### Table of Contents

#### Chapter 1: Overview of Rolling Plan 2023
1-1: Environmental Awareness and Profit Targets  
1-2: Outline of Management Strategy  
1-3: ESG Strategy (Value Creation Story)  
1-4: Business Strategy (Business Model Reform, DX, Human Resources, GX)  
1-5: Finance Strategy (Build Risk Tolerance and Growth, Management Resource Allocation)  
1-6: Progress of Management Targets

#### Chapter 2: Details of Strategy
2-1: Air Passengers (Full-Service Carrier/LCC)  
2-2: Cargo and Mail  
2-3: Fleet Plan  
2-4: Mileage and Lifestyle  
2-5: Revenue, Profit Targets and Financial Indicators

#### Reference Materials

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**JAL Group Corporate Policy**

**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.

*The Revenue and EBIT by each business area in this material are calculated by a virtual method; not showing the actual Revenue and EBIT. The criteria shown above does not match Air Transport Business Segment or Others.*
As we reach the end of the first two years of the JAL Group Medium Term Management Plan for FY2021–2025, with COVID-19 subsiding, we were able to return to profitability for the full FY2022. At the same time, we find ourselves up against new challenges that society as a whole also faces, such as an unstable global situation, rising prices, and shortage of human resources. In light of these changes in the business environment, we have formulated the Rolling Plan 2023 in order to change gears, from recovery and stability to growth.

Societal connections enabled through the movement of people and goods are indispensable for society well-being that everyone can feel fulfilled and hopeful. Through our ESG strategy, which forms a pillar of our management strategy, we will create sustainable flows of people, sales and distribution channels and help address social issues through the power of air transportation and connection. In addition, we will endeavor to restore sales and profits quickly to pre-pandemic levels through our business and finance strategies, and to achieve medium- to long-term growth by pushing forward with our ESG strategy.

Everyone in the JAL Group will work together as one to help create a vibrant society and a future where many people and goods freely move around.
JAL Vision 2030  Ideal Image of the JAL Group in 2030

The JAL Group will focus on the key themes of “Safety and Peace of Mind” and “Sustainability” as the engines of growth in a time of upheaval with drastic changes in values.

Safety and Peace of Mind  Build a society where everyone can live safely, securely and with peace of mind

Sustainability  Build a better future where everyone can feel fulfilled and hopeful

JAL Vision 2030

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.
1. Overview of Rolling Plan 2023
2. Details of Strategy
Environmental Awareness and Profit Targets

Revision of Current Plan in Light of Changes in the Business Environment; Must Hit Mid-Term Profit Target through Business Growth

<Changes in the Business Environment>

Airline Industry and JAL
- Market conditions: Cost increases due to fuel and foreign exchange market conditions
- Human resources: Shortage of human resources in the aviation and tourism industries
- Competitors: Delayed recovery of international flight capacity

Market
- Passengers: Passengers originating overseas show strong recovery, but those originating in Japan and domestic flights are still weak
- Cargo: High levels of volume but unit prices are gradually falling

Society
- Environment: Acceleration toward carbon neutrality and conservation of biodiversity
- Society: Low birthrate/aging population, stagnant regional economies

Market conditions: Cost increases due to fuel and foreign exchange market conditions
Human resources: Shortage of human resources in the aviation and tourism industries
Competitors: Delayed recovery of international flight capacity
Passengers: Passengers originating overseas show strong recovery, but those originating in Japan and domestic flights are still weak
Cargo: High levels of volume but unit prices are gradually falling
Environment: Acceleration toward carbon neutrality and conservation of biodiversity
Society: Low birthrate/aging population, stagnant regional economies

Recover and Stabilize Business Performance  
Shift to Growth  
Sustained Increase in Corporate Value

Rolling Plan 2023
FY2023–2025

Profit Target (EBIT*)
100 Bn JPY

185 Bn JPY or above

Profit Target

Net zero CO₂ emissions

185 Bn JPY or above

*EBIT: Earnings Before Interest and Taxes

FY2021–2025 Medium Term Management Plan
Outline of Management Strategy

Create Value through ESG Strategy for Medium- and Long-Term Growth

ESG Strategy
Long-Term Business Strategy

Topmost Strategy in Order to Realize Value Creation and Growth

Business Strategy
Strategy to Drive ESG Strategy

Business Model Reform
DX: Digital Transformation
Human Resources
GX: Green Transformation

Finance Strategy
Strategy to Support ESG Strategy

Build Risk Tolerance and Growth
Resource Allocation
Value Creation Story

Create social and economic value by building relationships and connections through air transportation to enhance corporate value.

**Social**

Environmentally-friendly travel and connecting people and culture to revitalize regions and enrich people’s life

- **Movement of goods and people**
- **Societal connection**

**Social Values**

- **Environment**
  - Preserve the global environment (Climate change/biodiversity)
- **Regional Communities**
  - Revitalize regional economies (Interacting with communities)
- **People**
  - Enrich the level of contentment (Well-being)

**JAL Group**

Become a Company that enables “Relationships and Connections” through Air Transportation

- **Sustainable flow of people, sales, and distribution channels**
- **Stimulate interacting community**

**Social Values**

- **Environment**
- **Regional Communities**
- **People**

**Economic Values**

- **Customers**
  - Expand customer base and opportunities to use services
- **Employees**
  - Enhance capacity for value creation and productivity
- **JAL**
  - Expand and grow business

**Initiatives to solve social issues by building relations and connections**

- **Offer more choices**
  - By various means
- **Remove constraints**
  - By everyone
- **Create purpose**
  - Many times

**Enhance Corporate Value**

(JAL Brand/Aggregate market price)

* **interacting community**: People with ongoing and diverse involvement with a particular region
Restructure business portfolio and increase profits by pushing forward with ESG strategies

**Profit Trends by Business Domain**

<table>
<thead>
<tr>
<th>Business Domain</th>
<th>EBIT (Bn. JPY)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Service Carrier</td>
<td>185.0 or above</td>
</tr>
<tr>
<td>Cargo and Mail</td>
<td>100</td>
</tr>
<tr>
<td>LCC</td>
<td>70</td>
</tr>
<tr>
<td>Mileage, Lifestyle and Infrastructure</td>
<td>15</td>
</tr>
</tbody>
</table>

**Full-Service Carrier**
- A350-1000, 737MAX, ATR
- Expand domestic and international networks on our own and through alliance

**Cargo and Mail**
- Operation of 767 and A321 freighters, partnership with Yamato Holdings etc.

**LCC**
- ZIPAIR
  - Aggressively expand North American and Asian routes
- Develop routes to large cities/regions in China
- Jetstar
  - Introduce new aircraft, redeployment of Asian routes

**Milestone Projects**
- Develop Mileage and Lifestyle services that create connections
- New tourism that creates an interacting community
- Maximize the value of regions through solution sales marketing
- Contribute to an increase in Japan-bound passengers through contracted services for foreign carriers’ flights
- Establish transportation infrastructure for remote islands, mountainous areas, etc.

**Operational Efforts**
- Aggressively expand North American and Asian routes
- Maintain and expand networks while reducing environmental impact by introducing fuel-efficient aircraft, and stimulate interacting community
- Leverage the advantages of air transportation to resolve issues in the logistics industry, and create a sustainable logistics network
- Create new flows of people through flexible business development in response to the market
- Create commercial activities that connect people and regional communities through developing diverse products and services

*Pre-pandemic*: figures deducting impact of COVID-19 from FY2019 results (earnings forecast figures disclosed at the announcement of FY19Q3 financial results (IFRS)
**DX Strategy**

**Provide customers with safe and secure transportation and offer new experiences through the use of digital technology**

### Personalized Service
- **Recommendations**
  - Analyze customer data and propose product services that match customer preferences (in-flight services, Mileage and Lifestyle, travel)
- **Customization**
  - Apps support customers in all situations
    - Freely choose required services, such as in-flight meals and ancillary services
    - Offer a mileage experience that is easy to accumulate and use miles in everyday life

### Stress-Free, Anytime, Anywhere
- **Reservations**
  - Complete procedures within the app
  - Inquiries are handled by chatbots
  - Quickly rebook with the app even in case of flight irregularities
- **Airports**
  - Expand JAL SMART AIRPORT
  - Support customers remotely through chatbots/avatars
  - Smooth boarding through apps and facial recognition
  - Reduce waiting times by upgrading security inspection equipment

### Connect with New Mobility
- **Air Mobility**
  - Offer a system that ensures drone safety and enables operational control to support regional logistics
  - New transportation experience with Air Taxis
- **MaaS**
  - Reach destinations seamlessly with only a smartphone connected to a variety of transportation services

### Safer and More Comfortable Travel
- **Maintenance and operation**
  - Reduce aircraft safety-related incidents by using big data for aircraft failure prediction
  - Obtain timely weather information and prevent en-route turbulence through advances in observation and communication technology
Develop and recruit human resources who respect diverse values, take on the challenge of creating new values, and spark change

<table>
<thead>
<tr>
<th>Human Resources Portfolio</th>
<th>Create a dynamic human resources portfolio that responds to changes in the environment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Abolish seniority and shift to a system that enables early promotion(^1)</td>
</tr>
<tr>
<td></td>
<td>• Recruit employees with external experience (including alumni): Up to 50% of annual hires(^1)</td>
</tr>
<tr>
<td></td>
<td>• Expand performance-based remuneration system: 100 posts</td>
</tr>
<tr>
<td></td>
<td>• Introduce new personnel system to secure highly specialized human resources</td>
</tr>
<tr>
<td></td>
<td>• Assign human resources to growing business areas: Increase of 3,500 employees compared to FY2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEI</th>
<th>Promote the active participation of diverse human resources (values, expertise, experience, etc.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Proportion of women in management: 30%</td>
</tr>
<tr>
<td></td>
<td>• Continuation of active recruitment of non-Japanese employees in Japan (around 100 employees per year)</td>
</tr>
<tr>
<td></td>
<td>• Send more overseas employees to Japan (around 50 employees)</td>
</tr>
<tr>
<td></td>
<td>• Employment of people with disabilities: +30% compared to FY2022(^2)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Careers &amp; Reskilling</th>
<th>Provide a workplace that enables employees to grow and learn, in order to encourage independent-minded careers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Transfers inside and outside the company through open recruitment: 100 people per year</td>
</tr>
<tr>
<td></td>
<td>• Expand secondment and dispatch employees inside and outside the Group</td>
</tr>
<tr>
<td></td>
<td>• Percentage of employees dispatched overseas or outside the company (including studying abroad) by their 10th year(^1): 100%</td>
</tr>
<tr>
<td></td>
<td>• Reskilling for a second career</td>
</tr>
<tr>
<td></td>
<td>• DX training: Basic training, all employees, specialized training, 300 employees</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Align vectors of the company and individual growth, improve productivity, and motivate employees to take on challenges on their own</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Ratio of actively engaged employees : +10pt compared to FY2019</td>
</tr>
<tr>
<td></td>
<td>• Per capita sales: +15% compared to FY2019</td>
</tr>
<tr>
<td></td>
<td>• Give back value creation and efficiency to employees</td>
</tr>
</tbody>
</table>

\(^1\): Japan Airlines business planning positions \(^2\): As of June 1, 2022
Accelerate Measures to Achieve Carbon Neutrality by 2050

GX Framework, Policies

- ICAO: Adjustment of CORSIA Baselines
  - <2021-2023>: Less than 2019 emissions
  - <2024-2035>: Less than 85% of 2019 emissions

  Roadmap established for the next 10 years to simultaneously address climate change, ensure a stable energy supply, and achieve economic growth

Roadmap for reducing CO₂ emissions up till FY2030

- CORSIA will be addressed separately, with no change in JAL’s reduction targets

Internal emissions reduction

- Upgrade to Fuel-efficient Aircraft
  - A350 787 737MAX ATR: Approx. 70 aircraft
- Reduction in daily operations
  - 50,000 tons
  - 100,000 tons
- Use of SAF
  - 80,000 tons
  - 700,000 tons

CO₂ emissions reductions

- CO₂ emissions (actual)
  - Less than FY2019
  - 10% less compared to FY2019

Measures to comply with revised CORSIA baselines

- Utilization of carbon-offset program
- Push forward with securing credits that conform to CORSIA certifications
- Offset obligations are calculated and allocated based on industry-wide emissions

Investment in order to push forward with GX

- Introduction of Internal Carbon Pricing (ICP) for investment decisions
  - Base price: 15,000 yen/ton

Technology to push forward with GX

- Promote coordination with suppliers and partners who possess new technologies such as synthetic fuels and negative emissions (CO₂ capture, etc.)

*1: CORSIA: A system that requires international flights to purchase CO₂ credits etc. for the amount of CO₂ emissions in excess of the baseline
*2: Sustainable Aviation Fuel

1,000
370,000 tons
1,200,000 tons
2025
2030
50,000 tons
100,000 tons
500,000 tons
2,000,000 tons
### Build Risk Tolerance and Growth

- Accelerate efforts to achieve sustainable growth while improving risk tolerance
- Rebuild financial base and maintain/improve the ability to finance
- Be aware of the cost of capital and improve capital efficiency

<table>
<thead>
<tr>
<th>End of FY2022</th>
<th>Overview and Goals of FY2023-2025 Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liquidity</td>
<td>Secure 5.0–5.6 months’ worth of passenger revenue (including credit facility)</td>
</tr>
<tr>
<td>639.2 Bn JPY</td>
<td>Credit Facility 250 Bn JPY</td>
</tr>
<tr>
<td>Stability</td>
<td>End of FY2025: Over 50% (credit rating)</td>
</tr>
<tr>
<td>(Equity Ratio)</td>
<td></td>
</tr>
<tr>
<td>39.3%</td>
<td>Maintain A Rating</td>
</tr>
<tr>
<td>Credit Rating</td>
<td>Achieve “A Flat”</td>
</tr>
<tr>
<td>ROIC*1</td>
<td>FY2025: 9%</td>
</tr>
<tr>
<td>3.3%</td>
<td>In addition, consider introducing “Sustainable ROIC (tentative name)”, a new investment efficiency index that takes social values into account</td>
</tr>
<tr>
<td>ROE</td>
<td>FY2025: 10% or more by surpassing cost of shareholders' equity</td>
</tr>
<tr>
<td>4.3%</td>
<td></td>
</tr>
</tbody>
</table>

*1: Return on Invested Capital (ROIC) = EBIT (after tax) / average of fixed assets (*2) at the beginning and end of the fiscal year

*2: Fixed assets = inventories + non-current assets - deferred tax assets - assets for retirement benefits
Management Resource Allocation

- In addition to assets, consider expenses incurred for human resources and ESG as investment, and actively allocate resources
- Gradually expand shareholder returns as business performance recovers

**Conceptualization of FY2023–2025**

**Cash Allocation**

<table>
<thead>
<tr>
<th>E</th>
<th>S</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

- **Invest in human resources and expenses incurred to push forward with ESG**
  - Proportion of investment
    - **E**: 60%
    - **S**: 25%
    - **G**: 15%

  - **Total 650 Bn JPY**
    - **E**: Introduction of fuel-efficient aircraft
    - **S**: Electrification of airport vehicles, etc.
    - **G**: IT systems, etc.

- **Shareholder Return**
  - Achieve a dividend payout ratio of over 35%, as soon as possible
  - FY2022: 25 yen/share | FY2023: 40 yen/share (forecast)

- **Debt Repayment**
  - Approx. 300 Bn JPY in total over 3 years

- **Operating Cash Flow**
  - Invest in assets
    - Total 650 Bn JPY

- **Debt Financing**

*Operating CF excludes investment in human resources and expenses incurred in pushing forward with ESG*
### Progress of Management Targets

#### Safety and Peace of Mind

- **Safety**
  - Aircraft Accidents and Serious Incidents: 0 (during the entire period of the Medium-Term Management Plan)
- **Peace of Mind**
  - NPS \( \cdot \)\(^1\) + 4.0 pt (FSC international/domestic)

#### Finance

- **EBIT Margin** (sales margin)
  - Achieve 10% or Higher
  - 4.7%
- **ROIC** (Return on Investment)
  - 9%
- **EPS** (Net Profit per share)
  - c. ¥290 level

#### Sustainability

- **Environment**
  - Total emissions: below 9.09 million tons
  - Cabin and Lounge: No use of virgin petroleum-based plastic
  - Cargo and Airports: 100% switch to eco-friendly materials
  - CO₂ Emission Reduction
  - Reduction of Single-use Plastic
- **Communities**
  - Domestic passenger \(^2\) and Cargo transport volume + 10% vs FY2019
  - Regional Revitalization
- **People**
  - Group Female Manager Ratio: 30%
  - Promotion of D&I
  - \( + 4.0 \text{ pt} \) (FSC international/domestic)

#### FY 2025 target value

- Safety and Peace of Mind
- Finance
- Sustainability

#### FY2022 Results

- **Safety and Peace of Mind**
  - 3 cases
  - Domestic +3.0pt
  - International -3.3pt

- **Finance**
  - 4.7%
  - 3.3%
  - 79 JPY

- **Sustainability**
  - 8.21 million tons
  - 45 % abolished
  - 91 % change
  - Passengers -15 %
  - Cargo -17 %
  - 22.8 % (as of March 31, 2023)

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

\( ^2\) Increase in passenger count between metropolitan and rural areas by stimulating tourism demand and creating new flows etc. *Aim to improve Total Shareholder Return (TSR)
1. Overview of Rolling Plan 2023

2. Details of Strategy
Aim for Re-Growth through Business Model Reform, and Achieve Higher Revenue than FY2019

Recover capacity as soon as possible, for expansion and growth

• Pursue group-wide growth on a scale far exceeding pre-pandemic level, by expanding long-haul routes of full-service carriers and significant growth of LCC capacity and network

• Capture Japan-bound demand, which is expected to grow across the Group

• Improve competitiveness by revamping products and services of international flight to meet diverse customer needs with introduction of the A350-1000 (FY2023)

Increase revenue by creating new demand

• Maintain capacity equivalent to pre-pandemic levels by maximizing the resources of the Group’s airlines

• Introduce fuel-efficient aircraft in order to accelerate environmental measures

• Attract Japan-bound passengers to local regions by setting priority destinations based on the country of origin

• Create new travel demand through co-creation with local regions

• Shift to a simplified fare structure for ease of use by customers

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Air Passengers (Full-Service Carrier/LCC)

Capacity (ASK)

Note: Including ZIPAIR and SPRING JAPAN
Excluding Jetstar Japan

Revenue

(Bn JPY)

Note: Excluding Jetstar Japan
## Cargo and Mail

### Launch Freighter Business Based on a New Business Model

**Capacity (ATK)**

- FY2019: 100
- FY2022: 97
- FY2023: 113
- FY2025: 167

**Revenue**

- FY2019: 91.6
- FY2022: 172.0
- FY2023: 200.0
- FY2025: 200.0 or above

### Expand business with new business models through partnerships

- **767 freighters**
  - 3 aircraft in total to be introduced for international and domestic routes from FY2023
  - Form partnerships with logistics partners to create a new business model with low business risks, meeting stable demand with high growth potential

- **A321 freighters**
  - Start operating A321 freighters from FY2024 in partnership with Yamato Holdings, aimed at resolving the 2024 problem in domestic logistics
  - Expansion of cooperation with Yamato Holdings

### Maintain high profitability against declining yield

- Improve handling of strategic products through expansion of facilities and high-quality control (e-commerce, medical products, Japanese regional products)
- Improve productivity through digitization of reservation sales and automation of airport operations

### Other 3rd parties

- Expand and complement capacity flexibly according to demand, through cooperation with partner airlines

### Passenger Aircraft Belly Cargo Space

- **Conversion from land transport, etc. including parcels**
  - FY2024
  - FY2025
  - FY2026

- **Narita Airport temperature-controlled storage for pharmaceuticals**
2-3 Fleet Plan

- Recover number of aircraft to pre-pandemic levels by the end of FY2025
- Accelerate upgrade to fuel-efficient aircraft (introduce 9 A350-1000s by the end of FY2025)
- Aggressively allocate aircraft to international LCC and freighter business
- Introduce new single-aisle aircraft (737MAX) from FY2026

Changes in the number of aircraft (Group total*)

<table>
<thead>
<tr>
<th></th>
<th>FY2019</th>
<th>FY2022</th>
<th>FY2023</th>
<th>FY2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freighters</td>
<td>234</td>
<td>224</td>
<td>229</td>
<td>232–238</td>
</tr>
<tr>
<td>LCC</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>International</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Accelerate upgrade to fuel-efficient aircraft

- Start introducing A350-1000
- Increase new model aircraft
- Start introducing A350
- Freighters: Introduce 3 aircraft
- A321 freighters: Introduce 3 aircraft
- Increase LCC aircraft for the growth of international flights
- Introduce 16 to 20 aircraft
- Future: Upgrade results in 20% improvement in fuel efficiency per aircraft

Allocate resources to growing business domains (international LCC and freighter business)

Note: All figures are for the number of aircraft at the end of the fiscal year.
Mileage and Lifestyle

Lead the Business Model Reform to Ensure Profit Growth

Profit Targets (Bn JPY)

- Profit growth through expansion of customer segment and services
  - Develop new customer segment (mainly used in daily life) by introducing a new status program that attributes usage from both air travel and daily-life
  - Expand customer segment of JAL CARD (youth and corporate customers)

- Expand services
  - Create travel and connection with award tickets that are easy to book, even during peak season
  - Expand services in the areas of education, medical care, health, and entertainment
  - Introduce a new app to enjoy Mileage Lifestyle in various situations

JAL Mileage and Lifestyle Concept

- Expand business area ⇒ Increase profits
- Profit growth through expansion of customer segment and product lineup

- Expand customer segment
  - Introduce online shopping mall (JAL Mall) to offer appealing stores to attract new customers

- Expand product lineup
  - Develop appealing original products and regional specialties through the synergy between JALUX’s know-how and the JAL brand
  - Offer an appealing product lineup by attracting external tenants to JAL Mall

Planned in FY2023
In-service in FY2022

2019 2022 2023 2025

Note: Total comprising Mileage, finance and commerce
Revenue, Profit Targets and Financial Indicators

Revenue and Profit Targets (Bn JPY)

- **FY2022**: 1,375.5
  - Revenue: 1,375.5
  - EBIT: 64.5
  - Profit*: 34.4

- **FY2023**: 1,658.0
  - Revenue: 1,658.0
  - EBIT: 100.0
  - Profit*: 55.0

- **FY2025**: 1,850.0 or above
  - Revenue: 1,850.0
  - EBIT: 185.0
  - Profit*: 120.0

**Financial indicators**

<table>
<thead>
<tr>
<th></th>
<th>FY2022</th>
<th>FY2023</th>
<th>FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBIT Margin</strong></td>
<td>4.7 %</td>
<td>6.0 %</td>
<td>10 % or above</td>
</tr>
<tr>
<td><strong>EPS</strong></td>
<td>JPY 79</td>
<td>JPY 126</td>
<td>JPY 290 level</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td>222.0 Bn JPY (16.1 %)</td>
<td>253.0 Bn JPY (15.3 %)</td>
<td>350.0 Bn JPY (19 % or above)</td>
</tr>
<tr>
<td><strong>ROIC</strong></td>
<td>3.3 %</td>
<td>5.1 %</td>
<td>9 %</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>4.3 %</td>
<td>6.6 %</td>
<td>10 % or above</td>
</tr>
<tr>
<td><strong>Equity ratio</strong></td>
<td>32.4 %</td>
<td>33.4 %</td>
<td>Credit Rating 50 % level</td>
</tr>
<tr>
<td>(credit rating)</td>
<td>(39.3 %)</td>
<td>(40.3 %)</td>
<td></td>
</tr>
<tr>
<td><strong>Net D/E Ratio</strong></td>
<td>0.4x</td>
<td>0.3x</td>
<td>0.26 or below</td>
</tr>
</tbody>
</table>

* Profit attributable to owners of parent
## Changes in EBIT from FY2023 to FY2025

### Profit Targets

**(Bn JPY)**

<table>
<thead>
<tr>
<th>Category</th>
<th>FY2023</th>
<th>FY2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full-Service Carrier</td>
<td>100.0</td>
<td>185.0</td>
</tr>
<tr>
<td>Cargo and Mail</td>
<td>55.0</td>
<td>15.0</td>
</tr>
<tr>
<td>LCC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mileage, Lifestyle and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Infrastructure</td>
<td></td>
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</tr>
</tbody>
</table>

**End of FY2025: 90% or above level**

**During FY2023: 90% or above level**

### Estimation of Total Passenger Demand

(Overall Market Demand)

- **International**: End of FY2025: 90% or above level
- **Domestic**: During FY2023: 90% or above level

Note: Compared to CY2019 (pre-pandemic)

### Recovery of passenger demand

- **Domestic**
- **International**

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>International</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2022</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>FY2023</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>FY2025</td>
<td>90</td>
<td>90</td>
</tr>
</tbody>
</table>
Background of the Value for Travel and Connection

**Government Policy**
- **MLIT: Long-term Outlook of Land (JPN)**
  Final Report by the Special Committee on Long-term Outlook of Land
  https://www.mlit.go.jp/policy/shingikai/kokudo03_sg_000243.html
- **MLIT: Coordination with Associated Demand to Secure Infrastructure of the Local Regions (JPN)**
  National Land Council 5th Subcommittee
  https://www.mlit.go.jp/policy/shingikai/kokudoseisaku01_sg_000270.html
- **MLIT: Creation of Global Value Unique to Japan with Core Sustainability (JPN)**
  Model project to create a preferred cycle that contributes to sustainable tourism
  https://www.mlit.go.jp/kankocho/page05_000228.html
- **Ministry of the Environment: Basic Policy on Nature Conservation**
  Notice of Ministry of the Environment #29

**Investigation & Research**
- **MLIT: Survey of Travel and Tourism Expense Trend (JPN)**
  https://www.mlit.go.jp/kankocho/siryou/toukei/shouhidoukou.html
- **Cabinet Office: Children / Youth White Paper (JPN)**
  Children & Youth Index Board
- **Study About the Relationship Between Travel and Happiness**
  “Association between real-world experiential diversity and positive affect relates to hippocampal-striatal functional connectivity”, Aaron S Heller, et al
  Nature Neuroscience: https://www.nature.com/articles/s41593-020-0636-4

Social Value of the Aviation Industry (example)

**Global**
- Air transport moves around 4.5 billion passengers annually and 61 million tons of freight.
- 58% of international tourists travel to their destination by air.
- Air transport is necessary for transporting high value, time-sensitive goods: 35% of world trade by value.
- The air transport industry generates a total of 87.7 million jobs globally.
- Aviation’s global economic impact is estimated at $3.5 trillion. (including direct, indirect, induced and tourism catalytic)

Ref.: ATAG BEGINNER’S GUIDE TO SUSTAINABLE AVIATION FUEL

**Japan**
- **Share of Air Transport for Domestic Travel**
  - 500～700km: 12%
  - 700～1,000km: 43%
  - 1,000km+: 87%

- **Share of Air Transport for International Travel**: 95.7%

Ref. MLIT Trend of Traffic (JPN)
Fly into tomorrow.

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