



May 15, 2023

Company Name: Skymark Airlines Inc.

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(Code number: 9204, Tokyo Stock Exchange Growth Market)

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Notice Regarding Differences Between Financial Forecasts and Actual Results and Recording of Income Taxes—Deferred (gain)

Skymark hereby announces the differences between the financial forecasts for the year ended March 31, 2023, which were reported on March 14, 2022, and the actual results for the year disclosed today as in the table below:

Skymark also announces that we have recorded to income taxes—deferred (gain) which is also indicated below.

1. Differences between the financial forecasts and actual results for the year ended March 31, 2023 (April 1, 2022 to March 31, 2023)

	Operating Revenues (Millions of Yen)	Operating Income (Loss) (Millions of Yen)	Ordinary Income (Loss) (Millions of Yen)	Net Income (Loss) (Millions of Yen)	Net Income (Loss) per Share (Yen)
Year ended March 31, 2023					
Forecasts (A)	¥84,808	¥3,141	¥4,446	¥9,013	¥176.11
Actual results (B)	84,661	3,453	3,728	5,741	111.88
Difference (B-A)	(147)	312	(718)	(3,271)	
(Percentage)	(0.2)%	9.9%	(16.1)%	(36.3)%	
(For reference)					
Actual results for the year ended March 31, 2022	47,147	(16,694)	(15,079)	(6,729)	(145.78)

2. Reasons

The business environment surrounding Skymark, including passenger demand, is showing a remarkable recovery as the COVID-19 pandemic subsides. In such circumstances, the number of seats provided was 9,593 thousand seats compared to the previously announced forecast of 9,573 thousand seats, the load factor was 74.3% compared to the initial forecast of 73.9%, and the average revenue per passenger was ¥11,683 compared to the initial forecast of ¥11,739. As a result, operating revenues fell short of the initial forecast; however, operating income successfully exceeded the forecasted amount mainly because of lower-than-expected fuel costs.

Ordinary income fell short of the initial forecast mainly due to a smaller foreign exchange gain on foreign currency denominated assets, as the yen at the end of the fiscal year appreciated to ¥133.53 to the dollar, which was higher than the

assumed rate of ¥144 to the dollar.

Net income fell short of the initial forecast because income taxes—deferred (gain) related to deferred tax assets amounted to ¥3,258 million, which was lower than the expected amount of ¥5,786 million. This was because deferred tax assets associated with tax loss carryforwards were recorded at an amount lower than the initial forecast due to the decrease in the expected future taxable income, as a result of a conservative re-estimation of the recoverability of deferred tax assets in the business plan for the year ending March 31, 2024 and thereafter, considering the recent hike in crude oil prices, depreciation of yen, and global inflation.