

[REFERENCE TRANSLATION]

Please note that this translation is to be used solely as reference.

In case of any discrepancy between this translation and the Japanese original, the latter shall prevail.



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Company Name	Japan Airlines Co., Ltd.
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Stock Listing	Tokyo Stock Exchange
Code No.	9201
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**Notice Regarding Issuance of the Unsecured Perpetual Bonds
with Interest Payment Deferral Clause and Optional Redemption Clause
(Subordinated Bonds with Subordination Clause Applicable in Liquidation and Bankruptcy Proceedings)**

Japan Airlines Co., Ltd. (“JAL” or the “Company”) hereby announces that today it has filed an amendment to the shelf registration statement concerning the issuance of publicly offered unsecured perpetual bonds with interest payment deferral clause and optional redemption clause (subordinated bonds with subordination clause applicable in liquidation and bankruptcy proceedings) (the “Unsecured Perpetual Bonds”).

1. Purpose and Background of the issuance of the Unsecured Perpetual Bonds

The Company group is working together to achieve the “JAL Group Medium-Term Management Plan for FY2021-2025” to become “the world’s most preferred and valued airline group.” As part of management resource allocation strategy to enhance corporate value, the Company group has announced today its “JAL Group Medium-Term Management Plan Rolling Plan 2025,” (the “Rolling Plan 2025”) which includes plans to make growth investments in the non-aviation segments, with particular focus on mileage, and the acquisition of new aircrafts.

Against this backdrop, in preparation for unforeseen external environmental changes under uncertainties of the global economic landscape, to maintain stable management as a social infrastructure provider and to strengthen its financial base to support its business strategies, the Company has resolved to raise funds through the issuance of the Unsecured Perpetual Bonds. To facilitate the Rolling Plan 2025, in addition to the filing of the amendment to the shelf registration statement concerning the Unsecured Perpetual Bonds, JAL has also resolved at its meeting of the Board of Directors today to submit a proposal for a partial amendment to the Articles of Incorporation concerning bond-type class stock at the 76th Annual General Meeting of Shareholders to be held on June 24, 2025, and has also filed a shelf registration statement with respect to the issuance of Series 1 Bond-Type Class Stock.

The Unsecured Perpetual Bonds, which have no fixed redemption date and allow the discretionary deferral of interest payments, are classified as “equity financial instruments” under International Financial Reporting Standards (IFRS). Accordingly, the full amount to be raised will be recorded as “equity” in JAL’s consolidated financial statements. Given these characteristics, the Unsecured Perpetual Bonds are designed such that the interest rate will step up by 500 basis points the day after the first early redemption date. While the Unsecured Perpetual Bonds are not granted equity credit by rating agencies, this fundraising initiative will contribute to building a financial foundation that supports JAL’s significant growth investments.

Note : This press release is intended for information purpose only and is not a solicitation or offer to buy or sell securities or related financial instruments. Shares of our common stock and debt securities have not been and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

2. Use of Proceeds from the Unsecured Perpetual Bonds

Proceeds from the Unsecured Perpetual Bonds will be used for growth investments in the non-aviation segments, with particular focus on mileage, and the acquisition of new aircrafts.

3. Outline of the Unsecured Perpetual Bonds

(1)	Name of the Bonds	Japan Airlines Co., Ltd. 1st Unsecured Perpetual Bonds with interest payment deferral clause and optional redemption clause (subordinated bonds with subordination clause applicable in liquidation bankruptcy proceedings)	Japan Airlines Co., Ltd. 2nd Unsecured Perpetual Bonds with interest payment deferral clause and optional redemption clause (subordinated bonds with subordination clause applicable in liquidation bankruptcy proceedings)
(2)	Issue amount	To be determined	
(3)	Pricing date	Expected to take place in April	
(4)	Payment Date	Expected to take place in April	
(5)	Maturity Date	Unspecified The Unsecured Perpetual Bonds may be optionally redeemed in whole (but not in part) on each interest payment date after the first early redemption date.	
(6)	First early redemption date	5th anniversary of the payment date	10th anniversary of the payment date
(7)	Deferral of interest payment	The Company may, at its discretion, defer all or some of the interest payments on the Unsecured Perpetual Bonds.	
(8)	Subordination clause	In the event of liquidation, bankruptcy, liquidation or bankruptcy or other similar proceedings (in jurisdictions other than Japan), the Unsecured Perpetual Bonds will be subordinated to other debt. No provision of the terms and conditions of the Unsecured Perpetual Bonds may be amended in any way that is disadvantageous to senior creditors.	
(9)	Prospect Rating	Rating and Investment Information, Inc. : BBB Japan Credit Rating Agency, Ltd. : BBB+	

4. Schedule

JAL plans to determine the remaining terms of the Unsecured Perpetual Bonds based on the comprehensive consideration of demand from investors and interest rate trends. JAL will further announce once the decision is made.

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