



JAL Group Medium-Term Management Plan Formulated Rolling Plan 2025

Tokyo, JAPAN - The JAL Group has formulated the “JAL Group Medium-Term Management Plan FY2021-2025 Rolling Plan 2025” (Rolling Plan 2025) in order to complete the “JAL Group Medium-Term Management Plan FY2021-2025” (“Medium-Term Management Plan”) in its final year.

1. Positioning of the Rolling Plan 2025

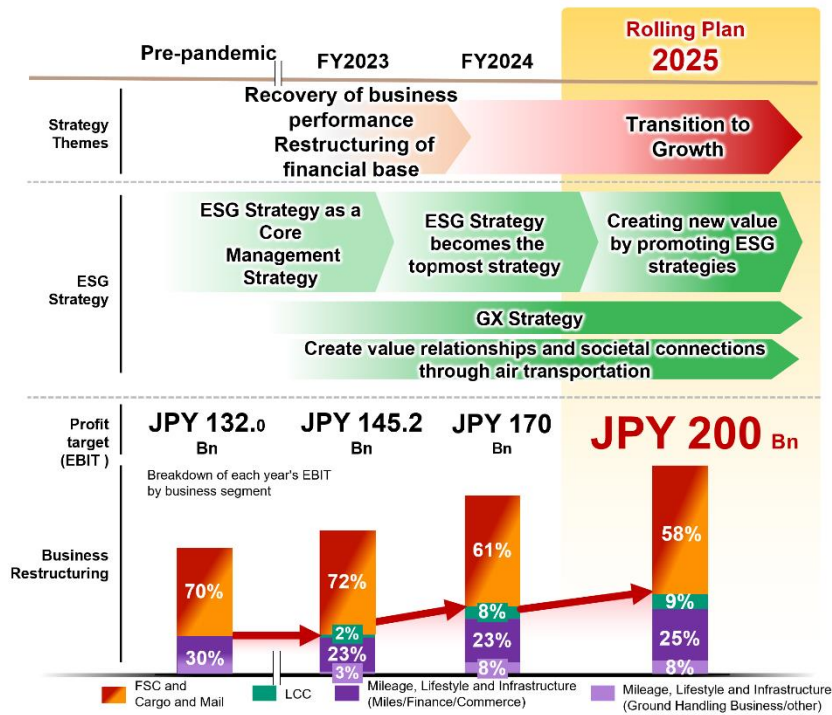
The four-year period of the Medium-Term Management Plan has come to an end, and now only the final year remains. Up to this point, the JAL Group has positioned ESG strategies as its top priority, making steady progress in the Medium-Term Management Plan by focusing on early recovery from the COVID-19 pandemic, rebuilding its financial base, restructuring its business, and solving social issues through its business. At the same time, the environment surrounding the JAL Group is becoming increasingly complex with issues such as advancing climate change, the increasingly unstable global situation, and the shortage of human resources emerging one after another. However, the JAL Group will complete the Medium-Term Management Plan by steadily promoting the initiatives set forth in the Plan and achieving its management targets and profit targets.

In addition to the specific initiatives aimed at completing the Medium-Term Management Plan, Rolling Plan 2025 outlines the direction for medium- to long-term growth beyond 2026, including deepening business restructuring in existing areas and developing new areas based on social issues. The JAL Group will achieve sustainable enhancement of corporate value by mobilizing the value-creating abilities of each and every employee.

2. Efforts to Complete the Medium-Term Management Plan

[Performance Forecast and Profit Target]

The JAL Group forecasts consolidated financial results EBIT of 170 billion yen for the full year of FY2024 as originally projected. In FY2025, the JAL Group will achieve the EBIT of 200 billion yen announced last year by growing international flights by capturing strong overseas demand, improving earnings of domestic flights, and expanding Mileage Lifestyle Infrastructure Business.



[Management Targets]

To achieve the management targets in all areas of “Safety and Peace of Mind,” “Sustainability,” and “Finance,” the JAL Group will further promote cross-business initiatives over the remaining year to improve the sustainability of business operations.

FY2025 Targets

Safety and Peace of Mind 	Safety	Aircraft accidents and serious incidents : 0 cases <small>(during the entire period of the Medium-Term Management Plan)</small>	
	CX (Peace of Mind)	Top Level Customer Experience both in air travel services and daily life NPS*1 : +4.0 pt <small>(FSC International and domestic)</small>	
Sustainability 	Environment	CO₂ Emission Reduction Total emissions: below 9.21 million tons <small>(FY2019 results)</small>	Reduction of Single-use Plastic Cabins and lounges: No use of new petroleum-based plastics Cargo and Airport: Switch all items to eco-friendly materials contained
	Communities	Regional Revitalization Domestic passengers and cargo transport volume: +10% vs FY2019	
	People	Promotion of DEI Group Female Manager Ratio : 30% <small>Consistent efforts to encourage various human resources to demonstrate their potential</small>	
Finance 	EBIT Margin <small>(Profit margin on sales)</small>	Achieve 10% or Higher	
	ROIC <small>(Return on Invested capitalst)</small>	9%	
	EPS <small>(Net profit per share)</small>	c. ¥290 level	

*1: Net Promoter Score: Objective indicator of customer satisfaction (compared to the beginning of FY2021)

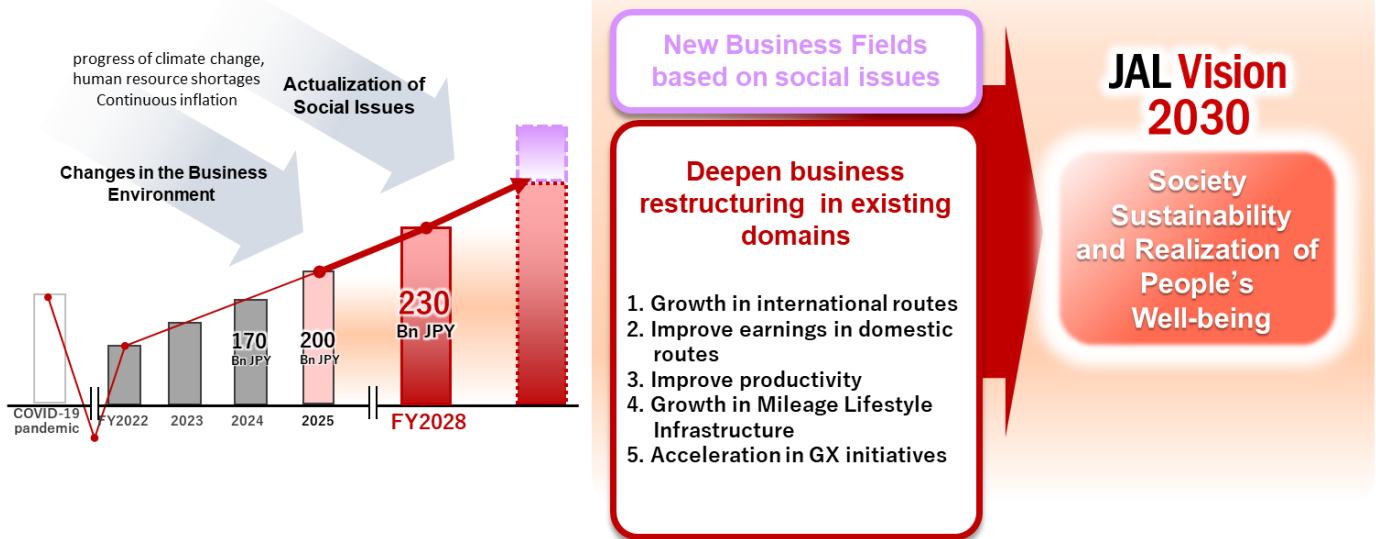
3. Toward Growth in FY2026 and Beyond

Since the COVID-19 pandemic, the environment surrounding existing business areas has changed significantly, including the advancement of climate change, the shortage of human resources, and continuous price increases. To respond to these changes and based on the foundation built through the Medium-Term Management Plan,



the JAL Group will work to deepen business restructuring in existing areas. This includes growth in international routes, improving earnings in domestic routes, improving productivity, growth in the Mileage Lifestyle Infrastructure Business, and acceleration in GX initiatives. The JAL Group aims to achieve EBIT of 230 billion yen by FY2028 and enhance corporate value. Additionally, in the mid- to long-term, the JAL Group will proactively work to create businesses in new areas, recognizing emerging social issues as new needs. To realize these goals, the JAL Group will promote customer strategy, human resource strategy, and DX strategy across its businesses.

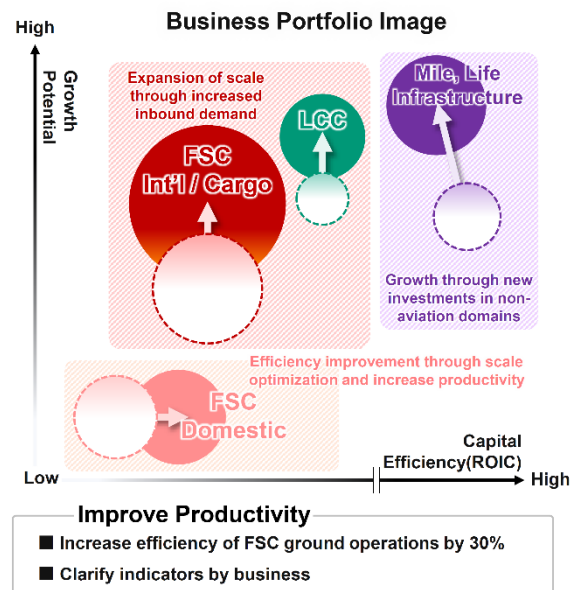
Toward Growth in FY2026 and Beyond



[Deepen Business Restructuring]

The JAL Group will focus on allocating resources to high-growth and high capital efficiency (ROIC) areas, while also working to improve productivity to achieve EBIT of 230 billion yen by FY2028. In the international Full service carrier (FSC) business, the JAL Group will expand the scale of operations by combining FSCs and LCCs. On domestic routes, the JAL Group will improve profitability by matching supply with demand and improving productivity with the Boeing 737-8, for which additional orders have been placed, and the Airbus A321neo, which has already been ordered. The Mileage Lifestyle Infrastructure Business will achieve growth by expanding its customer base through service enhancements and by expanding ground handling contracts in line with the growth of inbound demand.

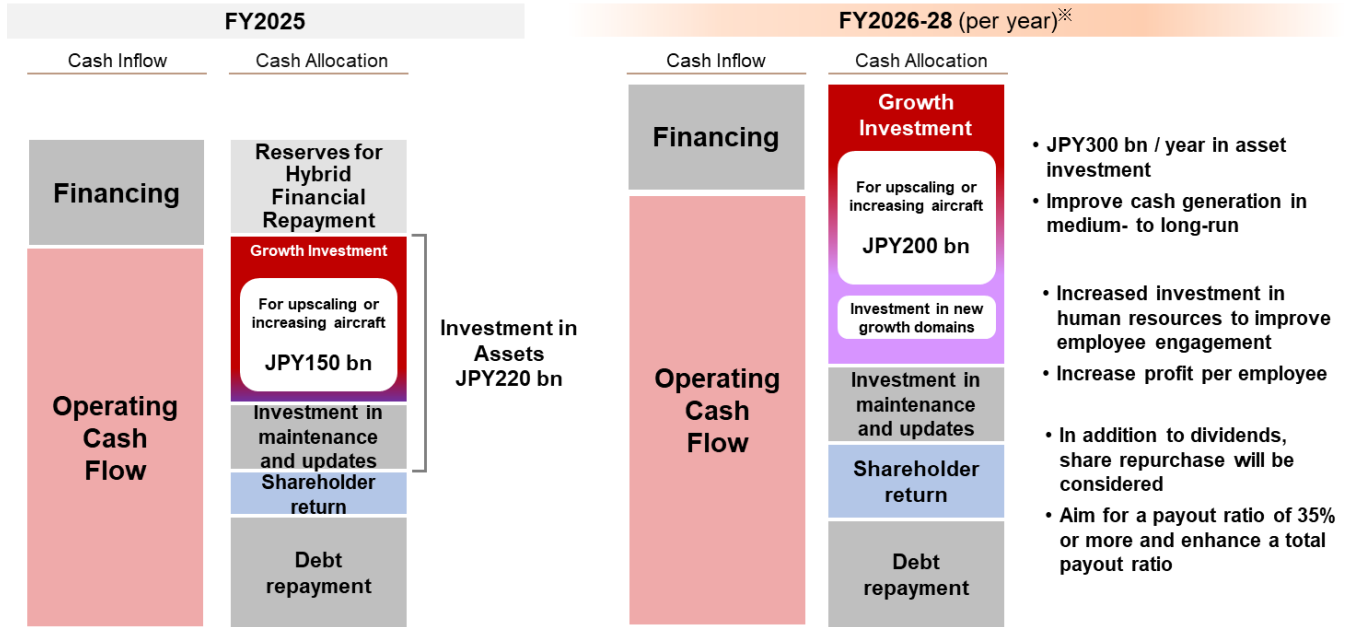
FY2025 ⇒ FY2028 Increase in EBIT	
FSC	CAGR 4% EBIT JPY 130 Bn (+11%) Expand the scale of medium- and long-haul routes and aggressively capture inbound demand Expand business scale by utilizing freighters Improve revenue of domestic flights
	CAGR 16% EBIT JPY 30 Bn (+58%) Growth through cof international flights
	CAGR 3% EBIT JPY 70 Bn (+9%) Expand customer base through expansion of partnerships, including Lifestyle and financial services Contribute to the growth in inbound demand





[Management Resource Allocation]

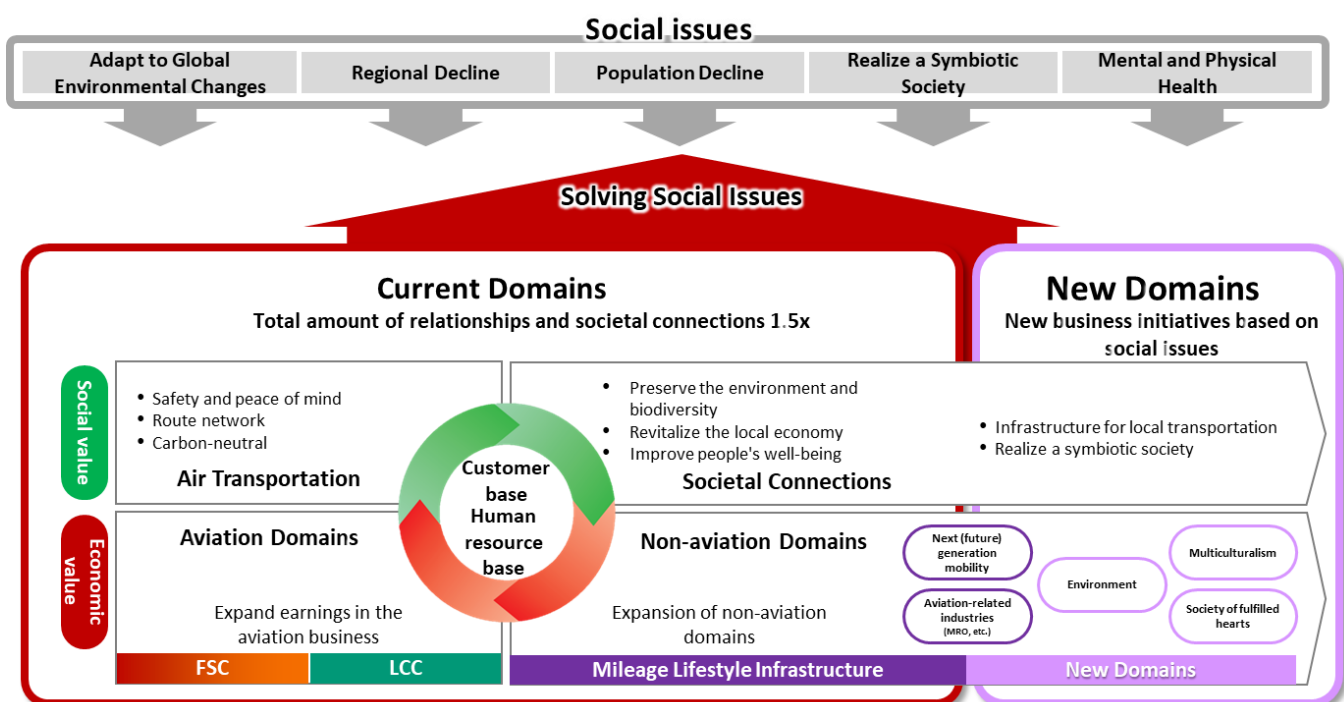
While maintaining financial soundness as in the past, the JAL Group will focus on efficiency and allocate management resources to growth areas such as enhancing aircraft capacity for international flights, the Mileage Lifestyle Infrastructure Business, and new business areas to achieve medium- to long-term EBIT growth. In addition, the JAL Group will realize early shareholder returns.



* FY2026-28 cash allocation excludes JPY350 bn in hybrid finance repayments

[Business Growth Based on Social Issues]

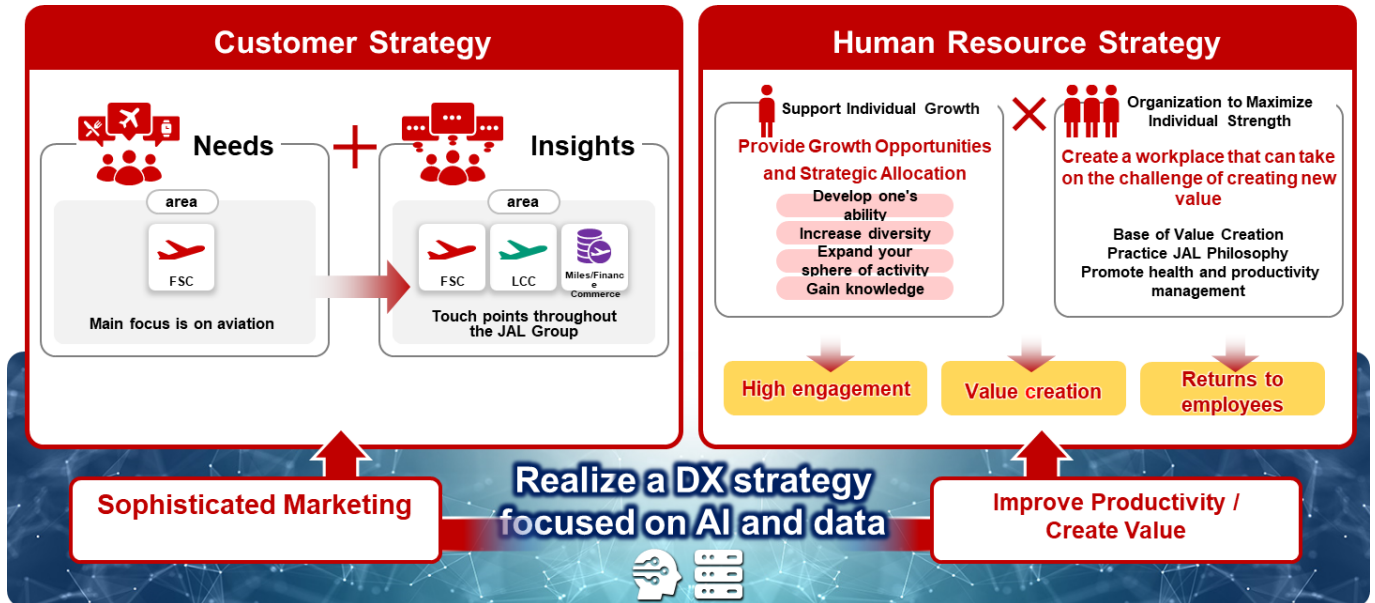
In existing areas, the JAL Group will work to create “value relationships and societal connections through air transportation.” In the mid- to long-term, the JAL Group will also work to create new businesses that address social issues, thereby growing the Group’s overall business through the resolution of issues and enhancing corporate value over the mid- to long-term.





[Promotion of Cross-Business Initiatives]

The JAL Group believes that proactive cross-business initiatives are important for medium- to long-term business growth. Therefore, the JAL Group will promote a customer strategy centered on customer values, a human resources strategy that encourages diverse human resources to play an active role from both individual and organizational perspectives, and a DX strategy centered on AI and data.



The JAL Group will unite all employees to implement Rolling Plan 2025, complete the Medium-Term Management Plan, and transition to the next phase of growth. Through these growth efforts, the JAL Group aims to realize a vibrant society and future where many people and various goods can freely move around, and to become the world's most preferred and valued airline group.

Attachment: "JAL Group Medium Term Management Plan-Rolling Plan (MRP) 2025 for FY 2021-2025"