To whom it may concern,

Sun Frontier Fudousan Co., Ltd.
(Code: 8934, First Section of the Tokyo Stock Exchange)

July 20, 2018

We're pleased to announce that we have fully opened TABINO HOTEL Sado in Sado Island, Niigata Prefecture, as of today.

TABINO HOTEL Sado, the second hotel in the TABINO HOTEL chain, is now open in central Sado. TABINO HOTEL is a line of casual hotels based on our hotel brand “HIYORI HOTELS & RESORTS”. By incorporating numerous creative efforts to ensure comfortable use as an easily accessible base for leisure or business travel, TABINO HOTEL seeks to offer a new style warm hearted hotel with at-home atomosphere, neither as formal as Japanese-style inns nor as uniform as limited-service business hotels.

Sado Island in Niigata Prefecture—also called Butterfly Island due to its outlines—is known to have been occupied by people for more than 10,000 years. This historic island's name appears in the Records of Ancient Matters “Kojiki”, which is Japan's oldest historical record and the Chronicles of Japan, “Nihon-Shoki”, which is the oldest chronicles of Japan. Thanks in part to the maritime climate created by the confluence of warm and cold ocean currents and the wealth of natural produce growing on its unique terrain, the interactions of people coming and going here over the years have fostered a unique history and culture. Known as an island of treasures representing a microcosm of Japan's appeal, Sado in recent years has attracted attention as a tourist destination not just for Japanese travelers, but travelers from overseas.

With its location at the center of the island, TABINO HOTEL Sado offers visitors ready access to all parts of Sado, making it easier for guests to enjoy its attractions to the fullest. The exterior design of the facility is based on bamboo, a material used in traditional crafts in Sado. The interiors are accented with traditional Japanese touches. Spacious guestrooms, all equipped with Simmons mattresses, feature tall windows. A large public bath is filled with water from the deep sea. A creative breakfast menu and the warm hospitality of its staff reflect a heartfelt desire to ease the weariness of its guests and ensure their comfort.

As part of the Sun Frontier Group's efforts to build businesses based on cooperative efforts with the community, TABINO HOTEL Sado values and seeks to strengthen coexistence with the local community. And we seek to contribute to the tourism industry in Sado and to help build treasured memories among our guests, thereby encouraging them to become fans of Sado.

1. Features of TABINO HOTEL Sado

- Convenient location in central Sado offering easy access to all parts of the island
- Free shuttle bus from Ryotsu Port (advance reservations required)
- Modern Japanese exterior based on a bamboo theme
- Relaxing Japanese-style interior
- Rooms designed for a good night's sleep, and all equipped with Simmons mattresses
- Large public bath featuring mineral-rich deep sea water to ease travelers' fatigue
- Restaurant serving breakfast using a wealth of local Sado ingredients, as well as lunch and dinner
- Guestrooms equipped with kitchenettes for long-term stays
- An observation deck with panoramic views of the mountains, sunrise, and sunset
- Nearby supermarket, convenience store, and restaurants
2. Photo library

Modern Japanese entrance

Front desk with a bamboo-themed design

Deluxe double room

Guestrooms where guests can relax on comfortable tatami mats

Ajisai Restaurant

Breakfast buffet featuring carefully chosen Sado ingredients

Large public bath featuring mineral-rich deep sea water

Panoramic view of Sado
3. Overview of TABINO HOTEL Sado

<table>
<thead>
<tr>
<th>Hotel name</th>
<th>TABINO HOTEL Sado</th>
<th>《 Official website 》</th>
<th><a href="http://sado.tabino-hotel.jp/">http://sado.tabino-hotel.jp/</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>Location</td>
<td>113-2 Chigusa, Sado, Niigata Prefecture</td>
<td>Tel.</td>
<td>+81-259-58-8020</td>
</tr>
<tr>
<td>Access</td>
<td>65 min. by jetfoil, 150 min. by car ferry from the Niigata Port Ferry Terminal to Ryotsu Port Approx. 25 min. by car from Ryotsu Port (via National Hwy. 350)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Site area</td>
<td>3,010.07 ㎡</td>
<td>Total floor area</td>
<td>2,999.09 ㎡</td>
</tr>
<tr>
<td>Building structure</td>
<td>Five-story flat-roofed steel-frame structure</td>
<td>Construction completed</td>
<td>July 2018</td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td>111 rooms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td></td>
<td>Double (15 ㎡)</td>
<td>43 rooms (16 rooms with kitchenettes)</td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td></td>
<td>Twin (15 ㎡)</td>
<td>41 rooms (5 rooms with kitchenettes)</td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td></td>
<td>Deluxe twin (22 ㎡)</td>
<td>20 rooms</td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td></td>
<td>Deluxe double (22 ㎡)</td>
<td>Two rooms</td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td></td>
<td>Universal room (27 ㎡)</td>
<td>One room</td>
</tr>
<tr>
<td>No. of guest rooms</td>
<td></td>
<td>Japanese-style rooms (22 ㎡)</td>
<td>Four rooms</td>
</tr>
<tr>
<td>Features</td>
<td></td>
<td>In house facility: Large bath, restaurant, observation deck, coin-operated laundromat Parking: 57 spaces + adjoining lot (free) Vicinity: Close to city hall, Sado General Hospital, JA Sado, supermarkets, and other guest amenities</td>
<td></td>
</tr>
</tbody>
</table>

4. Map

<For inquiries about this matter>
Corporate Planning Department, Sun Frontier Fudosan Co., Ltd.
TEL: +81-3-5521-1551
E-mail: ir-contact@sunfrt.co.jp