May 21, 2020

Dear Sirs and Madams,

Company: Skylark Holdings Co., Ltd.
Representative: Makoto Tani, Chairman, President & CEO
(Securities Code: 3197; TSE First Section)
Contact: Investor Relations, CEO Office
(TEL: 0422-37-5244)

Notice Regarding the Revisions of Consolidated Financial Forecast and Dividend Forecast for the Year Ending December 31, 2020

Skylark Holdings Co., Ltd (the "Company") hereby notifies the revision of the consolidated financial forecast and dividend forecast for the fiscal year ending December 31, 2020, which was announced on February 13, 2020, due to the spread of the COVID-19. Details are described below.

1. Revision of Consolidated Financial Forecast

(1) Revised consolidated financial forecast for FYE December 2020（January 1, 2020 to December 31, 2020）

	Revenue	Operating income	Income before tax	Net income attributable to owners of parent company	Basic earnings per share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previously announced forecast (A)	383,000	20,500	17,500	10,000	50.63
Revised forecast (B)	Undecided	Undecided	Undecided	Undecided	Undecided
Increase/decrease (B-A)	―	―	―	―	―
Increase/decrease (%)	―	―	―	―	―

(2) Reason for revision

In response to government's declaration of a state of emergency and calls by local authorities for people to refrain from non-urgent, non-essential outings due to the spread of the COVID-19, the Company has been shortening business hours and closing stores at our group restaurants.

As a result, the use of dining and drinking in the restaurant as well as sales have decreased significantly. Since there are many uncertain factors for the end of COVID-19 spread, it is difficult to calculate a reasonable forecast at this moment.

Thus, the Company has decided to leave the consolidated financial forecast for the FYE December 31, 2020 "undecided". The Company will announce the forecast as soon as the situation and outlook become clear.

2. Revision of Dividends Forecast

(1) Revised dividends forecast for FYE December 2020（January 1, 2020 to December 31, 2020）

	Annual dividends		
	End of second quarter	Year-end	Total
	Yen	Yen	Yen
Previously announced forecast	9.00	10.00	19.00
Revised forecast	0.00	Undecided	Undecided
（For reference） Result of preceding period （FYE December 2019）	9.00	10.00	19.00

(2) Reasons for revision

Our basic policy is to continue to pay dividends to shareholders while securing internal reserves in preparation for future business development and capital investment for improving corporate value. Regarding the dividend for the FYE December 31, 2020, in order to allocate profit to growth investment, the Company initially planned to pay a stable dividend with the goal of “30% of adjusted net income”.

However, as stated above, the Company has not yet decided on the full-year consolidated earnings forecast. Also, in the second quarter, the Company anticipates the greatest impact of the COVID-19, and a severe business environment. There is an urgent need to stabilize the financial base in order to recover earnings. Furthermore, the Company believes that “protecting the employment of employees” is the driving force for sustainable growth after the end of the spread of COVID-19.

With above reasons, the Company has decided no payment of interim dividend, and the year-end dividend undecided. The Company will announce the dividends forecast as soon as the situation and outlook become clear.

There is no plan for changing the content of shareholder perks for this year at this point.

End.