



September 14, 2020

FOR IMMEDIATE RELEASE

Company Name: KACHIKAIHATSU Co., Ltd.
Representative: Atsuo Umeki, President and
Representative Director
Stock Listing: Tokyo Stock Exchange, Second Section
Stock Code: 3010
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Notice of Execution of MOU Regarding Hotel Management

Kachikaihatsu Co., Ltd. (hereinafter "Polaris Holdings") announced today that it has concluded a Memorandum Regarding Hotel Management with a view to concluding a lease agreement with the Polaris Holdings Group (hereinafter the "Group") as a candidate for a new tenant of Hotel WBF Art Stay Namba (hereinafter the "Property"), an asset in the portfolio of Star Asia Investment Corporation (REIT on the Tokyo Stock Exchange; Stock Code 3468; hereinafter "SAIC") whose asset manager is Star Asia Investment Management Co., Ltd. (hereinafter "SAIM"), a company belonging to Star Asia Group, a sponsor group of Polaris Holdings. Details are as follows.

1. Conclusion of the MOU

(1) Background

Since terminating the agreement concerning the Property with the previous tenant, SAIM and SAIC have held discussions with multiple new operator candidates (tenant candidates) including Polaris Holding Group with the intention of looking for a new operator for their hotel. After these early discussions, Polaris Holdings has now decided to conclude a MOU with a view to concluding a lease agreement for the Property with SAIM as a tenant candidate for the Property.

The MOU will not prevent SAIM from continuing to hold discussions with other tenant candidates--we expect them to continue holding parallel talks with other tenant candidates at the same time as with Polaris Holdings.

(2) Details of the MOU

(i) Counterparty	Star Asia Investment Management Co., Ltd.
(ii) Date of agreement	September 14, 2020
(iii) Details of the agreement	Agreement to hold discussions with a view to concluding a lease agreement for the Property

(3) Overview of SAIM

① Name	Star Asia Investment Management Co., Ltd.
② Address	Atago Green Hills Mori Tower 18F, 2-5-1, Atago, Minato-ku, Tokyo
③ Positions and names of representatives	Atsushi Kato, President and CEO
(iv) Business descriptions	Business relating to the management of investment real estate

(v)	Share capital	100 million yen	
(vi)	Date of establishment	June 22, 2015	
(vii)	Net assets	169,501 million yen (Note)	
(viii)	Total assets	336,218 million yen (Note)	
(ix)	Major shareholders and their shareholding ratios	Star Asia Asset Management LLC 100%	
(x)	Relationship between the Company and this company	Capital relationship	There are no direct capital relationships between Polaris Holdings and SAIM. However, SAIM is a company which is part of Star Asia Group, the parent group of Polaris Holdings (percentage owned by the parent company: 75.53%).
		Human relationship	There are no human relationships requiring special mention between the Company and this company. This company is a subsidiary of Star Asia Group. Five persons from Star Asia Group serve as the directors in Polaris Holdings.
		Business relationship	There are no business relationships requiring special mention between Polaris Holdings and SAIM. However, Polaris Holdings and SAIM have concluded the MOU and will hold discussions with a view to concluding a lease agreement.
		Whether this company is a related party	This company is a related party because it has the same parent company as the Company.

Note: The items are stated based on information available as of March 31, 2020.

(4) Overview of SAIC

(i)	Name	Star Asia Investment Corporation	
(ii)	Address	Atago Green Hills Mori Tower 18F, 2-5-1, Atago, Minato-ku, Tokyo	
(iii)	Basis for establishment	Investment Trusts and Investment Corporation Law	
(iv)	Purpose of incorporation	Investment Corporation listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange, Inc. (securities code: 3468)	
(v)	Date of incorporation	December 1, 2015	
(vi)	Total capital contribution	52,745 million yen (Note)	
(vii)	Equity investors and their investment ratio (Note)	The Master Trust Bank of Japan, Ltd. (Trust account) 8.6% Japan Trustee Services Bank, Ltd. (Trust account) 7.8%	
(viii)	Asset Management Companies	See "(3) Overview of SAIM"	
(ix)	Relationships between Polaris Holdings and SAIC	Capital relationship	There are no direct capital relationships between Polaris Holdings and SAIC. However, there is the relationship described above between Polaris Holdings and SAIM, which is the asset manager of SAIC.

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	Business relationship	There are no business relationships requiring special mention between Polaris Holdings and SAIM. However, there is the relationship described above between Polaris Holdings and SAIM, which is the asset manager of SAIC.
	Whether this company is a related party	SAIC is a related party of Polaris Holdings because it has the same parent company as Polaris Holdings.

Note: The items are stated based on information available as of January 31, 2020.

2. Outlook

The Group has decided to postpone disclosure of its consolidated forecast due to the current difficulty of reasonably forecasting the impact of the COVID-19 pandemic on the Group's business activities in the fiscal year ending March 31, 2021. The Company will promptly announce the forecast as soon as disclosure becomes possible.