November 9, 2026

Financial Results for the Six Months Ended September 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 date of filing semiannual securities report (Japanese version only)	November 9, 2026
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, 2026 (April 1, 2026 to September 30, 2026)

(1) Operating Results

Six Months Ended September 30 (Millions of Yen)	Operating Revenues		Operating Income		Ordinary Income		Net Income	
2026	¥59,000	7.5 %	¥1,629	34.3 %	¥1,180	140.3 %	¥1,634	243.8 %
2025	54,883	0.7	1,213	(47.8)	491	412.2	475	—

Six Months Ended September 30 (Yen)	Net Income Per Share-Basic	Net Income Per Share-Diluted
2026	¥27.17	—
2025	7.89	—

(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, 2026	¥130,556	¥33,450	25.6 %
March 31, 2026	121,103	33,944	28.0

(Note) Net worth *As of September 30, 2026:* *¥33,450 million*
As of March 31, 2026: *33,944 million*

2. Dividends

Year Ended/Ending	Dividend Per Share (Yen) First Quarter End	Second Quarter End	Third Quarter End	Year End	Total
March 31, 2026	—	0.00	—	7.00	7.00
March 31, 2027	—	0.00	N/A	N/A	N/A
March 31, 2027 (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, 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) Changes from the forecasts most recently announced: None

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, 2026	60,329,400
		March 31, 2026	60,329,400
(b)	Treasury stock as of:	September 30, 2026	195,234
		March 31, 2026	172,230
(c)	Average number of common stock for the Six Months ended:	September 30, 2026	60,152,969
		September 30, 2025	60,214,245

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 Monday, November 9, 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 September 30, 2026)

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. On the other hand, the outlook remains uncertain due to the prolonged rise in energy and material prices caused by the escalating tensions in the Middle East, cautious consumer trends led by continuous rising prices, 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 rising operating costs led by prevailing economic conditions and the prolonged trend of rising prices.

In such a situation, the number of revenue passengers during the period reached 4,197,132 (up 6.1% as compared to a year earlier) and the average price per passenger amounted to ¥13,601 (up 0.8% 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. Driven by these endeavors, operating revenue reached a record high for the second quarter, amounting to ¥59,000 million (up 7.5% 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, 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 ¥53,199 million (up 6.5% as compared to a year earlier). Selling, general and administrative expenses amounted to ¥4,171 million (up 12.2% as compared to a year earlier) due mainly to development costs of systems for promoting digital transformation. Total operating expenses amounted to ¥57,371 million (up 6.9% as compared to a year earlier); however, the increase in operating revenue offset the rise in costs. As a result, the Company recorded operating income of ¥1,629 million (up 34.3% as compared to a year earlier) and ordinary income of ¥1,180 million (up 140.3% as compared to a year earlier).

In addition, as an extraordinary gain, the Company recorded a gain on sale of property and equipment arising from a sales-and-leaseback transaction of a spare engine for aircraft. As a result, the Company recorded net income of ¥1,634 million (up 243.8% as compared to a year earlier).

In April 2026, the Company became the first Japanese airline to take delivery of a Boeing 737-8 aircraft, and it currently operates two new aircraft. 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 CO_2 emissions.

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

Total assets stood at ¥130,556 million, ¥9,452 million up from the previous fiscal year-end. This was mainly attributable to increase in construction in progress by ¥7,473 million that includes purchases of new aircraft. Total liabilities stood at ¥97,105 million, ¥9,945 million up from the previous fiscal year-end. This was mainly attributable to increase in (1) contract liabilities by ¥3,158 million as a result of the strong airline ticket booking sales and (2) long-term bank loans by ¥3,040 million in relation to purchases of new aircraft. Equity stood at ¥33,450 million, ¥493 million down from the previous fiscal year-end. This was attributable to a combined effect of decrease in deferred gain on derivatives under hedge accounting by ¥1,706 million and increase in retained earnings by ¥1,212 million.

3. Cash Flows (April 1, 2026 to September 30, 2026)

Cash and cash equivalents stood at ¥23,693 million, ¥787 million down from the previous fiscal year-end (¥24,481 million). Cash flows for the six-month period are summarized as follows:

(Cash flows from operating activities)

Net cash inflow from operating activities was ¥5,064 million (¥6,818 million a year earlier). The main component was increase in contract liabilities of ¥3,158 million.

(Cash flows from investing activities)

Net cash outflow from investing activities was ¥8,615 million (¥10,040 million a year earlier). The main component was purchases of property and equipment of ¥10,701 million.

(Cash flows from financing activities)

Net cash inflow from financing activities was ¥2,803 million (¥1,569 million a year earlier). The main components were proceeds from long-term bank loans of ¥9,738 million and repayments of long-term bank loans of ¥6,500 million.

4. 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	Second Quarter End-Current Year As of September 30, 2026
Assets		
Current Assets:		
Cash and bank deposits	¥24,481	¥23,693
Trade accounts receivable	6,615	10,313
Supplies	34	44
Other receivables	3,157	4,014
Prepaid expenses	2,816	3,299
Derivative receivables	4,443	3,751
Foreign exchange contracts	1,823	1,246
Other current assets	93	52
Total current assets	43,465	46,416
Non-Current Assets:		
Property and equipment—net:		
Flight equipment	10,016	8,410
Construction in progress	18,538	26,011
Others	3,488	3,133
Total property and equipment—net	32,043	37,555
Intangible assets	386	474
Investments and other assets:		
Long-term other receivables	2,718	2,059
Long-term prepaid expenses	310	211
Lease and guarantee deposits	3,854	4,734
Long-term deposits paid	21,716	22,931
Deferred tax assets	14,588	15,519
Derivative receivables	1,295	603
Forward foreign exchange contracts	724	49
Other assets	0	0
Total investments and other assets	45,207	46,109
Total non-current assets	77,638	84,140
Total assets	121,103	130,556

(Millions of Yen)

	Year End-Previous Year As of March 31, 2026	Second Quarter End-Current Year As of September 30, 2026
Liabilities		
Current Liabilities:		
Trade accounts payable	¥4,346	¥5,904
Short-term bank loans	20,000	20,000
Current portion of long-term bank loans	6,500	10,439
Income taxes payable	32	16
Contract liabilities	17,071	20,229
Provision for periodic maintenances of flight equipment	4,207	6,809
Accrued bonuses	991	1,039
Foreign exchange contracts	—	25
Other	2,230	2,425
Total current liabilities	55,379	66,891
Long-term Liabilities:		
Long-term bank loans	9,179	8,280
Provision for maintenance to return leased flight equipment	2,312	2,458
Provision for periodic maintenances of flight equipment	19,260	18,444
Asset retirement obligations	323	324
Foreign exchange contracts	—	80
Other	703	625
Total long-term liabilities	31,780	30,213
Total liabilities	87,159	97,105
Equity		
Shareholders' equity:		
Common stock	100	100
Capital surplus	17,966	17,966
Retained earnings	10,315	11,528
Treasury stock	(89)	(89)
Total shareholders' equity	28,292	29,505
Remeasurement and adjustments:		
Deferred gain (loss) on derivatives under hedge accounting	5,651	3,945
Total remeasurement and adjustments	5,651	3,945
Total equity	33,944	33,450
Total liabilities and equity	121,103	130,556

Statements of Income

(Millions of Yen)

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
Operating revenues	¥54,883	¥59,000
Operating costs	49,951	53,199
Gross profit	4,931	5,801
Selling, general and administrative expenses	3,718	4,171
Operating income	1,213	1,629
Non-operating income:		
Interest income	212	91
Penalty income	444	528
Compensation income	—	388
Other	68	153
Total non-operating income	725	1,162
Non-operating expense:		
Interest expenses	350	717
Foreign exchange loss	299	323
Commissions and fees	709	344
Loss on disposal of property and equipment	85	119
Other	2	106
Total non-operating expenses	1,447	1,611
Ordinary income	491	1,180
Extraordinary gains:		
Gain on sale of property and equipment	—	462
Total extraordinary gains	—	462
Income before income taxes	491	1,642
Income taxes-current	16	16
Income taxes-deferred	(0)	(7)
Total income taxes	16	8
Net income	475	1,634

Statements of Cash Flows

(Millions of Yen)

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
Cash flows from operating activities:		
Income before income taxes	¥491	¥1,642
Depreciation and amortization	1,517	2,013
Stock compensation expenses	242	130
Increase (decrease) in provision for periodic maintenances of flight equipment	(996)	1,785
Increase (decrease) in provision for maintenance to return leased flight equipment	(112)	145
Decrease (increase) in accrued bonuses	38	48
Interest and dividend income	(212)	(91)
Interest expenses	350	717
Commissions and fees (non-operating)	709	344
Foreign exchange loss (gain)	200	(115)
Loss (gain) on sale of property and equipment	—	(463)
Loss on disposal of property and equipment	85	119
Decrease (increase) in trade accounts receivable	(941)	(3,697)
Decrease (increase) in supplies	21	(10)
Decrease (increase) in prepaid expenses	806	(481)
Decrease (increase) in other receivables	892	(203)
Decrease (increase) in long-term deposits paid	1,730	(1,214)
Increase (decrease) in trade accounts payable	97	1,557
Increase (decrease) in contract liabilities	2,723	3,158
Increase (decrease) in other payable	203	141
Decrease (increase) in consumption taxes receivable	14	23
Other	(175)	508
Subtotal	7,688	6,060
Interests and dividends received	212	91
Interests paid	(350)	(715)
Commissions and fees (non-operating) paid	(699)	(338)
Income taxes paid	(32)	(32)
Net cash flows from operating activities	6,818	5,064

	Six Months Ended September 30, 2025	Six Months Ended September 30, 2026
Cash flows from investing activities:		
Purchases of property and equipment	¥(9,895)	¥(10,701)
Proceeds from sales of property and equipment	0	3,403
Purchases of intangible assets	(109)	(127)
Payments for lease and guarantee deposits	(120)	(1,190)
Collections of lease and guarantee deposits	83	0
Net cash flows from investing activities	(10,040)	(8,615)
Cash flows from financing activities:		
Proceeds from long-term bank loans	2,539	9,738
Repayments of long-term bank loans	(750)	(6,500)
Repayments of lease obligations	(55)	(56)
Purchases of treasury stock	—	(0)
Dividends paid	(163)	(378)
Net cash flows from financing activities	1,569	2,803
Foreign currency translation adjustments on cash and cash equivalents	(75)	(40)
Net increase (decrease) in cash and cash equivalents	(1,727)	(787)
Cash and cash equivalents, beginning of period	26,018	24,481
Cash and cash equivalents, end of period	24,291	23,693

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 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. All the figures in this report are unaudited.