



Q&A regarding Bond-Type Class Shares

March 2, 2026



JAPAN AIRLINES

Q&A regarding Bond-Type Class Shares

| Question | Answer |
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| <p>1. What is the purpose of issuing Bond-Type Class Shares?</p> | <ul style="list-style-type: none"> • As part of the allocation of management resources to enhance corporate value and in line with the “JAL Group Management Vision 2035”, we plan to acquire new aircraft and make proactive growth investments in non-aviation businesses, with a particular focus on mileage business. We recognize that maintaining and improving our capacity to raise stable and diversified external financing is essential to strengthen our financial base and enhance resilience as we advance our business strategy. • Against this backdrop, and with the objective of sustainably enhancing our corporate value, we believe that the Bond-Type Class Shares, structured so as not to dilute existing common shares, are a useful financing option. This instrument would enable us to secure funds for growth investments required to further our strategic initiatives while balancing the building of a robust financial base and the pursuit of capital efficiency. • We also expect that the issuance of Bond-Type Class Shares will facilitate engagement with a broader investor base and help expand the JAL fan community, thereby widening our customer base and contributing to long-term relationship building and enhancing our brand value. |
| <p>2. What is the position and purpose of capital financing, including Bond-Type Class Shares, in the financial strategy?</p> | <ul style="list-style-type: none"> • As we pursue further business growth, we expect growth investments to continue to increase. Accordingly, on the premise that the funding method would constitute equity funding contributing to the establishment of a sound financial base to support further growth, and taking into account the features such as avoiding dilution of the voting rights of existing common shareholders, an amendment to the Articles of Incorporation to establish Bond-Type Class Shares was proposed and approved at the general meeting of shareholders. • In our financial strategy, we believe that providing Bond-Type Class Shares primarily targeted at individual investors in Japan, together with hybrid bonds targeted at institutional investors, would be beneficial from the perspective of diversifying our financing methods. |
| <p>3. What are the characteristics of Bond-Type Class Shares?</p> | <ul style="list-style-type: none"> • Bond-Type Class Shares are treated as shares under the Companies Act, but in consideration of common shareholders, it is expected to have the aspects of “bonds”. • Specifically, (i) there will be no dilution of voting rights (as they carry no voting rights and are not convertible into common shares); and (ii) the issuance of them secures a sound financial base while giving more consideration on the impact on ROE and EPS for common shares, compared to the issuance of common shares⁽¹⁾. |
| <p>4. Will there be any disadvantages to common shareholders?</p> | <ul style="list-style-type: none"> • The Bond-Type Class Shares have no voting rights and are not convertible into common shares, so there will be no dilution of voting rights. • The Bond-Type Class Shares are “non-participating”, meaning that no dividend is paid more than the amount of the preferred dividend to be determined at the time of issuance. Only common shareholders have the right to participate in dividends other than the preferred dividend. • We believe that the issuance of the Bond-Type Class Shares secures a sound financial base while giving more consideration on the impact on ROE and EPS for common shares, compared to the issuance of common shares⁽¹⁾. |

⁽¹⁾ Assuming that the relevant amounts of the Bond-Type Class Shares (i.e., the paid-in amount and the preferred dividends) are deducted from the net assets and net income when calculating ROE and EPS for common shares.

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| <p>5. Is there any possibility that the Bond-Type Class Shares could be used as a takeover protection measure?</p> | <ul style="list-style-type: none"> • The Bond-Type Class Shares do not have voting rights at general meetings of shareholders and are not convertible into common shares. Accordingly, they are not suitable for a takeover protection measure, and we do not expect to use them as such. • The matters to be resolved at the general meeting of the Bond-Type Class Shareholders are also more restricted than those stipulated in the Companies Act. We do not expect to allot the Bond-Type Class Shares to common shareholders by gratis allotment or otherwise. |
| <p>6. What is the difference between the Bond-Type Class Shares and hybrid bonds?</p> | <ul style="list-style-type: none"> • The Bond-Type Class Shares differ significantly from hybrid bonds in a sense that they can be issued to increase equity capital for accounting purposes. • The Bond-Type Class Shares may be considered for investment by a wide range of investors in Japan through their listing on the Tokyo Stock Exchange (eligible for NISA). • Unlike the hybrid bonds that we issued in the past, the Series 1 Bond-Type Class Shares, for which a Shelf Registration Statement was filed on March 19, 2025, will not obtain equity credit. • It is expected that the payment of dividends on the Bond-Type Class Shares and interest payments on hybrid bonds, including perpetual subordinated bonds issued on April 16, 2025, are ranked <i>pari passu</i>. |
| <p>7. While multiple series of the Bond-Type Class Shares are provided, what are the thoughts of the Company on the specific issuances?</p> | <ul style="list-style-type: none"> • We have secured the authorized share capital so as to realize flexible issuance in Japan in the event of any demand for an increase in equity capital or funding in the future, without the need to amend the Articles of Incorporation each time. • Specific conditions of issuance of the Bond-Type Class Shares will be determined upon careful comparison with other financing methods in the future, and in the event of such issuance, the number of shares for each series will be determined within the range of up to 50 million shares, as stipulated in the Articles of Incorporation. |
| <p>8. What form of issuance is planned?</p> | <ul style="list-style-type: none"> • It is planned that the shares will be offered to a wide range of investors, including retail investors, through a public offering in Japan. • We plan to make the Bond-Type Class Shares also available for investment by our common shareholders. |
| <p>9. What is the reason for considering listing on the Tokyo Stock Exchange?</p> | <ul style="list-style-type: none"> • We believe that listing on the Tokyo Stock Exchange is an important way to raise awareness and provide trading opportunities for a wide range of investors in Japan. |

Q&A regarding the Series 1 Bond-Type Class Shares

| Question | Answer |
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| <p>10. What is the planned timing and amount for issuance of Series 1 Bond-Type Class Shares?</p> | <ul style="list-style-type: none"> • Details of the issuance of Bond-Type Class Shares have not yet been determined at this time. However, depending on market conditions, we may issue Series 1 Bond-Type Class Shares in Japan in the amount of up to 200 billion yen during the first half of FY 2026 at the earliest. |
| <p>11. What is the reason for not obtaining equity credit rating on the Series 1 Bond-Type Class Shares?</p> | <ul style="list-style-type: none"> • If issued, the Series 1 Bond-Type Class Shares will be our inaugural issuance of such securities. Taking into comprehensive account factors such as making them available to a broad range of investors in Japan, including individual investors, and increasing the likelihood that we may exercise the call option approximately five years after issuance, we will not obtain equity credit on the Series 1 Bond-Type Class Shares and the terms of the Series 1 Bond-Type Class Shares are expected to include a 5% step-up. • The terms for any subsequent series have not been determined at this stage. However, the Articles of Incorporation have been drafted so that, if we deem it necessary in the future, subsequent series could be structured to obtain equity credits. |
| <p>12. Why is the annual preferred dividend rate over a period of approximately five years after issuance expected to be 5% or less?</p> | <ul style="list-style-type: none"> • Based on market conditions as of March 19, 2025, and taking into account the hybrid nature of the Bond-Type Class Shares (positioned between equity and debt), we determined such expected rate, after comprehensively considering market prices of hybrid bonds with similar features and other relevant factors. |
| <p>13. Does the issuance of the Series 1 Bond-Type Class Shares affect the dividend policy for common shares?</p> | <ul style="list-style-type: none"> • We consider shareholder return as one of the most important management priorities. Our basic policy is to proactively distribute profit to shareholders. Therefore, this will not affect our dividend policy. |
| <p>14. Does the Company plan to acquire (call) the Series 1 Bond-Type Class Shares in exchange for cash after five years from their issuance?</p> | <ul style="list-style-type: none"> • We will determine whether to acquire (call) the Bond-Type Class Shares in exchange for cash, taking into consideration the business and financial strategies and market conditions and other factors at that time. • However, the preferred dividend rate for the Series 1 Bond-Type Class Shares will step up approximately 5 years after issuance to a rate equal to the sum of the floating base rate plus the initial spread ⁽²⁾ and 5%. • We are well aware that, in accordance with the market practice for hybrid bonds, many investors expect us to acquire (call) the shares from five years from the date of their issuance (i.e., when the call option becomes exercisable) and before the time when the dividend rate steps-up. |
| <p>15. Will there be any benefits on the Series 1 Bond-Type Class Shares?</p> | <ul style="list-style-type: none"> • Details will be determined at the time of issuance resolution; however, at this stage, if the Series 1 Bond-Type Class Shares are issued, we are considering crediting Life Status Points (LSP) to holders who meet a long-term holding requirement for a specified period from the record date (see next page). |

⁽²⁾ Refers to the spread of the fixed dividend rate over a specific JGB yield.

Long-Term Holding Benefit for Series 1 Bond-Type Class Shares

- If the Series of 1 Bond-Type Class Shares are issued, we plan to credit the following Life Status Points (LSP) to holders of the Series 1 Bond-Type Class Shares (individuals only) who hold such shares at the end of the first fiscal year following issuance (e.g. March 31, 2027 in the case of issuance during FY2026). LSPs would be credited in three installments – one year after issuance, two years after issuance, and at the time of the call – based on the number of shares continuously held through each respective record date⁽¹⁾.
- Through this benefit, we aim to expand the JAL fan community, establish long-term relationships and enhance our brand value by appealing to a wide range of investors.

| Number of Class Shares Continuously Held [shares] | Amount of Continuously Held (Assuming 10,000 yen per share) [10,000 yen] | Number of LSPs Credited Based on the Number of Bond-Type Class Shares Continuously Held | | | |
|---|--|---|------------------------|---------------------------------|----------------|
| | | First Credit [points] | Second Credit [points] | Third Credit (at call) [points] | Total [points] |
| 5,000 or more | 5,000 or more | 140 | 140 | 420 | 700 |
| 4,000 - 4,999 | 4,000 - 4,999 | 130 | 130 | 390 | 650 |
| 3,000 - 3,999 | 3,000 - 3,999 | 120 | 120 | 360 | 600 |
| 2,600 - 2,999 | 2,600 - 2,999 | 110 | 110 | 330 | 550 |
| 2,000 - 2,599 | 2,000 - 2,599 | 100 | 100 | 300 | 500 |
| 1,500 - 1,999 | 1,500 - 1,999 | 80 | 80 | 240 | 400 |
| 1,000 - 1,499 | 1,000 - 1,499 | 60 | 60 | 180 | 300 |
| 500 - 999 | 500 - 999 | 40 | 40 | 120 | 200 |
| 300 - 499 | 300 - 499 | 30 | 30 | 90 | 150 |
| 200 - 299 | 200 - 299 | 20 | 20 | 60 | 100 |
| 100 - 199 | 100 - 199 | 8 | 8 | 24 | 40 |



500 points
JMB elite plus

250 points
JMB elite

⁽¹⁾ The date entered or recorded in the shareholders registry of the Series 1 Bond-Type Class Shares, not the date of acquisition.

* Eligibility for and credit of LSPs are based on current assumptions that the shares will be issued during FY2026. The timing of the credit is expected to be several months after the record date, but the details will be determined at the issuance resolution.

* To receive LSPs, shareholders are required to first hold the Series 1 Bond-Type Class Shares, register on the "Website for Shareholders Only" following the prescribed procedure and register their JAL Mileage Bank (JMB) member number by the deadline.

* To use the benefits and services for Star Grade based on the number of LSPs, certain eligibility requirements, such as JAL Card membership, must be satisfied.

* Please note that if the shareholder number changes, the shareholder will no longer be eligible. The following are some examples of cases where shareholder numbers may change.

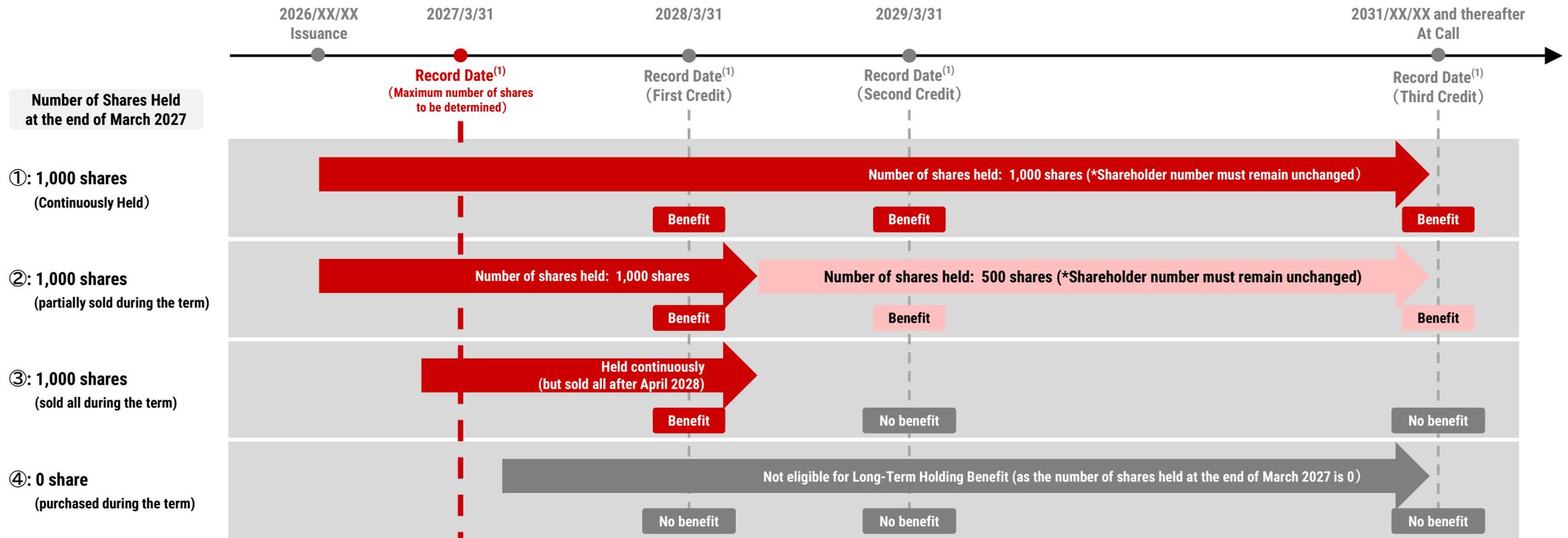
- When the shareholders registration has been changed (when the shareholder has changed the nominee due to inheritance, etc., or when the shareholder has changed the securities company with which the shares are deposited)

- When a shareholder is re-registered after being removed from the shareholders registry (when a shareholder sells all shares held and repurchases shares by the record date, or when a shareholder uses a stock lending service provided by a securities company)

* For JMB elite members, two Sakura Lounge coupons per year will be credited as a main benefit; for JMB elite plus members, six Sakura Lounge coupons per year will be credited as a main benefit.

Long-Term Holding Benefit for Series 1 Bond-Type Class Shares

- **Eligibility:** Individual shareholders as of the end of March 2027 ^(1,2), who have continuously held the shares through each of the following dates: (i) the end of March 2028, (ii) the end of March 2029, and (iii) the record date at the time of call
- **Credit:** Benefits will be credited ⁽³⁾ based on the number of shares continuously held through each of (i) to (iii) set forth above, up to the number of shares held at the end of March 2027 ^(1,2)
 (*Timing of the credit is expected to be several months after the record date)



⁽¹⁾ The record dates assume issuance during FY2026, and the date entered or recorded in the shareholders registry of the Series 1 Bond-Type Class Shares, which differs from the date of acquisition.

⁽²⁾ Eligibility for and credit of LSPs are based on current assumptions that the shares will be issued during FY2026. The timing of the credit is expected to be several months after the record date, but the details will be determined at the issuance resolution.

⁽³⁾ To receive the benefit, shareholders must first hold the Series 1 Bond-Type Class Shares, then register on the "Website for Shareholders Only" following the prescribed procedure.

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