



June 20, 2024

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Notice of Disposal of Treasury Shares as Restricted Stock

Skymark Airlines Inc. (hereinafter, "Skymark") hereby announces that, at the meeting of its Board of Directors held on June 20, 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	December 2, 2024
(2) Class and number of shares to be disposed of	1,347,900 shares of common stock of Skymark
(3) Disposal price	JPY 710 per share
(4) Total amount of shares to be disposed of	JPY 957,009,000
(5) Scheduled subscriber	2,498 Skymark's employees: 1,347,900 shares

2. Purpose and reason for the Treasury Stock Disposal

Skymark has resolved to grant 1,347,900 shares of Skymark's common stock (hereinafter the "Allotment Shares") to 2,498 Skymark's employees (hereinafter the "Applicable Employees") as the Treasury Stock Disposal for the purpose of providing incentives to continuously increase Skymark's corporate value as well as promoting further sharing of values with shareholders.

In the Treasury Stock Disposal, Skymark will grant monetary claims in the total amount of JPY 957,009,000 to the Applicable Employees, and the Applicable Employees 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 Applicable Employees, and the overview of such agreement is as follows.

Allotment Shares will be allotted only to employees who wish to subscribe.

<Overview of Restricted Share Allotment Agreement >

(1) Transfer Restriction Period

Applicable Employees shall not transfer, create security interest on or otherwise dispose of the Allotment Shares for a period of one, two, or three years from December 2, 2024 (the payment day), which is designated by the number of shares.

(2) Conditions for cancelling Transfer Restriction

On the conditions that Applicable Employees have continuously remained in the position of Skymark's 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 Applicable employee 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 Applicable Employees in Daiwa Securities Co. Ltd. so that the Applicable Employees 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 JPY 710, which is the closing price of the Skymark's common stock on the Tokyo Stock Exchange on June 19, 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 Applicable Employees.