



August 7, 2026

Financial Results for the Three Months Ended June 30, 2026 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	Yoshihiro Miwa, 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 starting date of dividend payment	N/A
Supplementary material on financial results	To be uploaded on "Investor Relations" of the Company's website
Quarterly financial results briefing:	To be held for institutional investors and analysts

1. Operating Results and Financial Position as of and for the Three Months Ended June 30, 2026 (April 1, 2026 to June 30, 2026)

(1) Operating Results

Three Months Ended June 30 (Millions of Yen)	Operating Revenues		Operating Income (Loss)		Ordinary Income (Loss)		Net Income (Loss)	
2026	¥24,996	6.0 %	¥(3,329)	— %	¥(3,093)	— %	¥(2,632)	— %
2025	23,579	0.2	(1,630)	—	(3,113)	—	(2,774)	—

Three Months Ended June 30 (Yen)	Net Income (Loss) Per Share-Basic	Net Income (loss) Per Share-Diluted
2026	¥(43.76)	—
2025	(46.06)	—

(Note) Net income (loss) 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 (%)
June 30, 2026	¥123,910	¥28,099	22.7 %
March 31, 2026	121,103	33,944	28.0

(Note) Net worth

As of June 30, 2026:
As of March 31, 2026:

¥28,099 million
33,944 million

2. Dividends

Year Ended/Ending	Dividend Per Share (Yen)				Total
	First Quarter End	Second Quarter End	Third Quarter End	Year/Period End	
March 31, 2026	—	0.00	—	7.00	7.00
March 31, 2027	—	N/A	N/A	N/A	N/A
March 31, 2027 (Projected)	N/A	0.00	—	—	—

(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 dividends for the year ending March 31, 2027 has not yet been determined.

3. Forecasts for the year ending March 31, 2027 (April 1, 2026 to March 31, 2027)

	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, 2027					
(amount)	¥120,800	¥1,500	¥800	¥800	¥13.30
(percentage)	9.4%	(16.7)%	(72.5)%	(51.2)%	N/A

(Note 1) Changes from the forecasts most recently announced: None

(Note 2) The forecasts for the six months period ending September 30, 2026 have been omitted because the Company manages its operations on an annual basis.

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:		
	June 30, 2026	60,329,400
	March 31, 2026	60,329,400
(b) Treasury stock as of:		
	June 30, 2026	180,334
	March 31, 2026	172,230
(c) Average number of common stock for the three months ended:		
	June 30, 2026	60,157,079
	June 30, 2025	60,222,790

Other Information

(1) Review on the accompanying financial statements by certified public accountants or audit firms

The original Japanese version of the financial statements have been reviewed on a voluntary basis. This English translation is not subject to review.

(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 Friday, August 7, 2026. 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, 2026 to June 30, 2026)

During this three-month period, the economy in Japan was in a moderate recovery trend due to an improvement in the employment and income environment. On the other hand, the outlook remains uncertain due to the continuous rising prices, the hike in energy prices caused by the escalating tensions in the Middle East, fluctuations in financial capital markets including exchange rates, and other factors.

In the domestic airline market in which the Company operates, passenger demand remained strong due to a shift toward domestic travel caused by the weak yen and rising overseas travel costs, despite the prolonged trend of rising prices. In such a situation, the number of revenue passengers during the period reached 1,967,054 (up 6.0% as compared to a year earlier) due to the robust passenger demand that the Company successfully captured and the positive effects of the revenue management that the Company has been implementing since the second half of the previous fiscal year in order to optimize the balance between average price per passenger and the number of revenue passengers in response to changes in the market environment. As a result, operating revenue reached a record high for the first quarter, amounting to ¥24,996 million (up 6.0% as compared to a year earlier).

With regard to operating expenses, in addition to the rising costs caused by domestic and overseas inflation and the weak yen, as well as aviation fuel prices that have surged due to the situation in the Middle East, the Company recorded costs related to the introduction of new aircraft, which is one of the Company's key strategies for mid- to long-term growth. As a result, operating costs amounted to ¥26,240 million (up 11.9% as compared to a year earlier). Selling, general and administrative expenses amounted to ¥2,084 million (up 18.1% as compared to a year earlier) due mainly to development costs of systems for promoting digital transformation. In such a situation, the Company worked to contain expenses through self-help measures such as reviewing operations and strict cost management. However, these efforts were not sufficient to fully offset the increase in costs and the total operating expenses amounted to ¥28,325 million (up 12.4% as compared to a year earlier). As a result, the Company recorded an operating loss of ¥3,329 million (¥1,630 million a year earlier).

The Company recorded an ordinary loss of ¥3,093 million (¥3,113 million a year earlier), due mainly to foreign exchange gain associated with assets denominated in foreign currencies resulting from the weaker yen as of June 30, 2026 as compared to the previous fiscal year-end. With regard to extraordinary items, the Company recorded a gain on sale of property and equipment of ¥462 million arising from a sales-and-leaseback transaction of a spare engine for aircraft. As a result, net loss amounted to ¥2,632 million (¥2,774 million a year earlier).

In April 2026, the Company became the first Japanese airline to take delivery of a Boeing 737-8 aircraft. The Company commenced the operation of the aircraft in May and took delivery of a second one in July. The introduction of new aircraft is proceeding smoothly. The Company will continue to steadily introduce new aircraft that offer approximately 15% better fuel efficiency than current Boeing 737-800, with the aim of reducing operating costs and cutting CO2 emissions.

2. Financial Position (As of June 30, 2026)

Total assets stood at ¥123,910 million, ¥2,807 million up from the previous fiscal year-end. This was mainly attributable to a combined effect of increase in (1) construction in progress by ¥4,813 million that includes purchases of new aircraft and (2) trade and other receivables by ¥1,997 million and decrease in cash and bank deposits by ¥3,861 million.

Total liabilities stood at ¥95,811 million, ¥8,651 million up from the previous fiscal year-end. This was mainly attributable to increase in (1) contract liabilities by ¥3,127 million as a result of the strong airline ticket booking sales and (2) long-term bank loans by ¥2,959 million in relation to purchases of new aircraft.

Equity stood at ¥28,099 million, ¥5,844 million down from the previous fiscal year-end. This was mainly attributable to decrease in retained earnings by ¥3,053 million due to dividends paid and net loss for the period.

3. Forecasts and Forward-Looking Statements

No revision has been made to the forecasts for the year ending March 31, 2027, which were announced in "Financial Results for the Fiscal Year Ended March 31, 2026 under Japanese GAAP" on May 15, 2026.

Financial Statements

Balance Sheets

(Millions of Yen)

	Year End- Previous Year As of March 31, 2026	First Quarter End- Current Year As of June 30, 2026
Assets		
Current Assets:		
Cash and bank deposits	¥24,481	¥20,619
Trade accounts receivable	6,615	8,062
Supplies	34	41
Other receivables	3,157	3,708
Prepaid expenses	2,816	4,354
Derivative receivables	4,443	1,534
Foreign exchange contracts	1,823	2,171
Other current assets	93	97
Total current assets	43,465	40,590
Non-Current Assets:		
Property and equipment—net:		
Flight equipment	10,016	9,121
Construction in progress	18,538	23,352
Others	3,488	3,331
Total property and equipment—net	32,043	35,804
Intangible assets	386	430
Investments and other assets:		
Long-term other receivables	2,718	2,125
Long-term prepaid expenses	310	257
Lease and guarantee deposits	3,854	4,425
Long-term deposits paid	21,716	23,108
Deferred tax assets	14,588	16,113
Derivative receivables	1,295	497
Forward foreign exchange contracts	724	555
Other assets	0	0
Total investments and other assets	45,207	47,084
Total non-current assets	77,638	83,320
Total assets	121,103	123,910

	Year End- Previous Year As of March 31, 2026	First Quarter End- Current Year As of June 30, 2026
Liabilities		
Current Liabilities:		
Trade accounts payable	¥4,346	¥5,666
Short-term bank loans	20,000	20,000
Current portion of long-term bank loans	6,500	6,000
Income taxes payable	32	8
Contract liabilities	17,071	20,198
Provision for periodic maintenances of flight equipment	4,207	6,833
Accrued bonuses	991	523
Other	2,230	2,655
Total current liabilities	55,379	61,886
Long-term Liabilities:		
Long-term bank loans	9,179	12,139
Provision for maintenance to return leased flight equipment	2,312	2,462
Provision for periodic maintenances of flight equipment	19,260	18,365
Asset retirement obligations	323	323
Other	703	633
Total long-term liabilities	31,780	33,925
Total liabilities	87,159	95,811
Equity		
Shareholders' equity:		
Common stock	100	100
Capital surplus	17,966	17,966
Retained earnings	10,315	7,261
Treasury stock	(89)	(89)
Total shareholders' equity	28,292	25,238
Remeasurement and adjustments:		
Deferred gain (loss) on derivatives under hedge accounting	5,651	2,860
Total remeasurement and adjustments	5,651	2,860
Total equity	33,944	28,099
Total liabilities and equity	121,103	123,910

Statements of Income

(Millions of Yen)

	Three Months Ended June 30, 2025	Three Months Ended June 30, 2026
Operating revenues	¥23,579	¥24,996
Operating costs	23,444	26,240
Gross profit	135	(1,244)
Selling, general and administrative expenses	1,765	2,084
Operating loss	(1,630)	(3,329)
Non-operating income:		
Interest income	40	17
Foreign exchange gain	—	183
Penalty income	193	227
Other	27	225
Total non-operating income	261	652
Non-operating expenses:		
Interest expenses	159	335
Foreign exchange loss	1,054	—
Commissions and fees	484	15
Loss on disposal of property and equipment	43	64
Other	1	0
Total non-operating expenses	1,744	415
Ordinary loss	(3,113)	(3,093)
Extraordinary gains:		
Gain on sale of property and equipment	—	462
Total extraordinary gains	—	462
Loss before income taxes	(3,113)	(2,630)
Income taxes-current	8	8
Income taxes-deferred	(347)	(6)
Total income taxes	(339)	1
Net loss	(2,774)	(2,632)

Notes to 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.

Cash Flow Statements

The Company did not prepare the cash flow statements for the three months ended June 30, 2025 and 2026. Depreciation and amortization for the three months ended June 30, 2025 and 2026, were as follows:

	(Millions of Yen)	
	Three Months Ended June 30, 2025	Three Months Ended June 30, 2026
Depreciation and amortization	¥639	¥988

Significant Subsequent Event

Significant refinancing of funds:

On July 29, 2026, the Company has entered into syndicated loan (refinancing) agreements of which arrangers are Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, Resona Bank, Limited, and Development Bank of Japan Inc. On July 31, 2026, the Company executed the loan agreements with the following terms and conditions:

Loan A

- | | |
|----------------------|--|
| (1) Total amount | ¥5,500 million |
| (2) Interest rate | Base rate plus spread |
| (3) Execution date | July 31, 2026 |
| (4) Repayment date | July 31, 2028 |
| (5) Repayment method | Repayment in installments over two years |

Loan B

- | | |
|----------------------|--|
| (1) Total amount | ¥20,000 million |
| (2) Interest rate | Base rate plus spread |
| (3) Execution date | July 31, 2026 |
| (4) Repayment date | July 30, 2027 |
| (5) Repayment method | Lump-sum repayment on the repayment date |

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 Stock 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.