



July 18, 2024

Company Name: Skymark Airlines Inc.

President and Representative Director: Manabu Motohashi

(Code number: 9204, TSE Growth Market)

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Notice of Disposal of Treasury Shares as Restricted Stock to Directors

Skymark Airlines Inc. (hereinafter "Skymark") hereby announces that, at the meeting of its Board of Directors held on July 18, 2024, Skymark has resolved to dispose of treasury stock as the restricted stock (hereinafter the "Treasury Stock Disposal") as follows.

1. Outline of Dispositions

(1) Disposal date	August 16, 2024
(2) Class and number of shares to be disposed of	16,200 shares of common stock of Skymark
(3) Disposal price	JPY 733 per share
(4) Total amount of shares to be disposed of	JPY 11,874,600
(5) Scheduled subscriber	Directors of the Company* : 7 persons / 16,200 shares

*excluding external directors

2. Purpose and reason for the Treasury Stock Disposal

At the Board of Directors' meeting held on May 22, 2024, Skymark resolved to introduce a restricted stock compensation plan (hereinafter the "Plan") as the new compensation plan for the Directors for the purpose of providing the Directors of Skymark (excluding the External Directors, hereinafter the "Eligible Directors") with incentives to sustainably increase Skymark's corporate value as well as to further promote shared value with its shareholders the Directors.

In addition, at the 28th Annual General Meeting of Shareholders held on June 26, 2024, it was approved that (i) Skymark will grant the restricted stock under the Plan and the transfer restriction period of the restricted stock shall be determined by the Board of Directors of Skymark within one to ten year, (ii) Skymark may grant the restricted stock in the manner that (a) the Eligible Directors receive common stock of Skymark to be issued or disposed of, as compensation of the Directors without payment of cash or provision of contributed assets in kind, or (b) monetary compensation claims granted to the Eligible Directors by Skymark shall be contributed in-kind for common stock, and the Directors shall receive common stock of Skymark to be issued or disposed of, (iii) the total number of common stock of Skymark to be issued or disposed of under the Plan shall not exceed 0.1 million stocks per year, and total compensation amounts payable to the Directors shall be no more than 100 million yen per year, which is separate from the current monetary compensation amount.

Skymark has resolved to grant 16,200 shares of the common stock of Skymark (hereinafter the "Allotment Shares") to

7 persons of the Eligible Directors as the Treasury Stock Disposal.

In the Treasury Stock Disposal, Skymark will grant monetary claims in the total amount of JPY 11,874,600 to the Eligible Directors and the Eligible Directors will pay all of such monetary claims for property to be contributed in kind and subscribe to the common stock of Skymark allotted through the Treasury Stock Disposal. In addition, in connection with the Treasury Stock Disposal, Skymark will conclude the Allotment Agreement for the restricted stock with the Eligible Directors, and the overview of such agreement is as follows.

<Overview of Restricted Share Allotment Agreement >

(1) Transfer Restriction Period

The Eligible Directors shall not transfer, create security interest on or otherwise dispose of the Allotment Shares for a period of about one, two, or three years from August 16, 2024 (the payment day), which is designated by the number of shares.

(2) Conditions for cancelling Transfer Restriction

On the conditions that the Eligible Directors have continuously remained in the position of Skymark's officers and employees during each transfer restriction period, Skymark will cancel the transfer restriction regarding all of the Allotment Shares for which the transfer restriction period is expired. However, in the event that the Eligible Directors loses such position during the transfer restriction period for the reason deemed justifiable by Skymark, the transfer restriction for all or part of the Allotment Shares may be canceled.

(3) Acquisition of the Allotment Shares without Consideration

Skymark will acquire the Allotment Shares for which the transfer restriction has not been cancelled as of the expiration of the transfer restriction period, as a matter of course, without any compensation.

(4) Management of Shares

During the transfer restriction period, the Allotment Shares shall be managed in a dedicated account of the restricted stock opened by the Eligible Directors in Daiwa Securities Co. Ltd. so that the Eligible Directors cannot transfer, create security interest on, or otherwise dispose of the Allotment Shares during the transfer restriction period.

(5) Handling in the event of organizational restructuring

In the event that any organizational restructuring etc. is approved at a General Meeting of Shareholders or the Board of Directors of Skymark during the transfer restriction period, Skymark shall, in accordance with the resolution of the Board of Directors, cancel the Transfer Restriction regarding all of the Allotment Shares at the time immediately prior to the Business Day prior to the Effective Day of the Organizational Restructuring etc.

3. Basis of Calculation of the paid-in Amount and Specific Details thereof

The Treasury Stock Disposal will be carried out with the monetary claims to be granted to the scheduled subscriber as the property to be contributed in kind, and the amount paid per share is 733 yen, which is the closing price of common stock of Skymark on the Tokyo Stock Exchange on July 17, 2024 (business day preceding the date of the resolution of the Board of Directors), in order to adopt a price that excludes arbitrariness. This price is the market value immediately preceding the date of the resolution of the Board of Directors and is a reasonable price that properly reflects Skymark's corporate value in the situation where there are no special circumstances under which the foregoing price is not relied upon the most recent stock price and does not fall within a price that is excessively advantageous for the Eligible Directors.