Nov. 12, 2021

Dear Sirs and Madams,

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

Notice Regarding the Revisions of Consolidated Financial Forecast (IFRS) and Dividend Forecast for the Year Ending December 31, 2021

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, 2021, which was announced on May 14, 2021. Details are described below.

1. Revision of Consolidated Financial Forecast
   (1) Revised consolidated financial forecast for FYE December 2021（January 1, 2021 to December 31, 2021）

	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)	285,000	5,000	1,000	400	2.03
Revised forecast (B)	260,000	21,000	17,000	10,000	46.64
Increase/decrease (B-A)	-25,000	16,000	16,000	9,600	44.61
Increase/decrease (%)	-8.8	320.0	—	—	—

   (2) Reason for revision

During the first nine months of the current fiscal year, the Company had assumed that the number of new cases of COVID-19 would hit the bottom. However, due to the prolonged shortening of operating hours and restrictions on the sale of alcoholic beverages as a result of the expansion of areas coming under the state of emergency declaration and other government measures to prevent the spread of COVID-19 throughout Japan, sales have been lower than initially expected. In light of this trend, the Company has revised its same store sales forecast compared to 2019 from 77% to 71% and has revised the previously announced consolidated sales forecast for the fiscal year ending December 31, 2021 downward.

In addition, considering that, while costs are used to drive sales growth, cost reduction efforts have continued through self-help efforts, and that the expected amount of government subsidy receivable for shortening of operating hours will significantly exceed the 10 billion yen that was incorporated in the previous forecast, the Company has revised the consolidated forecasts for operating income, income before

income taxes, and net income upward.

(Note)
The forecasts contained in this report are based on information that was available to the Company as of the time of the issuance of this report and on certain assumptions about uncertainties that may have an impact on the future performance. Actual results may differ owing to various factors.

2. Revision of Dividends Forecast

(1) Revised dividends forecast for FYE December 2021（January 1, 2021 to December 31, 2021）

	Annual dividends		
	End of second quarter	Year-end	Total
	Yen	Yen	Yen
Previously announced forecast	0.00	TBD	TBD
Revised forecast	0.00	14.00	14.00
（For reference） Result of preceding period （FYE December 2020）	0.00	0.00	0.00

(2) Reasons for revision

The Company’s 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. The Company’s dividend policy is to pay a stable dividend with the goal of “30% of adjusted net income”.

Year-end dividend forecast for the FYE December 2021 had been left undetermined as was previously announced on May 14, 2021, but considering the upward revision on the forecast for net income, the Company has decided to increase the year-end dividends for the FYE December 2021 to 14 yen per share.

End.