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FOR IMMEDIATE RELEASE

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Stock Listing: Tokyo Stock Exchange, Second Section
Stock Code: 3010
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Notice of Borrowing of Capital

KACHIKAIHATSU Co., Ltd. (hereinafter, "Polaris Holdings") announced today that it has decided to borrow part of the limit amount of 600 million yen based on the commitment line agreement stated in the "Notice of Conclusion of Commitment Line Agreement and Borrowing of Capital" disclosed on September 8, 2020. Polaris Holdings also announced that Fino Hotels Co., Ltd., Value The Hotel Co., Ltd., Value The Hotel Miyagi Co., Ltd. and the Kinuura Grand Hotel Co., Ltd., all subsidiaries of Polaris Holdings, have also decided to borrow capital as outlined below.

1. Aim of Borrowing Capital

As stated in the "Notice of Conclusion of Memorandum of Understanding on Management of Five Hotels" disclosed on September 30, 2020, the KACHIKAIHATSU Group (hereinafter, "Polaris Group") is considering the opening of multiple hotels. To secure the costs of opening, as well as the future business expansion of Polaris Group amid the COVID-19 pandemic, Polaris Group has decided that Polaris Holdings would borrow part of the 600 million yen limit--based on the commitment line agreement--and that its subsidiaries would borrow new capital for the purpose of stabilizing its financial position by increasing cash on hand.

2. Outline of Borrowing of Capital

(1) Outline of Borrowing of Capital by Polaris Holdings based on the Commitment Line Agreement

(i) L e n d e r	Kiraboshi Bank, Ltd.
(ii) L i m i t A m o u n t	600 million yen
(iii) D a t e o f a g r e e m e n t	September 8, 2020
(iv) C o m m i t m e n t p e r i o d	From September 15, 2020 to September 5, 2021
(v) R e p a y m e n t d a t e	September 5, 2027
(vi) B o r r o w i n g r a t e	Base rate + spread
(vii) C o l l a t e r a l	Unsecured, non-guaranteed
(viii) A m o u n t o f l o a n s t h i s t i m e	100 million yen (amount of unused limit amount 500 million yen)
(ix) B o r r o w i n g d a t e t h i s t i m e	October 6, 2020

(2) Outline of Borrowing of Capital by Subsidiaries of Polaris Holdings

(i) L e n d e r	Japan Finance Corporation
(ii) A m o u n t o f l o a n s	950 million yen in total *Each subsidiary of Polaris Holdings will borrow capital. The amount of loans of each subsidiary is as follows. Fino Hotels Co., Ltd. 700 million yen Value The Hotel Co., Ltd. 50 million yen Value The Hotel Miyagi Co., Ltd. 100 million yen Kinuura Grand Hotel Co., Ltd. 100 million yen

(iii)	Date of agreement	October 6, 2020
(iv)	Borrowing date	October 8, 2020
(v)	Repayment date	September 20, 2040
(vi)	Borrowing rate	Interest rates will be fixed for the first three years but after that, depending on business results.
(vii)	C o l l a t e r a l	Unsecured, non-guaranteed

3. Outlook

The impact of the borrowing of capital on consolidated financial results of Polaris Holdings will be minor.

Polaris 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 Polaris Group's business activities in the fiscal year ending March 31, 2021. Polaris Group will promptly announce the forecast as soon as disclosure becomes possible.