February 9, 2017

Skylark Co., Ltd.
Representative: Makoto Tani,
Representative Director,
President and Chief Executive Officer
(Code: 3197, Tokyo Stock Exchange, 1st Section)
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# Notice of Payment of Dividends

We hereby notify you that at a meeting of its Board of Directors held on February 9, 2017, the Company reached a resolution on the payment of dividends, making December 31, 2016 the base date, as follows:

1. Details of dividends

| | Amount decided | Latest dividend forecast (announced on November 9, 2016) | Actual dividends for the previous fiscal year (fiscal year ended December 2015) |
|---|---|---|---|
| Base date | December 31, 2016 | December 31, 2016 | December 31, 2015 |
| Dividend per share | 23.00 yen | 23.00 yen | 21.20 yen |
| Total dividends | 4,481 million yen | — | 4,120 million yen |
| Effective date | March 16, 2017 | — | Mar 16, 2016 |
| Funds for dividends | Earned surplus | — | Earned surplus and capital surplus |

2. Reasons

The Company makes it a basic policy to continue to pay dividends to shareholders while retaining internal reserves in preparation for capital investments, etc. for the purpose of business development and the enhancement of corporate value in the future. The Company also makes it a basic policy to pay dividends twice a year, namely interim dividends and final dividends, with the aim of a consolidated payout ratio of approximately 40% on an after-adjustment net income basis while taking the business results and the improvement of internal reserves into account overall. From that standpoint, we declare a final dividend of 23 yen per share for the fiscal year ended December 2016.

* Dividends are forecast as follows:

| | Dividend per share (yen) | | |
|---|---|---|---|
| Base date | End of the second quarter | End of fiscal year | Total |
| Forecast dividend (fiscal year ended December 2017) | 16.00 yen | 24.00 yen | 40.00 yen |
| Actual dividend for the fiscal year 2016 | 15.00 yen | 23.00 yen | 38.00 yen |
| Actual dividends for the fiscal year 2015 | 11.80 yen | 21.20 yen | 33.00 yen |