May 21, 2021

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Notice Regarding Issuance of New Shares and Secondary Offering of Shares

SKYLARK HOLDINGS CO., LTD. (the "Company") hereby announces that its board of directors has resolved matters relating to the issuance of its new shares and secondary offering of its shares at a meeting held on May 21, 2021, as follows.

1. Issuance of new shares by way of public offering

(1)	Class and number of shares to be offered	27,065,300 shares of common stock of the Company, being the aggregate of (i) through (iii) described below: (i) 19,565,300 shares of common stock of the Company, issued for purchase by the Japanese Joint Lead Managers in the Japanese Public Offering, described in (4)(i) below; (ii) 6,521,800 shares of common stock of the Company, issued for purchase by the International Managers in the International Offering, described in (4)(ii) below; and (iii) A maximum of 978,200 shares of common stock of the Company, additionally issued for purchase by the International Managers in the International Offering upon exercise of the option, described in (4)(ii) below.
(2)	Method of determination of amount to be paid in	The amount to be paid in will be determined on a day in the period between May 31, 2021 (Mon) and June 3, 2021 (Thu) (such date, the "Pricing Date") in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, promulgated by the Japan Securities Dealers Association (the "JSDA").
(3)	Amount of stated capital and additional capital reserves to be increased	The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of capital reserves to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the maximum increased amount of stated capital.

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(4) Method of offering

The Japanese offering and the international offering shall be made simultaneously.

(i) Japanese Public Offering:

The offering to be made in Japan shall be a public offering (the "Japanese Public Offering"), and four Japanese joint lead managers (collectively, the "Japanese Joint Lead Managers"), shall underwrite and purchase all of the new shares with respect to the Japanese Public Offering.

(ii) International Offering:

In the offering to be made outside of Japan (with the offering in the United States restricted to sales to Qualified Institutional Buyers under Rule 144A of the U.S. Securities Act of 1933) (the "International Offering"), the aggregate number of shares shall be severally purchased by several international managers (the "International Managers", and, collectively with the Japanese Joint Lead Managers, the "Underwriters"), acting as the international joint lead managers and joint bookrunners. The Company shall also grant the International Managers the option to purchase additional newly issued shares of common stock, as described in (1)(iii) above.

With regard to the number of shares to be offered in (i) and (ii) above, the number of shares to be issued is planned to be 19,565,300 shares for the Japanese Public Offering and 7,500,000 shares for the International Offering (6,521,800 shares to be purchased by the International Managers initially in (1)(ii) above and 978,200 additional shares to be purchased upon exercise of the option in (1)(iii) above). However, the final breakdown shall be determined on the Pricing Date by taking into account market demand and other conditions.

The issue price (the offer price) with regard to each of (i) and (ii) shall be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, of the JSDA, on the Pricing Date based on the preliminary pricing terms calculated by multiplying the closing price in regular trading of the shares of common stock of the Company on the First Section of the Tokyo Stock Exchange, Inc. on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by between 0.90 and 1.00 (with any fraction less than one yen being rounded down), taking into account market demand and other conditions.

The joint global coordinators for the Japanese Public Offering, the International Offering as well as the offering mentioned below in "2. Secondary offering of shares (offering by way of over-allotment)" shall be two of the Japanese Joint Lead Managers (the "Joint Global Coordinators").

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(5)	Consideration for the Underwriters	The Company shall not pay any underwriting commissions to the Underwriters, although the aggregate amount of the difference between (a) the issue price (offer price) in each offering and (b) the amount to be paid in to the Company by the Underwriters shall constitute proceeds to the Underwriters.
(6)	Subscription period (in the Japanese Public Offering)	The subscription period shall be from the business day immediately following the Pricing Date to the second business day following the Pricing Date.
(7)	Payment date	The payment date shall be any day in the period from June 7, 2021 (Mon) to June 10, 2021 (Thu), provided, however, that such day shall be the fifth business day following the Pricing Date.
(8)	Subscription unit	100 shares

(9) The amount to be paid in, the amount of stated capital and capital reserves to be increased, the issue price (the offer price), and any other matters necessary for this issuance of new shares by way of public offering shall be determined at the discretion of a Representative Director of the Company.

(10) The Japanese Public Offering shall be subject to the registration taking effect under the Financial Instruments and Exchange Act of Japan.

2. Secondary offering of shares (offering by way of over-allotment) (See "Reference" item 1. below)

(1)	Class and number of shares to be offered	2,934,700 shares of common stock of the Company. The number of shares mentioned above is the maximum number of shares to be sold. The above number may decrease, or this offering by way of over-allotment itself may be cancelled, depending on market demand and other conditions. Furthermore, the number of shares to be sold shall be determined on the Pricing Date, taking into account market demand and other conditions in the Japanese Public Offering.
(2)	Seller	A designated Japanese Joint Lead Manager (the "Designated Japanese Joint Lead Manager")
(3)	Method of offering	Taking into account market demand and other conditions for the Japanese Public Offering in "1. Issuance of new shares by way of public offering", the Designated Japanese Joint Lead Manager will make a secondary offering in Japan of the maximum of 2,934,700 shares that it borrows from a certain shareholder of the Company.
(4)	Selling price	Undetermined (The selling price shall be determined on the Pricing Date. Further, the selling price shall be the same as the issue price (the offer price) in the Japanese Public Offering.)
(5)	Subscription period	The subscription period shall be the same as the subscription period in the Japanese Public Offering.

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(6)	Subscription unit	100 shares
(7)	Delivery date	The delivery date shall be the business day immediately following the payment date in the Japanese Public Offering.

(8) The selling price and any other matters necessary for this offering by way of over-allotment shall be determined at the discretion of a Representative Director of the Company.

(9) The offering by way of over-allotment shall be subject to the registration taking effect under the Financial Instruments and Exchange Act of Japan. If the Japanese Public Offering is cancelled, the offering by way of over-allotment shall also be cancelled.

3. Issuance of new shares by way of third-party allotment (See "Reference" item 1. below)

(1)	Class and number of shares to be offered	2,934,700 shares of common stock of the Company.
(2)	Method of determination of the amount to be paid in	The amount to be paid in shall be determined on the Pricing Date. Further, the amount to be paid in shall be the same as the amount to be paid in with respect to the Japanese Public Offering and the International Offering.
(3)	Amount of stated capital and capital reserves to be increased	The amount of stated capital to be increased shall be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of Account Settlement of Corporations, with any fraction less than one yen resulting from the calculation being rounded up to the nearest one yen. The amount of capital reserves to be increased shall be the amount obtained by subtracting the said amount of stated capital to be increased from the maximum increased amount of stated capital.
(4)	Allottee	The Designated Japanese Joint Lead Manager
(5)	Subscription period (Subscription Date)	June 25, 2021 (Fri)
(6)	Payment date	June 28, 2021 (Mon)
(7)	Subscription unit	100 shares

(8) Shares not subscribed for within the subscription period (Subscription Date) in (5) above shall not be issued.

(9) The amount to be paid in, the amount of stated capital and capital reserves to be increased and any other matters necessary for issuance of new shares by way of third-party allotment shall be determined at the discretion of a Representative Director of the Company.

(10) The third-party allotment shall be subject to the registration taking effect under the Financial Instruments and Exchange Act of Japan. If the Japanese Public Offering is cancelled, the issuance of new shares by way of the third-party allotment shall also be cancelled.

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Reference

1. The offering by way of over-allotment

The offering by way of over-allotment in "2. Secondary offering of shares (offering by way of over-allotment)" above is a secondary offering of shares of common stock of the Company in Japan to be made in conjunction with the Japanese Public Offering in " 1. Issuance of new shares by way of public offering" for a number of shares not to exceed 2,934,700 shares, which will be borrowed by the Designated Japanese Joint Lead Manager from a certain shareholder of the Company (the "Borrowed Shares"), taking into account market demand for the offerings and other conditions. The number of shares in the offering by way of over-allotment is expected to be 2,934,700 shares, which indicates the maximum number of shares to be sold, and depending on market demand and other conditions such number may decrease, or the over-allotment may be cancelled.

In connection with the offering by way of over-allotment, the board of directors of the Company has resolved, at the meeting held on May 21, 2021 (Fri), that the Company will issue up to 2,934,700 shares of its common stock necessary to return the Borrowed Shares to a certain shareholder, by way of third-party allotment to the Designated Japanese Joint Lead Manager with the payment date set to be June 28, 2021 (Mon).

Furthermore, the Designated Japanese Joint Lead Manager may also purchase shares of common stock of the Company on the Tokyo Stock Exchange, Inc., up to the number of shares to be offered in the offering by way of over-allotment (the "Syndicate Cover Transactions"). Shares of common stock of the Company purchased through Syndicate Cover Transactions shall be used to return the Borrowed Shares. Such Syndicate Cover Transactions would be made during the period beginning on the date immediately following the last day of the subscription period of the Japanese Public Offering and the offering by way of over-allotment and ending on June 22, 2021 (Tue) (the "Syndicate Cover Transaction Period"). During the Syndicate Cover Transaction Period, the Designated Japanese Joint Lead Manager may elect to not conduct any Syndicate Cover Transactions or may terminate Syndicate Cover Transactions before the number of shares purchased through such transactions reaches the number of shares offered in the offering by way of over-allotment.

The Designated Japanese Joint Lead Manager may conduct stabilizing transactions as it conducts the Japanese Public Offering and the offering by way of over-allotment. The shares of common stock of the Company acquired through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Shares.

The Designated Japanese Joint Lead Manager plans to accept the allotment under the third-party allotment of an equivalent number of shares of common stock of the Company (the "Planned Acquisition Share Number") calculated by deducting (a) the number of shares purchased through stabilization transactions and Syndicate Cover Transactions that are to be used to return the Borrowed Shares from (b) the number of shares to be offered in the over-allotment. Accordingly, all or a part of the shares to be issued under the third-party allotment may not be subscribed for, which may result in a decrease in the maximum number of shares planned to be issued under the third party allotment, or in the cancellation of the entire issuance due to forfeiture.

If the Designated Japanese Joint Lead Manager accepts the allotment for the third-party allotment, the Designated Japanese Joint Lead Manager will make payment for the Planned Acquisition Share Number using funds obtained through the offering by way of over-allotment.

The above transactions shall be made by the Designated Japanese Joint Lead Manager in consultation with one of the Japanese Joint Lead Managers.

2. Change in the total number of issued shares as a result of the offering of new shares and the third-party allotment this time

Total number of issued shares at present:	197,502,200 shares	(As of May 21, 2021)
Increase in number of shares by way of offering of new shares:	27,065,300 shares	(Note 1)
Total number of issued shares after the offering of new shares:	224,567,500 shares	(Note 1)

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Increase in number of shares by way of third-party allotment:	2,934,700 shares	(Note 2)
Total number of issued shares after the third-party allotment:	227,502,200 shares	(Note 2)

Notes: 1. These figures are based on the assumption that the International Managers exercise all of the options set forth in (1)(iii) of "1. Issuance of new shares by way of public offering" above.

2. These figures are based on the assumption that the number of shares to be offered set forth in (1) of "3. Issuance of new shares by way of third-party allotment" are all subscribed for by the Designated Japanese Joint Lead Manager and issued and thus indicates the maximum number of the shares to be issued.

3. Use of proceeds

Of the approximate maximum net total proceeds of 44,742,200,000 yen from the Japanese Public Offering, the International Offering, and the third-party allotment, (i) 3,000,000,000 yen is expected to be used by the end of December 2022 for capital expenditures for factory equipment to improve productivity and to implement new businesses, (ii) 6,000,000,000 yen is expected to be used by the end of December 2022 for capital expenditures for digital technology to improve customer convenience and restaurant productivity and implement new businesses, (iii) 6,000,000,000 yen is expected to be used by the end of December 2023 for capital expenditures for new restaurant openings in Japan and overseas, and (iv) 10,000,000,000 yen is expected to be used by the end of December 2023 for capital expenditures for brand conversions and renovations of existing restaurants, among other uses. Any remainder will be used by the end of July 2021 for repayment of short-term debt under the long-term commitment line agreement dated February 12, 2021.

4. Lock-up

In connection with the Japanese Public Offering and the International Offering described in (4)(i) and (ii) of "1. Issuance of new shares by way of public offering" above, the Company has agreed that for a period beginning on the Pricing Date and ending on the 180th day after the date of delivery for such offering, without the prior written consent of the Joint Global Coordinators, it will not issue any capital stock of the Company or any securities convertible into, or exercisable or exchangeable for, or that represent the right to receive, capital stock of the Company, except that the Company may issue shares of its common stock pursuant to the Japanese Public Offering, the International Offering, the third-party allotment, and any stock split of its common stock.
In the above circumstances, the Joint Global Coordinators, at their discretion, are authorized to partially or wholly waive such agreements even during the above period.

End.

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