



JAL Group Medium-Term Management Plan Formulated Rolling Plan 2024

Tokyo, JAPAN - To further ensure the achievement of the "JAL Group Medium-Term Management Plan for Fiscal Years 2021-2025" (hereinafter referred to as "Medium-Term Management Plan"), JAL Group formulated the "JAL Group Medium-Term Management Plan Rolling Plan 2024 for Fiscal Years 2021-2025" (hereinafter referred to as the "Rolling Plan 2024").

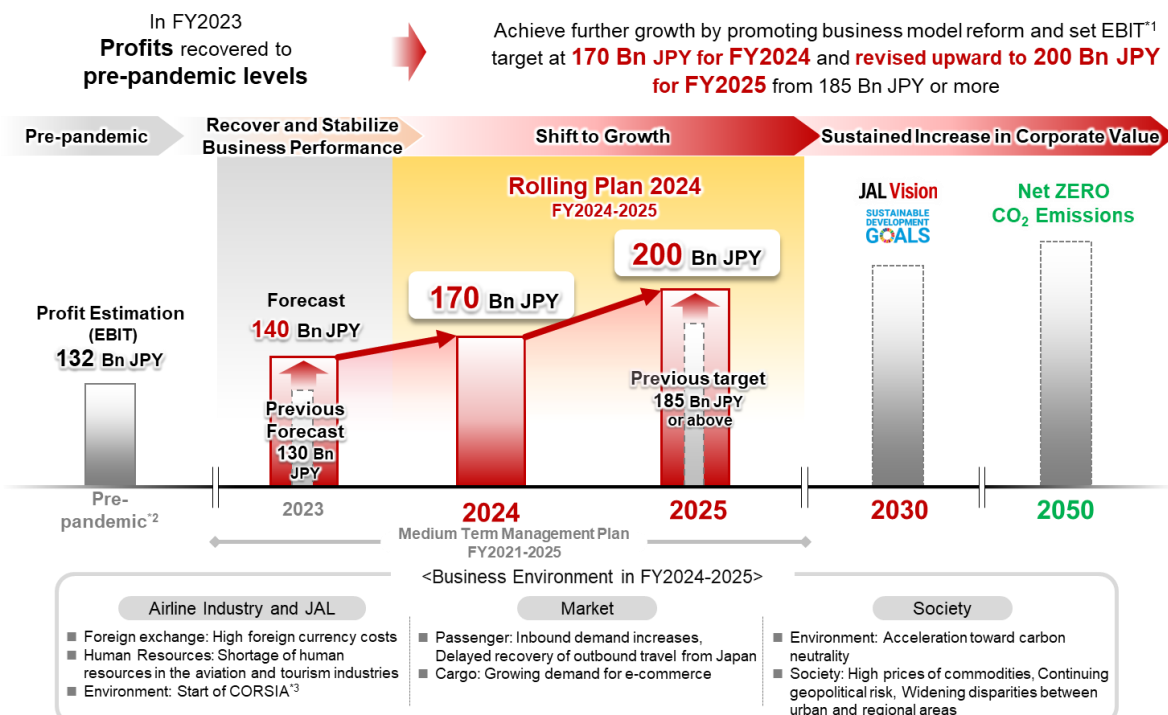
1. Positioning and Direction of the Rolling Plan 2024

The three-year period of the JAL Group Medium-Term Management Plan for FY2021-2025 nearing the end with only two years left to go. In the new post-COVID-19 environment, the JAL Group expects to achieve higher profits in FY2023 than before the pandemic. At the same time, the JAL Group is faced with new challenges common to all, such as the unstable global conditions, rising prices, and a shortage of human resources. In light of these changes in the business environment, the JAL Group has formulated the Rolling Plan 2024 in order to complete the Medium-Term Management Plan in FY2025 and to prepare ahead of time for medium- to long-term growth.

2. Key Points of the Rolling Plan 2024

[Performance Forecast and Profit Targets]

Based on the latest domestic and international passenger and cargo demand forecasts, the expected consolidated full-year performance EBIT for FY2023 has been revised upward from the previous forecast of 130 billion yen to 140 billion yen. Additionally, the expected consolidated full-year performance for FY2024 is set at an EBIT of 170 billion yen, and the previously set EBIT target of over 185 billion yen for FY2025 has been revised upward to 200 billion yen.



*1 EBIT: Earnings Before Interest and Taxes *2 Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

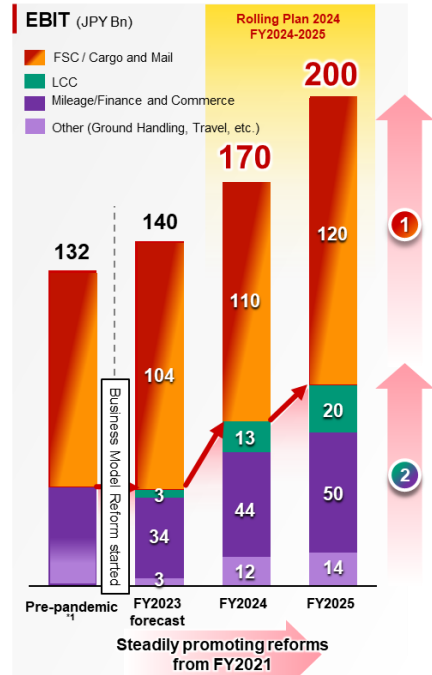
*3 CORSIA: Carbon reduction scheme which requires airlines operating international flights to purchase CO₂ emissions (CO₂ credits, etc.) for amount exceeding 85% of CO₂ emitted in 2019.





[Business Model Reform]

Through the promotion of ESG strategies, business model reforms will be carried out to achieve the profit targets for FY2025 and realize a business model with resilience and growth potential. Specifically, in the Full-Service Carrier (FSC) and Cargo and Mail domain, the profit structure will be restructured to generate profits even in the new post-COVID-19 environment. In the LCC and Mileage, Lifestyle and Infrastructure domains, the business will be further expanded and grown, aiming to achieve an EBIT of approximately 85 billion yen in total.



EBIT adjustments due to changes in reporting segments are not reflected.

*1 Pre-pandemic: FY2019 actual results excluding the impact of the COVID-19 pandemic (earnings forecast disclosed at the time of announcement of FY2019 Q3 financial results (IFRS))

1 Restructuring of Profit Structure

	International Passenger	Domestic Passenger
Full Service Carrier	<ul style="list-style-type: none"> Strengthen competitiveness and maintain unit price Capture inbound demand Stimulation of outbound demand 	<ul style="list-style-type: none"> Strengthening profitability Creation of interacting community and attracting inbound demand to local areas Building a sustainable network
Cargo and Mail	<ul style="list-style-type: none"> Develop freighter business Maintain and improve unit price by transporting strategic items 	

2 Profit Expansion and Growth

LCC	<ul style="list-style-type: none"> Expansion of business scale and aggressive international flight development 	
Mileage, Lifestyle and Infrastructure	Mileage/Finance and Commerce	Ground Handling
	Air Mobility Business	
	<ul style="list-style-type: none"> Expanding opportunities to accumulate miles in daily life Development of exciting and special awards Growth through expansion of transaction volume in commerce business 	<ul style="list-style-type: none"> Expanding business for further growth in inbound demand Provide solutions to local issues using drones Create new air transportation value with Air Taxi

Promote Business Portfolio Management by Clarifying Profit and Loss by Business Segments

[Management Targets]

By implementing initiatives across business domains, the goal is to achieve the Management Targets for FY2025 and improve the sustainability of business operations.

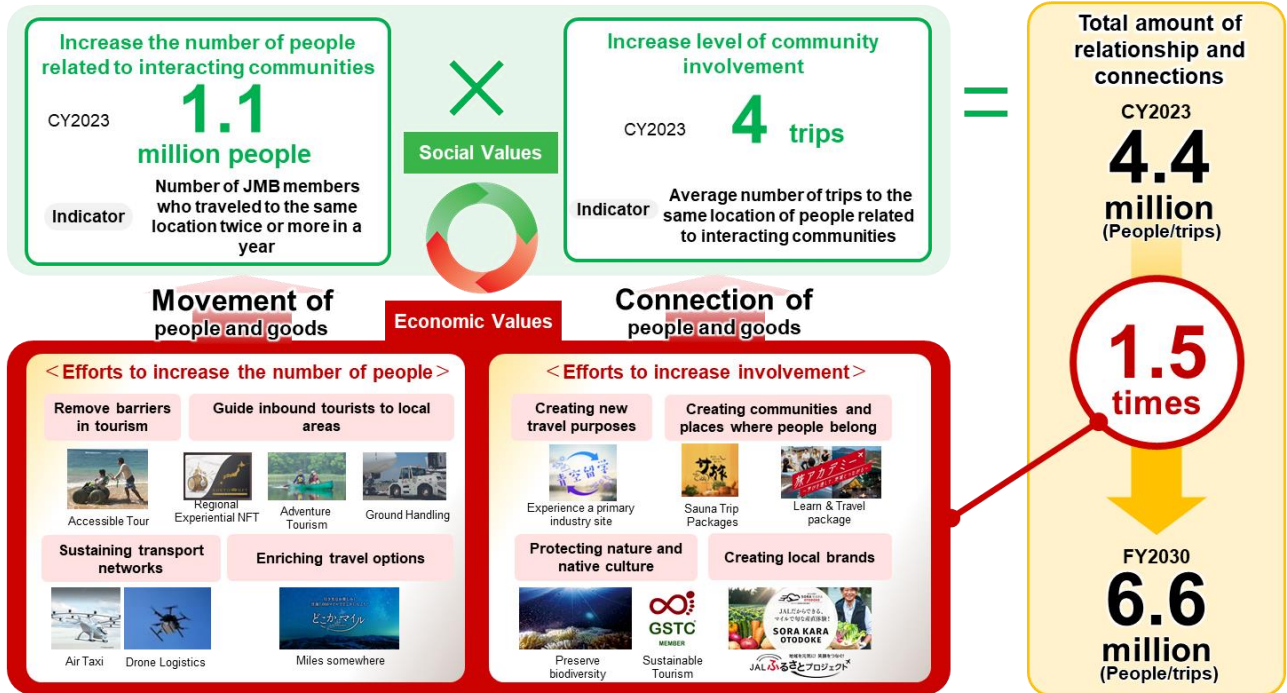
	Full Service Carrier	Cargo and Mail	LCC	Mileage, Lifestyle and Infrastructure	Related Management Targets	
	Safety Realizing high safety standards throughout JAL Group by inheriting the culture of safety and security cultivated by JAL Group and leveraging new technologies				Aircraft Accidents and Serious Incident	Safety and Peace of Mind
	CX (Peace of Mind) Creating CX that align with diverse customer values by improving and maintaining the essential quality of airline business domain, while also delivering fulfilling experiences in everyday Life				NPS	
	GX Promote decarbonization through upgrade to fuel-efficient aircraft and the use of SAF to reduce CO ₂ emissions, as well as carbon-offset program and new technologies				Reduction of CO ₂ Emission and Single-use Plastics	Sustainability
	Sales and Marketing Provide solutions that leverage the assets of the JAL Group to contribute to solving local and corporate issues				Domestic Passengers and Cargo Transport Volume	
	Human Resources Improve engagement and create value by realizing an environment in which diverse human resources can work in a variety of fields, and providing rewards based on their abilities				Group Female Manager Ratio	
	Finance Invest in sustainable growth while maintaining financial basis for growth				Financial Index	Finance

CX: Customer Experience GX: Green Transformation



[Building Relationships and Connections]

In the Rolling Plan 2023, a value creation story was presented, which states “Creating social and economic value by building relationships and connections through air transportation to enhance corporate value”. In the Rolling Plan 2024, the “number of people related to the interacting communities” and “level of community involvement” within the JAL Group will be quantized, and efforts will be made to sustainably improve these factors. The aim is to increase the “Total amount of relationships and connections” by 1.5 times by 2030.

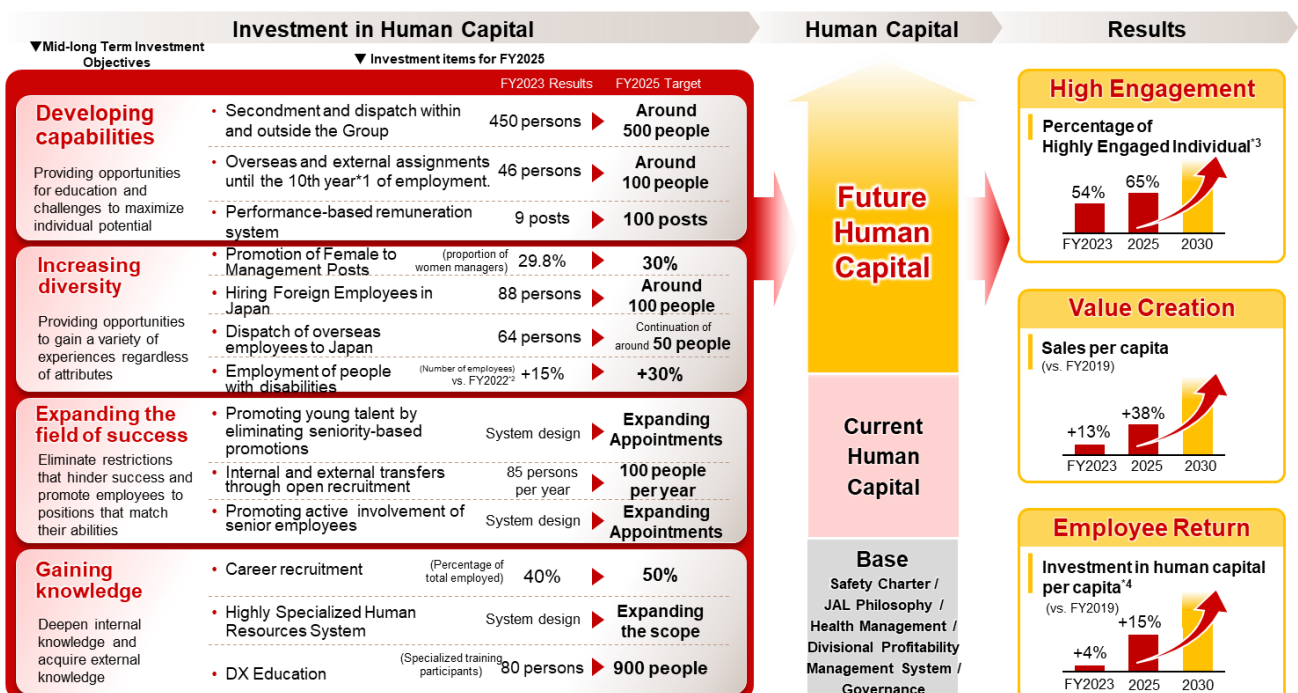


*"Interacting community" refers to those who are not immigrants, tourists, or simply returning home, but who are involved in a continuous and diverse way with a specific region outside of their daily lives or commuting area. But, in this material, it refers to "a person who visits the region more than once a year, including returning home and business trips, and who has a continuous and diverse relationship with the region."

*Cooperation from University of Tsukuba

[Human Capital Management]

Realize an environment in which diverse human resources can work in a variety of fields, providing rewards based on their abilities to improve engagement and create value.



*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

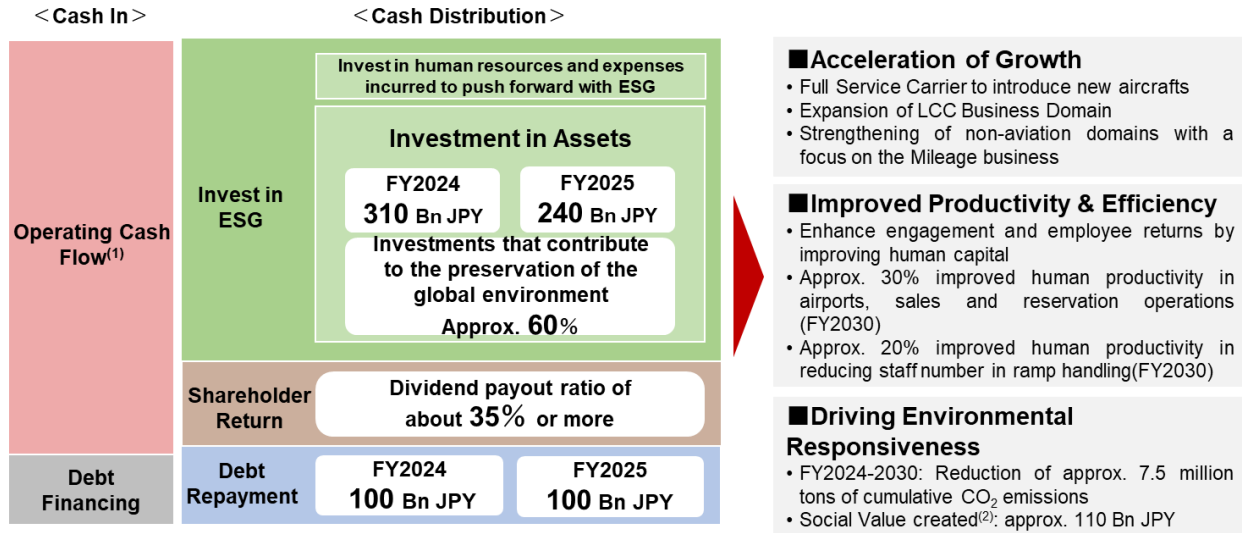




[Management Resource Allocation]

To balance the acceleration of ESG strategies and strengthen competitiveness, significant investments will be made in assets, including the introduction of fuel-efficient aircraft. The investment plan includes 310 billion yen in FY2024 and 240 billion yen in FY2025. In addition, returns to shareholders will gradually increase as performance recovers. The dividend payout ratio for FY2024 is planned to be 35%.

Conceptualization of FY2024-2025



(1) Operating CF excludes investment in human resources and expenses incurred in pushing forward with ESG
(2) ICP (Internal Carbon Pricing) calculated with the base price of 15,000 yen/ton

JAL Group will unite all employees to implement the Rolling Plan 2024 and work to realize the “JAL Vision 2030”, the ideal image for the future, with “Safety and Peace of Mind” and “Sustainability” as the engines of growth. The ultimate goal is to become the world’s most preferred and valued airline group, by helping to create a vibrant society and a future where many people and goods freely move around.

Attachment: “JAL Group Medium-Term Management Plan FY2021-2025 Rolling Plan 2024”