



November 13, 2025

Financial Results for the Six Months Ended September 30, 2025 under Japanese GAAP

Company name	Skymark Airlines Inc. (hereinafter referred to as "Skymark" or the "Company")
URL	https://www.skymark.co.jp/
Stock exchange listing	Tokyo Stock Exchange
Code number	9204
Representative	Manabu Motohashi, Representative Director, President and Executive Officer
Contact	Kaoru Tagami, Executive Officer in charge of finance, accounting and investor relations (Tel: +81-3-5708-8280)
Scheduled date of filing semiannual securities report (Japanese version only)	November 13, 2025
Scheduled starting date of dividend payment	N/A
Supplementary material on financial results	To be uploaded on "Investor Relations" of the Company's website
Financial results briefing:	To be held for institutional investors and analysts

1. Operating Results and Financial Position as of and for the Six Months Ended September 30, 2025 (April 1, 2025 to September 30, 2025)

(1) Operating Results

Six Months Ended September 30 (Millions of Yen)	Operating Revenues		Operating Income		Ordinary Income		Net Income (Loss)	
2025	¥54,883	0.7%	¥1,213	(47.8) %	¥491	412.2 %	¥475	— %
2024	54,488	4.7	2,324	(26.9)	95	(98.4)	(590)	—

Six Months Ended September 30 (Yen)	Net Income (Loss) Per Share-Basic	Net Income (Loss) Per Share-Diluted
2025	¥7.89	—
2024	(10.02)	—

(Note) Net income per share-diluted is not presented because the Company does not have any kind of potentially dilutive shares.

(2) Financial Position

	Total Assets (Millions of Yen)	Equity (Millions of Yen)	Net Worth Ratio (%)
September 30, 2025	¥107,743	¥27,385	25.4 %
March 31, 2025	103,888	27,119	26.1

(Note) Net worth	As of September 30, 2025:	¥27,385 million
	As of March 31, 2025:	27,119 million

2. Dividends

Year Ended March 31	Dividend Per Share (Yen)				Total
	First Quarter End	Second Quarter End	Third Quarter End	Year End	
2025	—	0.00	—	3.00	3.00
2026	—	0.00	N/A	N/A	N/A
2026 (Projected)	N/A	N/A	—	—	—

(Note 1) Change in dividend projection: None

(Note 2) The Company's Articles of Incorporation stipulate the end of the second quarter and the end of the fiscal year as the record dates for dividends. The projected amount of dividends for the year ending March 31, 2026 has not yet been determined.

3. Forecasts for the year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Net Income per Share (Yen)
Year ending March 31, 2026					
(amount)	¥111,000	¥1,600	¥1,000	¥100	¥1.66
(percentage)	1.9%	(12.4)%	31.5%	(95.3)%	N/A

(Note) Changes from the forecasts most recently announced: For the details of the revisions in the forecasts, please refer to "Notice Regarding Revision of Earnings Forecast" announced today, November 13, 2025.

Notes

(1) Changes in accounting policy and estimates, and restatement due to:

- | | |
|---|------|
| (a) Changes in accounting policy due to revision of accounting standards: | None |
| (b) Changes in accounting policy other than (a) above: | None |
| (c) Changes in accounting estimates: | None |
| (d) Restatements: | None |

(2) Number of shares

		(shares)
(a) Common stock issued, including treasury stock, as of:		
	September 30, 2025	60,329,400
	March 31, 2025	60,329,400
(b) Treasury stock as of:		
	September 30, 2025	148,330
	March 31, 2025	106,430
(c) Average number of common stock for the Six Months ended:		
	September 30, 2025	60,214,245
	September 30, 2024	58,953,444

Other Information

(1) This document is not subject to review by certified public accountants or audit firms.

(2) Explanation regarding the appropriate use of earnings forecasts and other special notes

The forward-looking statements in this report, such as forecasts, are based on information currently available and certain assumptions that the Company believes to be reasonable and should not be construed as a guarantee that the Company will achieve these projections. Actual results may differ from the aforementioned forecasts depending on various factors.

(3) Access to the supplementary material on financial results

The Company plans to hold an online financial results presentation for institutional investors and analysts on Thursday, November 13, 2025. The video of the presentation and supplementary materials on financial results will be promptly uploaded on "Investor Relations" of the Company's website.

Qualitative Information on Operating Results

1. Operating Results (April 1, 2025 to September 30, 2025)

During this six-month period, the economy in Japan was in a moderate recovery trend due to an improvement in the employment and income environment, and expansion of inbound consumption. On the other hand, the outlook still requires careful attention due to weak personal consumption caused by rising prices, the effects of the U.S. trade policy, and the prolonged geopolitical risks, and other factors.

In the domestic airline market in which the Company operates, travel demand continued to be strong due to a shift toward domestic travel caused by the weak yen and rising prices overseas. However, domestic airlines have strengthened their promotions to capture the robust non-business demand, resulting in an even more intense price competition environment than before.

In such a situation, the number of revenue passengers during the period reached 3,955,248 (down 4.7% as compared to a year earlier). Although the number of revenue passengers decreased due to the strategic pricing aimed at maximizing revenue, the unit fare per passenger exceeded that from a year earlier. As a result, operating revenue reached a record high for the six months period.

On the other hand, operating expenses are increasing due to the weak yen, rising prices caused by global inflation, reduced government support, and other factors. In response to these cost increases, the Company has worked to contain expenses through self-help measures such as reviewing operational tasks and thorough cost control; however, these efforts were insufficient to offset all the increased costs. As a result, operating income decreased as compared to a year earlier.

The Company has been working on the management policies for the fiscal year ending March 31, 2026: “Evolution and transformation into a highly profitable business structure” and “Preparations for dramatic growth in the fiscal year ending March 31, 2027 and beyond.” The Company has implemented an online reservation system for forward seats with the aim of improving customer convenience; revisions of various fees, and introduction of new fares for young people. In addition, in October 2025, the Company launched an international charter flight between Kobe and Taipei (Taiwan Taoyuan International Airport) to examine business possibilities.

(Operating revenues and operating costs)

In this six-month period, operating revenues amounted to ¥54,883 million, up 0.7%, as compared to a year earlier, due to the rise in unit fare per passenger. Operating costs amounted to ¥49,951 million, up 2.5% as compared to a year earlier, due to the rise in prices caused by global inflation. As a result, operating income amounted to ¥1,213 million, down 47.8%, as compared to a year earlier.

The Company recorded ¥709 million of finance fees mainly for borrowings in the non-operating losses section. As a result, ordinary income amounted to ¥491 million (up 412.2% as compared to a year earlier). Net income amounted to ¥475 million (net loss of ¥590 million a year earlier).

2. Financial Position (As of September 30, 2025)

Total assets stood at ¥107,743 million, ¥3,854 million up from the previous fiscal year-end. This was mainly attributable to combined effect of (1) increase in property and equipment by ¥7,600 million associated with purchases of airplanes, which the Company previously used under lease contracts, by exercising the purchase option, and purchase of full flight simulators, (2) decrease in cash and bank deposits by ¥1,727 million, and (3) decrease in other receivables by ¥906 million.

Total liabilities stood at ¥80,358 million, ¥3,588 million up from the previous fiscal year-end. This was mainly attributable to increase in contract liabilities by ¥2,723 million.

Equity stood at ¥27,385 million, ¥265 million up from the previous fiscal year-end. This was mainly attributable to increase in retained earnings by ¥294 million.

3. Cash Flows (April 1, 2025 to September 30, 2025)

Cash and cash equivalents stood at ¥24,291 million, ¥1,727 million down from the previous fiscal year-end (¥26,018 million). Cash flows for the six-month period are summarized as follows:

(Cash flows from operating activities)

Net cash inflow from operating activities was ¥6,818 million (¥3,820 million a year earlier). The main component was increase in contract liabilities of ¥2,723 million.

(Cash flows from investing activities)

Net cash outflow from investing activities was ¥10,040 million (¥2,723 million a year earlier). The main component was purchases of property and equipment of ¥9,895 million.

(Cash flows from financing activities)

Net cash inflow from financing activities was ¥1,569 million (an outflow of ¥2,134 million a year earlier). The main components were proceeds from long-term bank loans of ¥2,539 million and repayments of long-term bank loans of ¥750 million.

4. Forecasts and Forward-Looking Statements

The forecasts for the year ending March 31, 2026, which were announced on May 15, 2025, have been revised. For the details, please refer to “Notice Regarding Revision of Earnings Forecast” announced today.

Financial Statements

Balance Sheets

(Millions of Yen)

	Year End- Previous Year As of March 31, 2025	Second Quarter End- Current Year As of September 30, 2025
Assets		
Current Assets:		
Cash and bank deposits	¥26,018	¥24,291
Trade accounts receivable	5,467	6,409
Supplies	56	35
Other receivables	2,448	1,541
Prepaid expenses	4,332	3,524
Derivative receivables	62	168
Foreign exchange contracts	952	697
Other current assets	84	70
Total current assets	39,424	36,737
Non-Current Assets:		
Property and equipment—net:		
Flight equipment	8,765	9,877
Others	6,996	14,146
Total property and equipment—net	15,762	24,023
Intangible assets	218	303
Investments and other assets:		
Long-term prepaid expenses	533	377
Lease and guarantee deposits	3,961	3,858
Long-term deposits paid	24,423	22,692
Deferred tax assets	19,478	19,489
Derivative receivables	8	54
Forward foreign exchange contracts	78	205
Other assets	0	0
Total investments and other assets	48,483	46,678
Total non-current assets	64,464	71,005
Total assets	103,888	107,743

(Millions of Yen)

	Year End- Previous Year As of March 31, 2025	Second Quarter End- Current Year As of September 30, 2025
Liabilities		
Current Liabilities:		
Trade accounts payable	¥3,805	¥3,891
Short-term bank loans	20,000	20,000
Current portion of long-term bank loans	1,750	7,500
Income taxes payable	32	16
Contract liabilities	13,862	16,586
Provision for periodic maintenances of flight equipment	7,288	5,143
Accrued bonuses	903	942
Derivative liabilities	133	407
Other	2,122	2,131
Total current liabilities	49,897	56,619
Long-term Liabilities:		
Long-term bank loans	7,500	3,591
Provision for maintenance to return leased flight equipment	2,461	2,349
Provision for periodic maintenances of flight equipment	15,543	16,690
Asset retirement obligations	320	321
Derivative liabilities	259	59
Forward exchange contracts	52	—
Other	736	726
Total long-term liabilities	26,871	23,738
Total liabilities	76,769	80,358
Equity		
Shareholders' equity:		
Common stock	100	100
Capital surplus	17,966	17,966
Retained earnings	8,858	9,152
Treasury stock	(89)	(89)
Total shareholders' equity	26,835	27,129
Remeasurement and adjustments:		
Deferred gain (loss) on derivatives under hedge accounting	284	255
Total remeasurement and adjustments	284	255
Total equity	27,119	27,385
Total liabilities and equity	103,888	107,743

Statements of Income

(Millions of Yen)

	Six Months Ended September 30, 2024	Six Months Ended September 30, 2025
Operating revenues	¥54,488	¥54,883
Operating costs	48,731	49,951
Gross profit	5,757	4,931
Selling, general and administrative expenses	3,432	3,718
Operating income	2,324	1,213
Non-operating income:		
Penalty income	477	444
Interest income	128	212
Other	79	68
Total non-operating income	685	725
Non-operating expense:		
Interest expenses	255	350
Foreign exchange loss	2,252	299
Commissions and fees	213	709
Loss on disposal of property and equipment	137	85
Other	55	2
Total non-operating expenses	2,914	1,447
Ordinary income	95	491
Income before income taxes	95	491
Income taxes-current	16	16
Income taxes-deferred	670	(0)
Total income taxes	686	16
Net income (loss)	(590)	475

Statements of Cash Flows

(Millions of Yen)

	Six Months Ended September 30, 2024	Six Months Ended September 30, 2025
Cash flows from operating activities:		
Income before income taxes	¥95	¥491
Depreciation and amortization	1,435	1,517
Stock compensation expenses	0	242
Increase (decrease) in provision for periodic maintenances of flight equipment	(5,449)	(996)
Increase (decrease) in provision for maintenance to return leased flight equipment	(512)	(112)
Decrease (increase) in accrued bonuses	34	38
Interest and dividend income	(128)	(212)
Interest expenses	255	350
Commissions and fees (non-operating)	213	709
Foreign exchange loss (gain)	766	200
Loss on disposal of property and equipment	137	85
Decrease (increase) in trade accounts receivable	(309)	(941)
Decrease (increase) in supplies	41	21
Decrease (increase) in prepaid expenses	(1,465)	806
Decrease (increase) in other receivables	3,247	892
Decrease (increase) in long-term deposits paid	4,310	1,730
Increase (decrease) in trade accounts payable	297	97
Increase (decrease) in contract liabilities	1,146	2,723
Increase (decrease) in other payable	(10)	203
Decrease (increase) in consumption taxes receivable	53	14
Other	33	(175)
Subtotal	4,193	7,688
Interests and dividends received	128	212
Interests paid	(255)	(350)
Commissions and fees (non-operating) paid	(213)	(699)
Income taxes paid	(32)	(32)
Net cash flows from operating activities	3,820	6,818

	Six Months Ended September 30, 2024	Six Months Ended September 30, 2025
Cash flows from investing activities:		
Purchases of property and equipment	¥(2,563)	¥(9,895)
Proceeds from sales of property and equipment	0	0
Purchases of intangible assets	—	(109)
Payments for lease and guarantee deposits	(160)	(120)
Collections of lease and guarantee deposits	—	83
Net cash flows from investing activities	(2,723)	(10,040)
Cash flows from financing activities:		
Proceeds from long-term bank loans	—	2,539
Repayments of long-term bank loans	(500)	(750)
Repayments of lease obligations	(83)	(55)
Purchases of treasury stock	(0)	—
Dividends paid	(1,550)	(163)
Net cash flows from financing activities	(2,134)	1,569
Foreign currency translation adjustments on cash and cash equivalents	(545)	(75)
Net increase (decrease) in cash and cash equivalents	(1,583)	(1,727)
Cash and cash equivalents, beginning of period	26,909	26,018
Cash and cash equivalents, end of period	25,326	24,291

Notes to Semiannual Financial Statements

Segment Information

As the Company engages in a single segment, namely, the air transportation business, segment information is not presented.

Significant Changes in Equity

No items to report.

Going Concern Issues

No items to report.

Other Information

All the figures in this report except per share information are rounded down to the nearest million.

This information is summarized and translated from the original Japanese version submitted to the Tokyo Securities Exchange in accordance with its disclosure rules and presentation manners. This English translation is intended solely for the convenience of readers, and not intended in any way to substitute or replace the original Japanese version. If there is any discrepancy between the original Japanese version and this translation, the original Japanese version shall supersede all information in this translation. All the figures in this report are unaudited.