February 12, 2021

Dear Sirs and Madams,


Company: Skylark Holdings Co., Ltd.
Representative: Makoto Tani, Chairman, President & CEO
(Securities Code: 3197; TSE First Section)
Contact: Public Relations
(TEL: 0422-37-5310)


# Notice Regarding Long-Term Commitment Line Agreement

Skylark Holdings Co., Ltd. ("The Company") hereby announces that at the Board of Directors Meeting held on February 12, 2021, the Company reached a resolution to enter into long-term commitment line agreement (the "Commitment Line Agreement").

1. Purpose for the Commitment Line Agreement
   The Company entered into the Commitment Line Agreement to secure a flexible and stable funding instrument in case of prolonged impacts of COVID-19 on its business performance.

2. Summary of the Commitment Line Agreements

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| ① Contract Type | Commitment line agreement on a syndicate loan format |
| ② Commitment Amount | JPY70bn in total |
| ③ Contract Date | February 12, 2021 |
| ④ Term of Commitment | From March 31, 2021 to February 12, 2024 |
| ⑤ Term of Borrowing | Up to one month for each borrowing |
| ⑥ Interest Rate | TIBOR + Spread |
| ⑦ Interest Payment | At each maturity date for each borrowing |
| ⑧ Use of Funds | Operating Capital |
| ⑨ Collateral | Not Applicable |
| ⑩ Guarantee | Skylark Restaurants Co., Ltd |
| ⑪ Arranger/Agent | Mizuho Bank, Ltd. |
| ⑫ Financial Covenants | (1) Maintenance of net assets<br>The amount of net assets on consolidated balance sheet at each half-year end and fiscal year end shall be maintained at the below amounts or higher.<br>From June 2021 to June 2023: JPY70bn<br>December 2023 and thereafter: JPY100bn<br>(2) Maintenance of profit<br>The consolidated profit or loss before tax (impairment amount for goodwill and temporary transaction cost for the Commitment Line Agreement can be excluded) at each fiscal year end shall not be loss for two consecutive fiscal years.<br>(3) Upper limit of net leverage ratio (1)<br>The net leverage ratio at each quarter end shall be at the below or |

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|---|---|
| | lower.<br>December 2021: 5.50<br>March 2022: 5.25<br>June 2022: 5.00<br>September 2022: 4.75<br>December 2022 and March 2023: 4.50<br>June 2023 and September 2023: 4.25<br>December 2023: 4.00 |
| ⑬ Participant Financial Institutions | Mizuho Bank, Ltd<br>MUFG Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>The Norinchukin Bank<br>Sumitomo Mitsui Trust Bank, Ltd. |

(1) Net leverage ratio = Consolidated net debt/Consolidated EBITDA for the previous 12 months
"Consolidated EBITDA" under the Commitment Line Agreement refers to the consolidated operating income under the International Financial Reporting Standards as adjusted based on the depreciation, amortization, and non-cash expenditures subtracted in the calculation of consolidated operating income, as well as other items as required under the arrangements with the financial institutions which are the lenders under the Commitment Line Agreement.

3. Future Outlook

Upon the aforementioned transaction, no significant impact on business performance is anticipated.

End