-social forces" is included in agreements and we continuously screen business partners even after the commencement of business.
Through such measures, our employees are aware that continuous efforts to exclude anti-social forces are extremely important.

V. Other

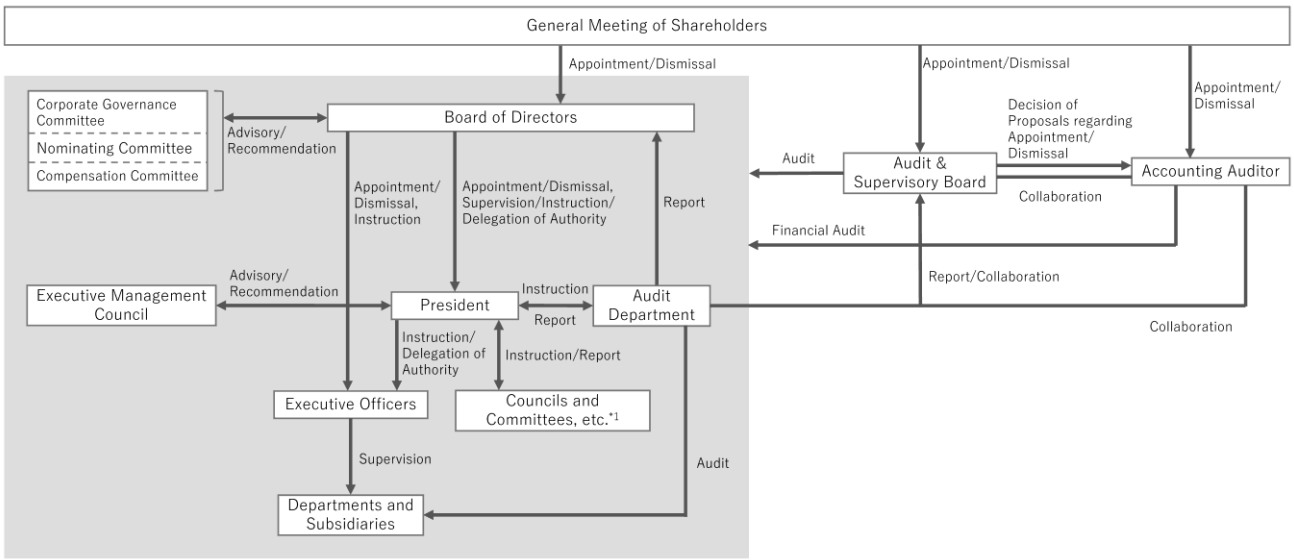
1. Adoption of Anti-Takeover Measures

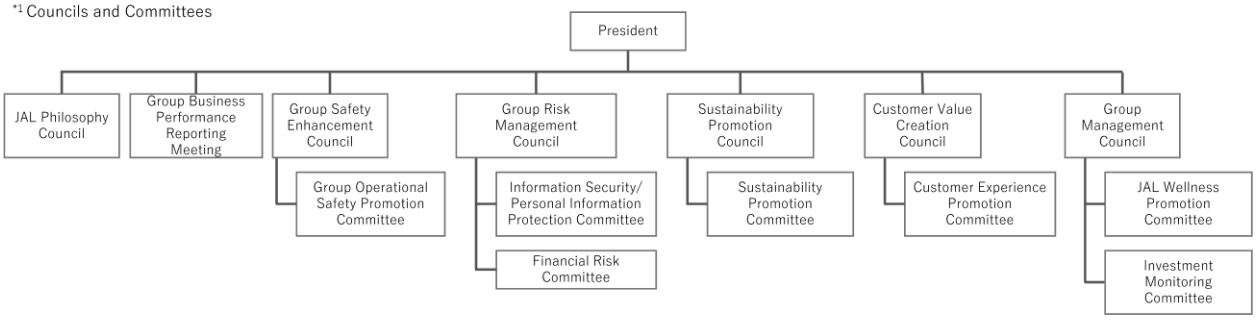
Adoption of Anti-Takeover Measures	Not Adopted

Supplementary Explanation
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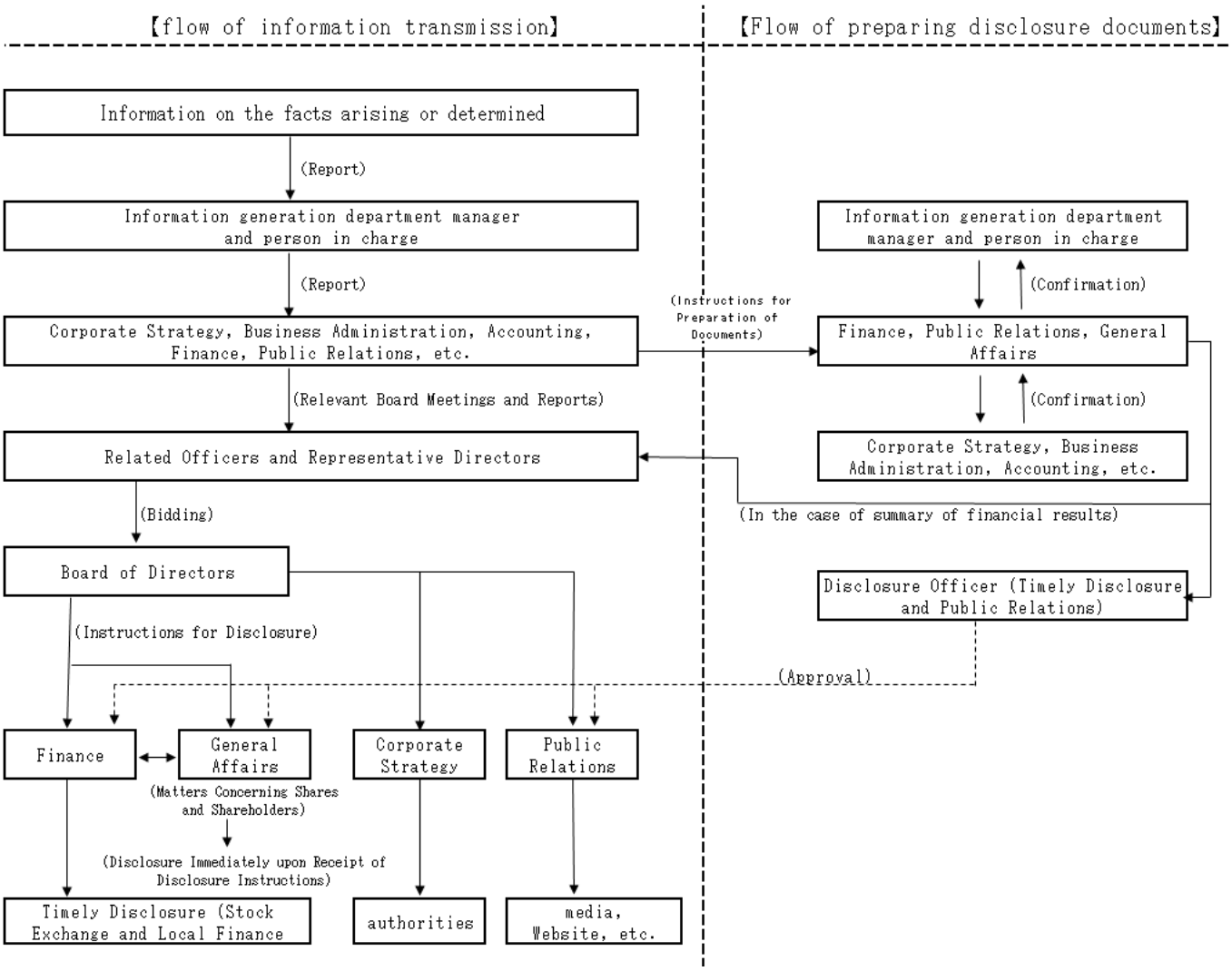
2. Other Matters Concerning to Corporate Governance System

We have established a system to ensure speedy information disclosure under our fundamental policy to disclose appropriate information to our shareholders and investors in a timely manner through proactive IR activities.





【Timely Disclosure System】



(Attachment) Approach to Sustainability (Supplemental Principle 3-1-3)

The JAL Group's approach to sustainability and its initiatives are as follows:

(1) Sustainability in General

(a) Governance

The Group's Board of Directors deliberates and decides important sustainability-related matters. The Sustainability Promotion Council, chaired by the President, conducts a management review of the following items.

- Determining key issues and annual targets for efforts to achieve sustainability, and monitoring and evaluation of progress
- Determining responses to climate change risks and opportunities
- Monitoring and evaluation of Environmental Management System (EMS)
- Monitoring and evaluation of human rights due diligence

The Sustainability Promotion Committee, a meeting body under the Sustainability Promotion Council chaired by Senior Vice President of the General Affairs Division, holds monthly meetings to confirm and discuss the progress of initiatives.

In FY2023, the committee reported four times to the Board of Directors of the items discussed such as information disclosure on the Task Force on Climate-Related Financial Disclosures (TCFD) , the Task Force on Natural-Related Financial Disclosures (TNFD), the assessment results and reviews of the Dow Jones Sustainability Indices (DJSI), the ESG assessment summary, recap of key issues, efforts to create relationships and societal connections through air transportation, and additional or revised goals.



(b) Strategy

In May 2021, the JAL Group formulated and announced JAL Vision 2030 with safety and peace of mind, and sustainability as keywords, and the JAL Group Medium Term Management Plan for FY2021-2025 to realize this vision. In addition, in the Rolling Plan 2023, we positioned ESG strategies as the top-level strategy to realize value creation and growth. The story of value creation aims to solve social issues, such as the decline of local communities and the decline of happiness, by creating sustainable human, commercial, and logistics flows and related populations on the premise of reducing environmental impact, and through the power of air transportation and connection, which is being reevaluated after the COVID pandemic.

In FY2023, we reviewed our materiality issues so as to create social and economic value and solve social issues through air transportation and connections created through our business. The key issues were previously four areas and 22 issues to be addressed mainly in the full-service carrier (FSC) business domain with the aim of contributing to the achievement of the 17 goals and 169 targets of the SDGs. However, the number was revised to eight materiality issues as a means to better link them to the creation of economic value in all business areas of the JAL Group, and not just aviation. Furthermore, human resources, or human capital, the greatest strength of the JAL Group, has been defined as a materiality issue, because improving the value creation ability and productivity of all employees is a key management issue.

In addition, in the Medium-Term Management Plan-Rolling Plan (MRP) 2024 formulated on March 21, 2024, we set a goal of increasing the total volume of relationships and connections by 1.5 times by 2030 by quantifying the number of people in the community and improving the level of community relations and working to continuously improve them. Through the promotion of this ESG strategy, we will enhance our social and economic value and achieve an increase in corporate value.

■Eight Key Materiality Issues Addressed by the JAL Group



(c) Risk Management

The JAL Group defines risk as an event or action that interferes with the achievement of the mission, objectives, and goals of the organization. Risk surveys and assessments are performed every six months. The Sustainability Promotion Council deliberates risk management policies and necessary solutions for overall sustainability governance, including the environment. The details are reported to the Board of Directors.

(d) Indicators and Targets

Key initiatives based on the eight materiality issues include actions to create air transportation and connections through business activities from the perspectives of increasing options, eliminating constraints, and creating objectives. Indicators and targets are set for global environmental conservation initiatives including GX strategies to pass on the precious Earth to the next generation, human capital management pursued in the human resources strategy, and governance as the foundation for value creation to drive ESG management. It is also possible to set quantitative numerical targets, and we have set items to promote with intention. Please refer to our website at the below link.

（https://www.jal.com/ja/sustainability/initiatives/）

In particular, the following indicators are management targets for sustainability in the JAL Group Medium Term Management Plan for FY2021-2025.

- Environment： Reduce CO_2 emissions (total emissions less than 9.09 million tons)
  Reduce single-use plastics (cabins and lounges: new petroleum-derived plastics were eliminated; airport and cargo: 100% revision to environmentally friendly materials)
- Community ： Increase domestic passenger and freight traffic by 10 percent compared to FY2019
- People ： Promotion of DEI (proportion of women managers in the Group: 30 percent)

(2) Addressing Climate Change

(a) Governance

The JAL Group's Board of Directors demonstrates a strong supervisory function through the periodic reporting (four times in FY2023) on the execution of initiatives concerning climate change and biodiversity. In the execution, the Sustainability Promotion Council, chaired by the President, formulates basic policies, sets important targets, and manages progress, and deliberates and decides on policies to deal with issues. The Sustainability Promotion Committee, chaired by the Senior Vice President of the General Affairs Division, deliberates individual issues identified through the EMS and reports to the Sustainability Promotion Council. The Medium-Term Management Plan incorporates responses to climate change into its management strategy and defines the eight materiality issues for sustainability in general to address social issues through business. With a strong commitment to achieve sustainable business operations and corporate value improvement through steady efforts to address these issues, we reflect external ESG ratings and CO_2 reduction targets in executive compensation as indicators.

Issues Presented and Reported at the Board of Directors and the Sustainability Promotion Council in FY2023

- Progress in efforts to address climate change (formulation of targets and annual results)
- Information disclosure in line with TCFD recommendations
- GX Strategy to achieve Net Zero CO_2 Emissions by 2050

(b) Strategy

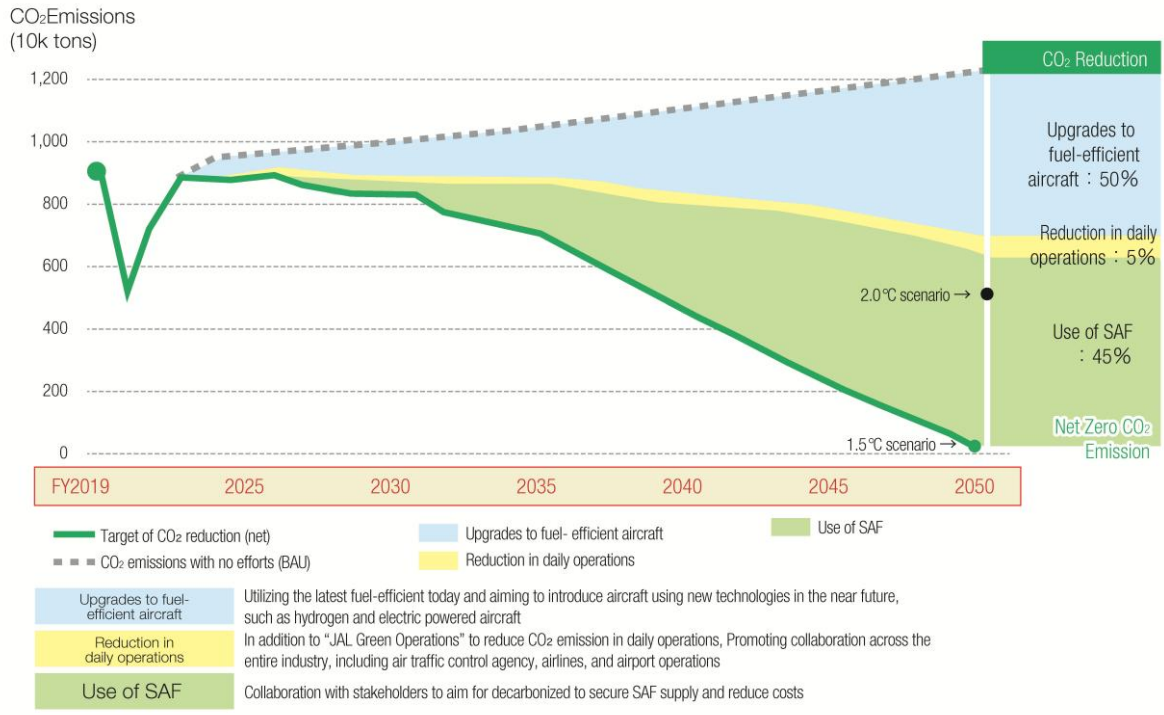
Recognizing that addressing climate change is an important issue for the sustainability of society, in 2018 the JAL Group participated in the Support Project for Scenario Analysis of Climate Risks and Opportunities in line with the TCFD led by the Ministry of the Environment of Japan. We have been working with the International Energy Agency (IEA) and the Intergovernmental Panel on Climate Change (IPCC) in the project to consider a society in 2030 based on two scenarios (RCP8.5 (Note 1) and RCP2.6 (Note 2) of an average temperature increase of less than 4°C and less than 2°C by the end of this century. In addition, in June 2020, we declared our goal of achieving net zero CO_2 emissions by 2050 as a responsibility of air transportation infrastructure operator, in order to steadily promote various initiatives, including the reduction of CO_2 emissions. Subsequently, we created a specific roadmap in consideration of risks and opportunities based on the IEA SDS scenario (Note 3), among others, which was reflected in the JAL Group Medium Term Management Plan for FY2021-2025 released in 2021 and the JAL Group Medium Term Management Plan-Rolling Plan (MRP) released in 2022. Furthermore, in the Rolling Plan for 2023, we formulated the GX Strategy based on the premise of a global 1.5°C scenario toward net zero CO_2 emissions by 2050.

In addition to the above, in February 2021, we announced our support for the recommendations of the TCFD and set a target of net zero CO_2 emissions by 2050, which is the same level as the Science Based Targets Initiative (SBTi) and is a global framework we are striving to disclosure information.

In 2022, the General Assembly of the International Civil Aviation Organization (ICAO) adopted long-term targets for the international aviation sector to become carbon neutral by 2050 and a revision of CORSIA (Note 4), a framework for reducing CO_2 emissions. It is possible that CO_2 emission regulations imposed on international aviation are likely to advance further in the future.

In this environment, we will accelerate our existing efforts to achieve our reduction targets by renewing our fleet to fuel-efficient aircraft, making efforts in daily operations, known as JAL Green Operations, and utilizing Sustainable Aviation Fuel (SAF). As stated in the GX strategy in the 2024 MRP, JAL will renew 76 percent of its fleet with fuel-efficient aircraft by FY2030, and will expand SAF procurement points in Japan and overseas to make further use of SAF. In addition, we will deepen partnerships with domestic SAF manufacturers for the start of production and mass production of domestically produced SAF. Furthermore, we will procure the necessary carbon credits through emissions trading at the appropriate time to meet our targets and CORSIA. In the mid- to long-term, we will actively utilize new technologies such as synthetic fuels and negative emissions, such as the removal and recovery of CO_2, that are under development around the world.

JAL Group's Road Map Towards Net Zero CO_2 Emissions



Conditions for Creating Scenarios to Achieve Net Zero CO_2 Emissions by the JAL Group

Based on the 1.5°C scenario, the JAL Group announced that a target was set for Net Zero CO_2 Emissions by 2050 at its shareholders' meeting in June 2020. The below roadmap has been created considering risks and opportunities based on scenarios such as the IEA SDS scenario.

With regard to the reduction of CO_2 emitted by JAL Group's aircraft, we have studied scenarios for CO_2 reduction by 2050, referring to the latest study materials of ICAO and International Air Transport Association (IATA) and scenarios by Air Transport Action Group (ATAG) (Note 5) based on the 1.5°C scenario. We are discussing the future challenges and measures to be taken.
In preparing scenarios, we set the growth of Revenue Ton-Kilometers (RTK) based on total international and domestic passenger demand respectively, calculated the total volume of CO_2 emissions up to 2050, and reflected the impact in each initiative.

(Note 1) RCP8.5 Scenario: High-level reference scenario in the IPCC Fifth Assessment Report (scenario corresponding to the maximum greenhouse gas emissions in 2100).
(Note 2) RCP2.6 Scenario: The lowest stabilization scenario in the IPCC Fifth Assessment Report (the lowest emissions scenario developed with the goal of limiting future temperature increase to below 2°C).
(Note 3) IEA SDS Scenario: A Sustainable Development Scenario, a pathway to fully achieve the Sustainable Development Goals of the IEA.
(Note 4) Carbon Offsetting and Reduction Scheme for International Aviation: A scheme under which airlines in participating countries are obliged to offset emissions in excess of the baseline for international flights of the entire airline industry. ”Emissions in 2019" was revised to "not to exceed 85 percent of the 2019 level" and the baseline was deepened by 15 percent.
(Note 5) ATAG - Global Alliance to Promote Sustainability in the Aviation Industry

Climate change will have a negative impact on the air transport business, which is based on the premise of operating in a society that is safe with peace of mind. As a result, it may pose an enormous risk to business continuity.
In addition, the response to climate change, including the reduction of CO_2 emissions by airlines, may have various financial impacts, such as upgrading to fuel-efficient aircraft and responding to carbon pricing. The JAL Group organizes and examines these factors that affect its business in accordance with the TCFD classification of risks and opportunities related to climate change and lists them in the table below. The categories of timing and the impact at the time of event are as specified on the right.
The following was reviewed at the Board of Directors meeting on August 1, 2023.

Classification	Time of Impact
Short-term	FY2023 to FY2025 (the period covered by the current medium-term management plan)
Medium-term	FY2026 to FY2030 (the period up to JAL Vision 2030)
Long-term	FY2031 to FY2050 (the period to achieve Net Zero CO_2 Emissions)

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

Risk

Types of Risk		Risks	Period of Event	Impact of Risk	Rsik Mitigation Actions
Transition Risks ✓ Policies and regulations ✓ Technology ✓ Market ✓ Evaluation	Emissions Trading	Increase in credit cost by stronger national CO_2 emission regulations	Short to Long	Small to Medium	• Procuring credits meeting CORSIA eligibility criteria at a stable and reasonable price • <Oberseas> Participation in rulemaking (ICAO, IATA) • <Japan> Public-Private Partnership for Rulemaking through the Scheduled Airlines Association of Japan
	SAF	Shortages in supply due to delays in the development, manufacture and dissemination of SAF and bias in supply areas	Medium	Medium	• Long-term, price-advantaged SAF procurement from manufactures in individual companies or alliances • Active involvement in domestic SAF production and expansion fo SAF procurement sites • Request for support related to the supply and manufacture of SAF to the government and energy industries (At the Public-Private Councils for the promotion of SAF deployment, JAL participated in discussions on stable production and sharing of SAF, as well as on making it less expensive, and a "draft regulatory and support package" was presented.)
		Impact of high SAF and hydrogen fuel prices on earnings	Medium to Long	Medium to Large	
	Aircraft	Delay in the development of aircraft using new technologies such as hydrogen and electric power and in the development of airport infrastructure1	Long	Medium	• Cooperation with aircraft and engine manufacturers • Participated in the "Public and Private Sector Consultation on New Technologies for Decarbonization of Aircraft" with the government and other relevant parties to formulate the "New Technology Roadmap for Decarbonization of Aircraft (draft)"
	Demand	Declining in customer preference due to delayed response to climate change and slowdown in domestic demand for air transport due to a modal shift	Medium to Long	Small to Medium	• Advocationg the Value of Aircraft Mobility after Thorough Efforts to Reduce CO_2 • Building momentum by disseminating the progress of sustainable flights and SAF procurement in a planned manner, participating in symposiums, and strengthening the dissemination of environment-friendly measures
Physical Risks ✓ Acute ✓ Chronic	Operation	Impacts of the decrease in the number of passengers and the increase in flight cancellations caused by climate disasters due to the intensification of extreme weather events and changes in precipitation and climate patterns	Short to Long	Medium	• Strenghen crisis management capabilities and enhance BCP in response to disasters
	Demand	Impact of the outbreak of a pandemic of infectious diseases caused by ecosystem changes due to the increase in average temperature on air transport	Short to Long	Large	• Providing a Safe and Secure Air Transport Environment through Infectious Disease Control • Development of flight plans based on passenger demand

Opportunities

Types of Opportunity	Opportunities		Period of Opportunities	Impact of Opportunities	Actions to Expand the Opportunities
Opportunities ✓ Resource efficiency ✓ Energy source ✓ Resilience ✓ Market ✓ Products and services	Aircraft Operated	Improvements in flight operations, technical improvements in equipment. Reduction of fuel consumption by improving fuel efficiency and CO_2 Reduction through improvement of infrastructure, including upgrading of air traffic control. (Reduction of Credit Purchase Costs)	Short to Long	Medium	• CO_2 reduction of operational ingenuity and aircraft modification. • Steady renewal of fuel-efficient equipment (Implementation of various types of financing, such as the implementation of specific use of funds transition-link loans, selection of new small aircraft, and acceleration of the introduction of fuel-efficient equipment) • Cooperation with manufacturers, countries, and related organizations to improve air traffic control and introduce aircraft using new technology • Request for support based on GX transition bonds
	SAF	Stable supply of aircraft fuel and reduction of cost through diversification of fuel supply sources	Medium to Long	Medium to Large	• Procurement of SAF consisting of multiple manufacturing methods • All Japan SAF dissemination activities such as ACT FOR SKY • Cooperation among the public and private sectors, including public and private sector councils for the promotion of SAF deployment, to resolve technical and economic issues in domestic SAF manufacturing, and supply side through GX transition bonds, support for business operation costs including SAF feedstock procurement, and incentive support
	Ground Vehicle	CO_2 reduction through the use of special airport vehicles combining various power sources, and labor-saving airport operations through the use of new technologies such as autonomous driving	Short to Medium	Small	• Procurement of biodiesel fuel and use of special electric vehicles • Promoting airport decarbonization through public-private partnerships
	Demand	Enhancing preferences and expanding aviation demand through appropriate responses to diversifying customer needs	Short to Long	Medium	• Providing low-carbon, environmentally-friendly products and services • Expansion of information disclosure on measures to address climate change, including reduction of CO_2 emissions • Building momentum by disseminating the progress of sustainable flights and SAF procurement in a planned manner, participating in symposiums, and strengthening the dissemination of environment-friendly measures
		Creation of new businesses based on the premise of low carbon Securing new revenue sources through (Nest Generation Air Mobility, Freighter Business with Ymato HD, LCC Business)	Short to Long	Large	• Creating new businesses utilizing JAL Group assets • Promotion of investment that contributes to reduction of CO_2 using internal carbon pricing (ICP)

(c) Risk management

The JAL Group positions as priority risks those risks that are assessed as particularly important in the semi-annual risk survey. The Group Risk Management Council, chaired by the President, confirms the status of risk management, and deliberates and decides on countermeasures.

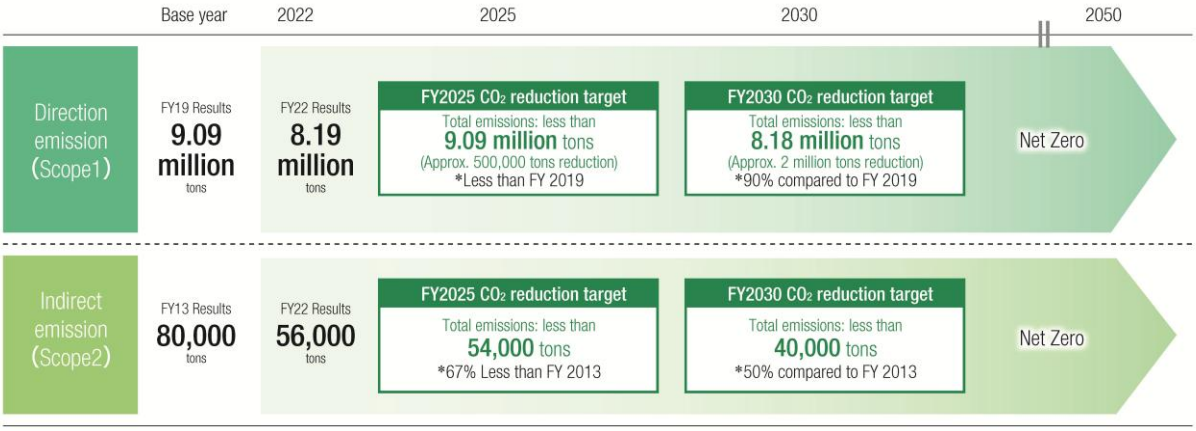
With regards to environmental issues such as climate change and biodiversity, which are priority issues in our management strategy, we implement risk management through the PDCA cycle based on the EMS, while considering relevant laws, regulations, and policy trends in the international community.

(d) Indicators and Targets

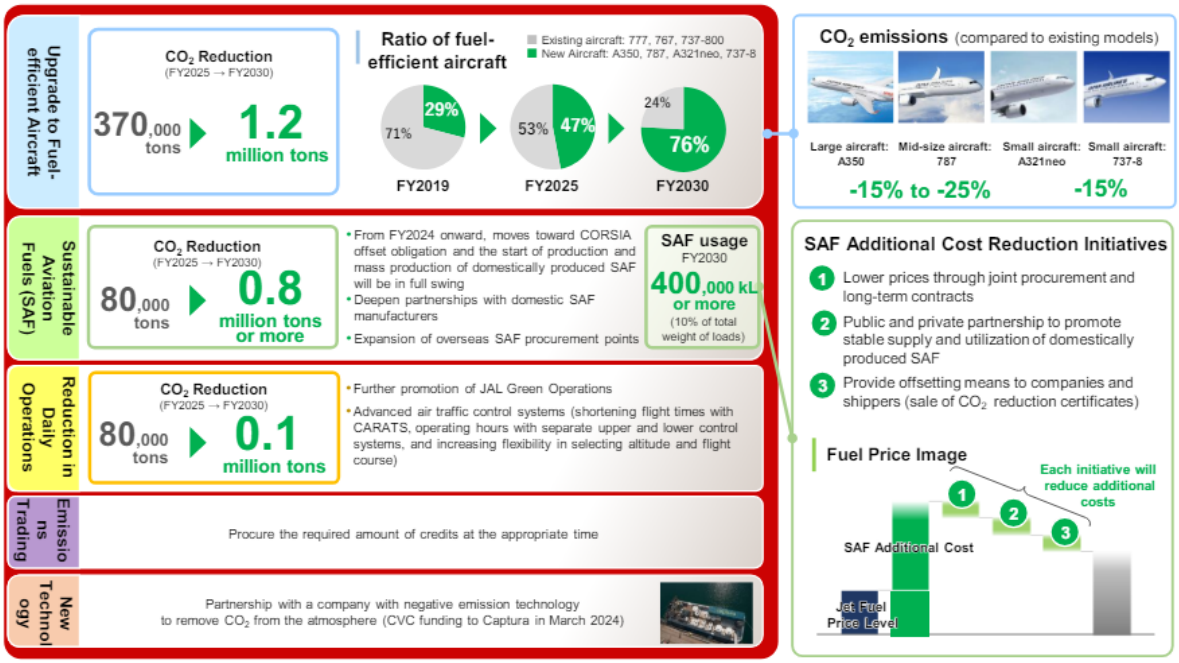
Due to the nature of the air transport business, direct emissions from aircraft account for about 99 percent of CO_2 emissions. Based on this fact, we will first address the reduction of CO_2 emissions from aircraft as our top priority, but we are also earnestly working to reduce CO_2 emissions from indirect emissions from ground facilities with similarly high targets.

We will continue to lead the industry in cutting-edge initiatives in line with the Japanese government's Clean Energy Strategy, while strengthening cooperation and collaboration with various stakeholders in Japan and abroad, in line with the international framework for reducing CO_2 emissions.

In May 2021, the JAL Group has set specific targets for 2030, a 10 percent reduction in total emissions from 2019 levels. We are the first Japanese airline to do so and have taken the lead in promoting decarbonization of the global aviation industry through joint procurement of SAF in alliances and the use of ESG finance when renewing aircraft. JAL will continue to accelerate our initiatives and boldly take on the challenge, such as the steady renewal of fuel-efficient aircraft based on a stable financial base, steady implementation of JAL Green Operations, and strategic procurement based on specific SAF loading targets.



Regarding SAF, while overseas manufacturing and supply chain construction activities are accelerating, it was clearly stated that SAF manufacturing and distribution will be promoted in Japan in the Basic Policy for Economic and Fiscal Management and Reform 2023, Grand Design and the Implementation Plan for New Capitalism, Clean Energy Strategy, and Basic Policy for Realizing GX. In order to realize its ambitious goal of replacing 10 percent of all installed fuel with SAF by 2030, the JAL Group will actively work toward commercializing SAF through public-private partnerships and cooperation with domestic and international stakeholders.



(3) Responding to Natural Capital (Biodiversity)

(a) Governance

The JAL Group has established the same governance structure for its biodiversity efforts as it has for addressing climate change; prior disclosures based on TNFD recommendations and the Commitment on Nature were reported and approved by the Board of Directors in August 2023.

(b) Strategy

The JAL Group follows the LEAP approach (Note 6) proposed by the TNFD, to identify natural dependencies and impacts as well as priority areas, to systematically assess nature-related risks and opportunities on a scientific basis.

We identified the dependence on and impact on nature in the Group's air transportation business. The dependence included operations to tourist destinations rich in nature, such as natural heritage sites and beach resorts and sales of local food products, while the impact included possible environmental pollution to airport-related business areas and concerns about the impact on the ecosystem during the SAF production process.

The JAL Group's water intake areas are mainly in Japan, where water stress levels are considered low, analyzed by using a water risk analysis tool provided by the World Resources Institute, and we recognize that its risks are low. We will continue our efforts to conserve water resources such as the recycling of water for washing aircraft parts, mainly in the metropolitan areas of Haneda and Narita where 80 percent of the total water amount is used. Additionally, the analysis will be reviewed annually.

JAL Group's destinations were matched with areas of significant biodiversity in WWF's Biodiversity Risk Filter, and it was found that many areas in Japan are at high biodiversity risk. Hokkaido, Kagoshima, namely Amami, and Okinawa, which have high demand for nature tourism, were identified as areas where our businesses are dependent on nature. Also, Tokyo was identified as an area with high priority for biodiversity conservation, where operations have an impact on nature because of the major airport.

The loss of biodiversity can be a significant risk to the continuance of our air transportation business and managing it can also lead to opportunities. The workshop also assessed nature-related risks and opportunities based on the identified dependencies and impacts, which are summarized in the table below. In the future, we will deepen the assessment of risks and opportunities by analyzing financial impacts as well.

(Note 6) LEAP is an acronym for the four phases of Locate, Evaluate, Assess, and Prepare. It is an information disclosure guidance that consists of Locate, which identifies the nature interface throughout the supply chain and identifies priority locations; Evaluate, which diagnoses the dependencies and impacts between the business activities and nature; Assess, which evaluates the key risks and opportunities based on the results of the diagnosis; and Prepare, which prepares a response to nature-related risks and opportunities and reports back to investors.

	Classification	Outline of Risks	Risk Mitigation Actions
Risks	**Physical Risks** ✓Acute risk ✓Chronic risk	Impact on air transportation operations by pandemic outbreaks of infectious diseases caused by the change of ecosystems.	・Provide a "safe and secure" air transportation environment through measures to prevent infectious diseases. ・Develop flight plans based on passenger demand.
		Loss of natural tourism resources and reduced passenger volume due to changes in the ecosystem.	Promote efforts to restore natural tourism resources in cooperation with local communities.
	Transition Risks ✓Policy and Law ✓Market ✓Reputation	Ecological impacts in securing raw materials and manufacturing processes associated with the use of SAF.	Use of SAFs (such as ICAO CORSIA-eligible fuels) that take into account raw materials, land use and ecosystem conservation in the production areas, etc.
		Restrictions on foods and merchandise used due to more strict regulations on the use of wildlife to protect rare species.	・Comliance with internal guidelines with reference to the IUCN Red List, etc. ・Use of food and merchandise produced with sustainability taken into account.
		Over tourism in nature-rich tourism destinations.	Realization of tourism based on sufficient management of human flows.
		Complicity in illegal wildlife trafficking.	Educate employees and collaborate with airport authorities to prevent illegal wildlife trafficking.
		Environmental contamination to the surroundings of the airport (e.g., if improper water treatment occurs).	Thorough prevention procedures and post occurrence response procedures.
	Classification	**Outline of Opportunities**	**Actions to Expand the Opportunities**
Opportunities	**Opportunities based on business performance** ✓Products and services ✓Market ✓Reputation	Creating demand for nature tourism.	Balancing tourism and nature conservation by encouraging appropriate tourism through the training of tourism guides, etc.
		Creation of commercial distribution and logistics through the transportation of foods and merchandise that are products of a rich ecosystem.	Contribution to regional economic revitalization through high-speed fresh transportation of foods and merchandise.
	Sustainability Performance Opportunities ✓Protection, restoration and rehabilitation of ecosystems ✓Sustainable use of natural resources	Securing tourism resources through protection, restoration, and rehabilitation of ecosystem.	Implementation of measures such as the coral sexual reproduction project.
		Securing a stable supply of commercial materials.	Use of sustainable commercial products (e.g. certified commercial products) in collaboration with suppliers.

(c) Risk and Impact Management

The JAL Group manages the same risks and impacts for its biodiversity initiatives as it does for addressing climate change. With regards to environmental issues such as climate change and biodiversity, which are priority issues in our management strategy, we implement risk management through the PDCA cycle based on the EMS, while considering relevant laws, regulations, and policy trends in the international community.

(d) Indicators and Targets

The JAL Group recognizes that biodiversity is affected by various environmental issues, including climate change, resources, and environmental pollution, and commits to comprehensive solutions. In addition to targets related to biodiversity conservation, we disclose environmental data such as CO_2 emissions, waste, and water consumption.

Main topics	Subtopic	Metrics	FY25 Targets
Biodiversity Conservation	Collaboration with external stakeholders to help expand the area of protected areas such as national parks and OECMs by 2030 ⋮ Preservation and expansion of tourism resources	[Okinawa] Number of sexually reproduced corals grown	1,000 seedlings by 2026
	Use of certified commercial products	Percentage of in-flight items using certified paper	100%
	Prevention of illegal wildlife trade	Number of illegal wildlife transports	0
	Consideration for biodiversity in the foods and merchandise we handle	Number of violations of internal guidelines for ESG risk food ingredients and commercial products	0
	Reducing the impact on the ecosystems surrounding the airport	[Tokyo] Number of incidents of improper management of water containing hazardous substances	0

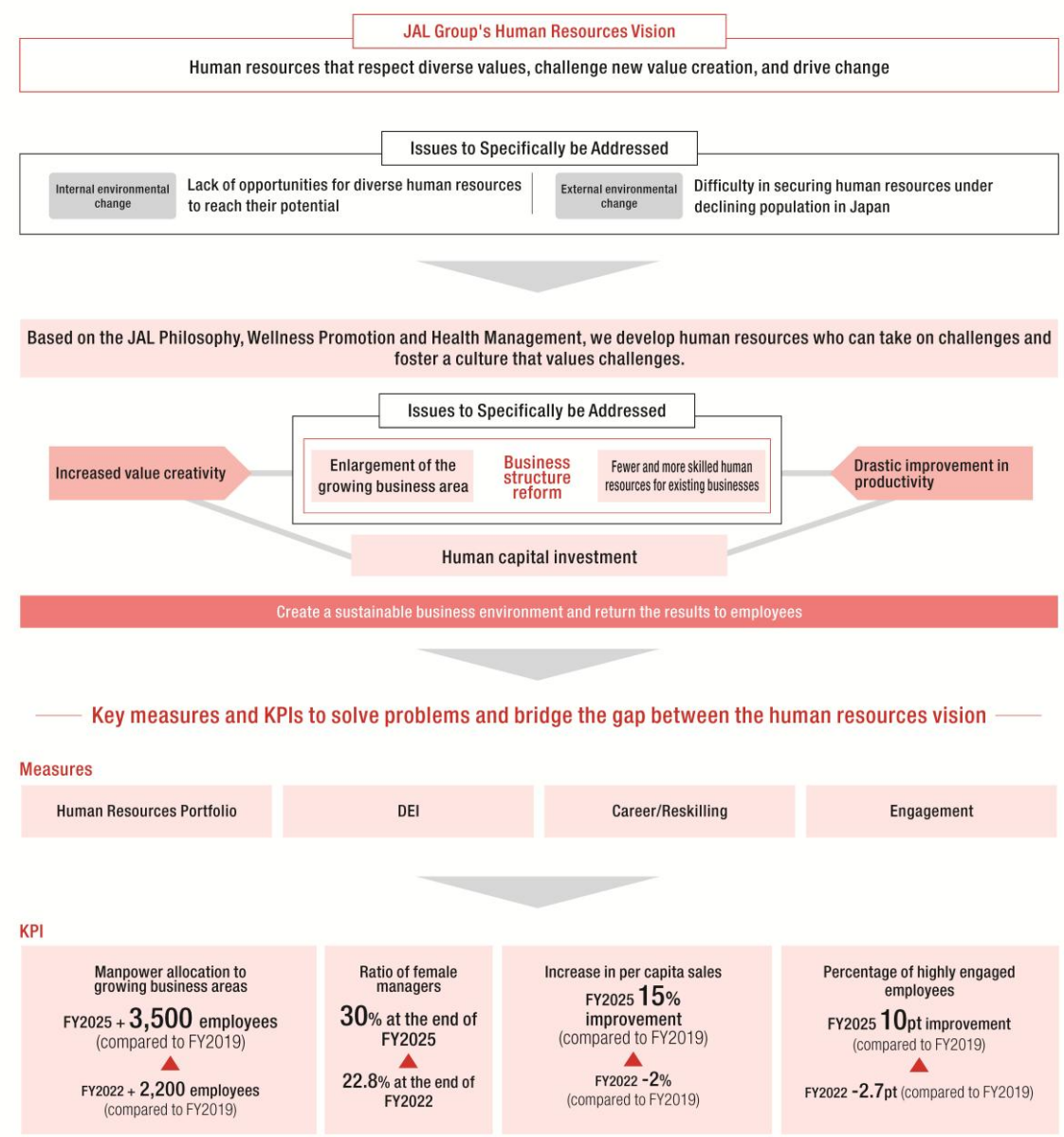
(4) Human Resource Initiatives

(a) Strategy

■ Overall Picture

The Rolling Plan 2023 positioned ESG strategy as the top strategy for realizing value creation and growth and positioned human resources strategy as one of the business strategies to promote ESG strategy.

In promoting our ESG strategy, we first clarified the JAL Group's human resources vision as human resources that respect diverse values, challenge new value creation, and drive change. Next, in the face of the rapidly changing environment, we recognized two particular issues that need to be addressed. Inside the JAL Group, there was a lack of opportunities for diverse human resources to reach their potential. Turning our attention to the outside world, we recognized that it will be difficult to secure human resources in the future with the decline in fertility rate and the aging population. In order to cope with this severe environmental change, we will actively invest in human resources in order to realize the improvement of value creativity and drastic improvement of productivity and accelerate business model reform. By doing so, we aim to create a virtuous cycle that leads to further value creation by improving corporate value and returning the results to each employee, who is our human capital.



■ Human Resource Development Policy

The roles of our employees are changing with the optimization of human resource portfolios due to the revisions in business structures and the rapid transitions in the social environment. To respond to these changes, we support career development in job autonomy and reskilling. We support our employees by implementing a job autonomous career development system, such as a human resource system for employees who want to nominate themselves to the department they wish to work in and a system where the employees can use their skills and abilities in an in-house second job system or provide DX education and reskilling for a second career for our employees to shape their own careers responsibly.

■ Internal Environmental Improvement Policy

We have established and are implementing the following three policies to improve our internal environment for the purpose of maximizing the use of human capital.

Formation of a New Human Capital Portfolio

In order to realize business model reform, we will acquire, nurture, assign and treat personnel with diverse knowledge and experience to support new business areas and personnel with high expertise in the aviation field to support existing business areas. We will expand the recruitment of experienced personnel, expand the scope of areas and positions covered by the performance-based remuneration system, and introduce a personnel wage system that applies to highly specialized personnel essential for safe operation, thereby placing personnel in optimal positions and build a new human resources portfolio for the JAL Group.

Promotion of DEI (Note 7)

In order to improve corporate value over the medium to long term and to enhance the sustainability of our business, we will transform from a company with highly homogeneous human resources to a highly diverse company with human resources with diverse knowledge and experience such as experience, sensitivity, values, and expertise.

We will deepen diversity and create new values by intergroup secondments, the active recruitment of foreign employees in Japan, and by expanding the employment of people with disabilities.

Increased engagement

In order to maximize the power of diverse human resources, which is the JAL Group's greatest strength, we will create a highly engaged work environment where each employee feels needed and rewarded.

We will improve employee engagement promoting organizational revitalization and health management by implementing various measures of our human resources strategy and JAL Philosophy. We will achieve a virtuous cycle of increasing engagement by increasing productivity and appropriately transferring the results to human capital investment.

(Note 7) DEI = Diversity Equity Inclusion

(b) Indicators and Targets

■ Actual results for FY2023

	category	KPI	Target (FY25)	Results (FY23)
Human Resource Development Policy	Transition to autonomous career development and support for reskilling	Increase in sales per capita	＋15%（Compared to FY2019)	+16%（Compared to FY2019)
In-House Environmental Improvement Policy	Formation of a new human capital portfolio	Allocation of human resources to growth areas	＋3,500（Compared to FY2019)	＋2,990（Compared to FY2019)
	Promotion of DEI	proportion of women managers	30%	29.8%
	Increased engagement	Percentage of highly engaged employees (Note 8)	＋10pt（Compared to FY2019)	△0.6pt（Compared to FY2019)

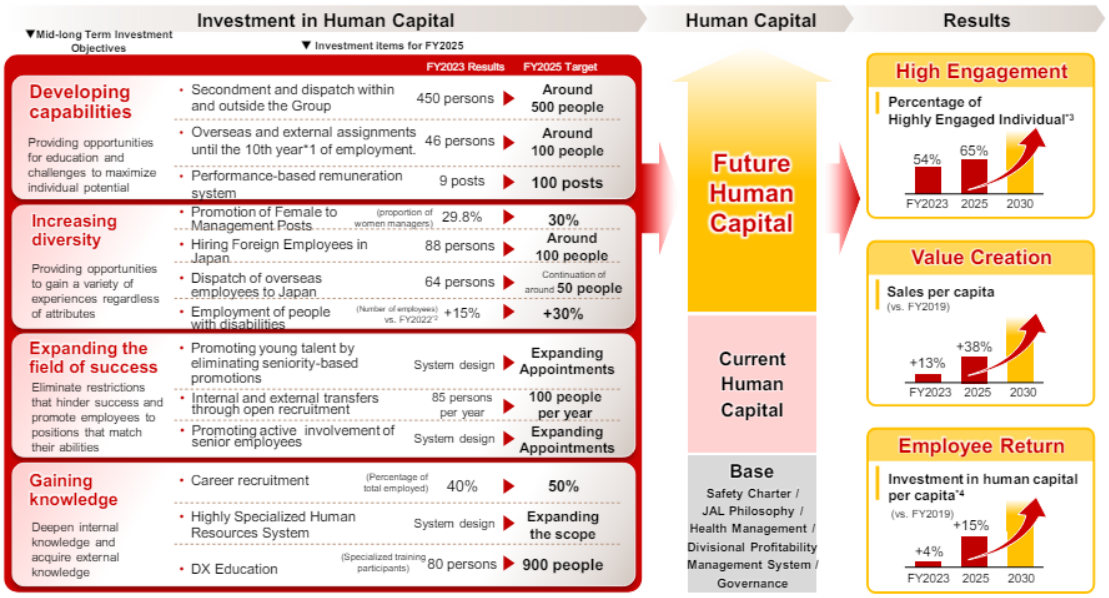
(Note 8) Percentage of employees who responded positively to the Employee Attitude Survey.

■ For the Future

In the JAL Group Medium Term Management Plan-Rolling Plan 2024 for Fiscal Years 2021 to 2025 announced in March 2024, we have summarized the concept of human capital management, which regards human resources as capital and maximizes their value in order to realize JAL Vision 2030, which is the ideal image of our group. Based on the idea that human capital is the driving force to enhance the sustainability of our business and to create social and economic value, we will create an environment in which diverse human resources can play an active role in various fields through continuous investment in human capital, based on the JAL Philosophy and health and productivity management. We will continue to build up the layers of human capital in the JAL Group each employee can showcase their skills and expertise.

As a result, we will provide benefits to our employees in proportion to their demonstrated abilities and pursue our medium- to long-term ideal of improving engagement and creating value.

Improve engagement and create value by realizing an environment in which diverse human resources can work in a variety of fields, providing rewards based on their abilities



*1: JAL business planning staff *2: As of June 1, 2022 *3: Percentage of employees who selected 4 or 5 out of 5 in the employee awareness survey *4: Per capita base salary + training expenses