

August 17, 2018 Skylark Holdings Co., Ltd.

Skylark Group to Phase Out Use of Single-Use Plastic Straws at All Restaurants by 2020 Globally

Representing part of efforts to address global environmental issues

Skylark Holdings Co., Ltd. (headquartered in Musashino, Tokyo, Chairman, President & CEO: Makoto Tani; Securities code: 3197; "Skylark") decided that it will eliminate single-use plastic straws from all restaurants operated by the Skylark Group (including overseas locations).

As a first step, use of the disposable plastic straws at all self-service drink areas ("Drink Bars") in the approximately 1,370 Gusto restaurants across Japan will be phased out by December 2018. The use of plastic straws will be phased out across all Skylark Group brands and is scheduled to be completed by the time of 2020 Tokyo Olympics and Paralympics.

The Skylark Group will continue to provide straws by request for customers who prefer or need a straw, such as children and persons with disabilities, and will also continue to provide straws for some products of which a straw is necessary, such as tapioca drinks and smoothies. However, the Skylark Group will consider the introduction of substitute straws that use biodegradable plastics or food-derived materials and further reinforce its commitment to tackling environmental issues.

"Widespread marine pollution due to waste plastics and deteriorating coastal scenery due to waste that has washed ashore are serious environmental issues globally, and we believe it is our corporate responsibility to take actions to prevent marine pollution. As Japan's largest restaurant chain, we see addressing this problem as an important step for the society and as the first phase of our effort, we have taken the step of eliminating single-use plastic straws at the self-service drink areas of all Gusto restaurants. We will continue to expand our initiatives aimed at protecting the environment as we strive to become a company committed to sustainable meals," said Makoto Tani, Skylark Chairman, President & CEO.

As a leading company in Japan's restaurant industry, the Skylark Group has framed contributions to the sustainable development goals (SDGs) through its business activities as a priority issue and has pursued a variety of initiatives to achieve sustainability and increase social value. In addition to the installation of LEDs for store lighting and concerted efforts by employees to reduce energy usage, the Skylark Group has steadily implement a range of initiatives, including reduced electricity and water usage through installation of the latest energy-efficient equipment (achieving reductions of around 20% over eight years), cutting CO₂ emissions in manufacturing and distribution operations (achieving reductions of more than 20% over the past six years), providing support for little league programs that foster the sound physical and mental development of children through food, and donating illustrated books to support children's education in Laos.

Moving forward, the Skylark Group will continue to contribute to local communities through the provision of safe and secure food, and actively pursue efforts to preserve the global environment, considering customers' heightened concerns over destruction of the environment due to waste and energy issues.

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