March 27, 2017

Skylark Co., Ltd

(Code 3197)

Notice Regarding Partial Sale of Shares by the Parent Company

Skylark Co., Ltd (the **"Company"**) hereby announces that its board of directors has resolved the matters relating to a partial sale of shares of the common stock of the Company outside Japan by the Company's parent company, Bain Capital Skylark Hong Kong Limited (the "**Transaction**"), on March 27, 2017, as set forth below.

(1)	Class and number of shares to be sold	Shares of common stock of the Company The total number of the shares to be sold is undetermined. The Total Number of the shares to be sold in will be determined on the Pricing Time (defined in (4) below), after consideration of market demand and market environment.
(2)	Seller	Bain Capital Skylark Hong Kong Limited
(3)	Method of the sale	To be sold in the international markets (with the sales in the United States restricted to sales to qualified institutional buyers under Rule 144A of the United States Securities Act of 1933). The number of shares will be severally and not jointly purchased by several managers (the "**Managers**"), acting as the joint bookrunners.
(4)	Selling price	Undetermined. The selling price will be determined at any time during the period commencing with Monday, March 27, 2017 and ending with 8 a.m. (Japan time) on Tuesday, March 28, 2017 (the "**Pricing Time**") by taking into account market demand.
(5)	Commission to the managers	No commission shall be paid to the managers. In place thereof, the aggregate amount of the difference between the selling price and the subscription price (at which Bain Capital Skylark Hong Kong Limited shall be paid as a purchase price per share by the managers).
(6)	Subscription period	From the Pricing Time to 8 a.m. on Tuesday, March 28, 2017 (Japan Time).
(7)	Share delivery date	Friday, March 31, 2017
(8)	The board of directors authorizes Representative Director of the Company or the agents appointed by Representative Director of the Company to determine the number of shares to be sold, selling price and any other matter necessary for the Transaction and to make any changes to the details of the Transaction, at their discretion.	

Note: This press release does not constitute an offer of securities for sale in the United States. The securities referred to above have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"). The securities referred to above may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.

Reference

1. The purpose of the Transaction

Our intention is to further diversify our shareholder base and improve market liquidity of our shares.

Upon discussion with Bain Capital Skylark Hong Kong Limited on the method of sale of the shares of common stock of the Company held by it, the Company has reached a conclusion that the method of the Transaction in which the selling price is determined on the same day of the publication of the Transaction or the following business day thereof, would have little impact on the share price of the Company, and thus the Company's board of directors resolved to implement the Transaction. According to Bain Capital Skylark Hong Kong Limited, it will continue to take into full consideration the impact on the share price of the Company for any potential sale of shares of common stock of the Company held by it hereafter.

No stabilization operation will be made in connection with the Transaction.

2. Lock-up agreements

The agreement entered into among the Company, Bain Capital Skylark Hong Kong Limited and the managers in connection with the Transaction includes a lock-up agreement applicable to the period beginning on March 27, 2017 and ending on May 29, 2017 (which agreement may be waived in whole or in party by the Managers at their discretion). In addition, the Company has been informed that Bain Capital Skylark Hong Kong II Limited, a shareholder of the Company, and the managers entered into a comparable lock-up agreement in connection with the Transaction.

3. Future Outlook

The Company expects that a change in the "Parent Company" as defined in the relevant regulations under the Financial Instruments and Exchange Act of Japan, will occur due to the Transaction. If the Company confirms the change, it will promptly make an announcement.

End.

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