

August 1, 2016 Sun Frontier Fudousan Co., Ltd. (Stock code : 8934) Listing: First Section, Tokyo Stock Exchange

Notice of Opening: The Blossom City

Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Today, our No.1 project in Vietnam "The Blossom City" hotel opened in Da Nang, the largest city of central Vietnam.

1. The summary of hotel

"The Blossom City" opened in Da Nang, the beautiful city in central Vietnam which is becoming a very attractive world tourist destination. It is originally a halted building along the Han River which flows through the central area of Da Nang. We purchased the property in last December and turned this building into a city-tourism hotel by reinforcing and completing the construction.

Taking advantage of its location for beautiful waterside view, we provide a relaxing and clean space to customers with the concept of "warm-hearted hotel" by "omotenashi" hospitality and devoted smile of Vietnam staff. Each room has a commodious space about 25 m². Soak the fully stretched legs in hot water in big separate bathroom of Japanese style and lie in the bed tucked up in duvet which directly imported from Japan, customer could enjoy the rest comfortably.

On the top floor, we set up the restaurant and bar where you could comfortably enjoy the extensive city view of blue Da Nang Bay, Hang River and Da Nang downtown on the opposite bank. We provide casual foods which is supervised by Japanese chef. In night, we provide Vietnam typical food "pho" to hotel guests for free.

The shuttle bus operates every day under cooperation with our business partner, the high class resort hotel "The Blossom Resort". Besides providing free pickup service towards airport, we also provide loop bus service for the convenience of going to tourist spots, beach, shops and restaurants. The courtesy bus also provide service for trip towards famous world heritage Hoi An.

In Asia which is rising up with huge potential, by utilizing Sun Frontier's revitalization and operation of real estate from the perspective of customers, "The Blossom City" is aiming to make contributions for the economy of Da Nang which is rapidly developing as tourist areas.

Name: The Blossom City

Address: 147-149, Tran Hung Dao Street,

Son Tra District, Da Nang City, Vietnam

Phone: +84-511-3961666

The Number of Rooms : 45 rooms ($21 \sim 28 \text{ m}^2$)

Maximum Accommodation Capacity: 90 people

Elevator: 1

Supplementary Amenities: 1) Restaurant Bar with 60 seats, provide breakfast (including light Japanese

meals), lunch and supper

2) Parking lot for 2 passenger cars and 10 motorbikes

Main Intra-building Amenities: Free wifi in the entire building, etc.

Japanese Speaking Staff: 5 people

(All the information above is updated on August 1st, 2016)

The Blossom City

< External Appearance of the Hotel

 \leq the View from Guest Rooms>

< Night View >

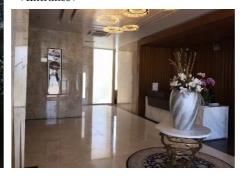






< $_{
m Entrance} >$

 \leq the Restaurant on the Top Floor>





 \leq the Guest Room (Han River could be seen from windows) \geq

<the Commodious Bathroom>





 \leq the Rich Variety of Buffet (the photo of breakfast) \geq

 \le the Opening Ceremony on August $1^{\mathrm{st}} >$





2. Summary of the Hotel Building

Land Area: 200 m² 50 years land use rights

Building : Reinforced concrete, flat roof, 11 storeys above and 1 basement storey,

gross floor area: 2,249.2 m²

Ownership and Operation: SUN FRONTIER VIETNAM CO., LTD. (wholly owned subsidiary)

3. Summary of Da Nang

Da Nang, situated midway between Hanoi in the north and Ho Chi Minh in the south, is the No.1 economic and cultural city in central Vietnam. It is also the municipality and rapidly growing city which is accepting investment from abroad actively. The city infrastructure is well developed and provides a ready accessibility to the international airport from the center of the city by car in 10 minutes. In recent years, it is chosen to be the host of many international events such as 2017 Asia-Pacific Economic Cooperation (APEC) summit.

After the non-stop flight between Narita and Da Nang was launched in July, 2014 (five flights per week), Japanese tourists is continuously increasing. In "Expedia Japan", the Japan site of Expedia, one of the largest online travel companies in the world, Da Nang ranked top in 2014 and made top3 in 2015 among the popular travel destination cities (Rise rate is up 89% from the previous year.) There are more than 10 flights per day from China and Korea to Da Nang, also it is very popular as a resort area for long stay tourists from America and Europe. All above will lead to an increase in the number of Japanese tourists to Da Nang.

Da Nang's weather is warm year-round and 10 minutes away by car from downtown there is My Khe beach which is especially beautiful among Da Nang beaches for its white sand. This beautiful beach is drawing more attention as a popular resort area and American business magazine Forbes voted it as one of the six most attractive beaches on the planet. Within 30 minutes by car, there is Hoi An, the World Heritage Site which has a deep connection with Japan. You can experience a fantastic world full of numerous shining lanterns from evening to midnight. 2 hours away by car, there are two World Heritage Sites My Son Sanctuary and Hue which tourist could enjoy. In Da Nang, tourists could experience local culture while enjoying the relaxing vacation. Furthermore, it is gathering worldwide attention as a fascinating resort area for international fireworks display and sports events. Also, market entry of Japan manufacturing industry is developing, business visitors to Da Nang will also increase.

By establishing the business base in Da Nang, the promising tourist and industry city in Vietnam, we are trying to expand businesses by developing overseas business and hotel business. We would like to make all the developments contributable to Da Nang which is growing in leaps and bounds in tourism resort industry. For the pursuit of Asia's happiness, we would like to make contributions to local people and customers as an enterprise developing business that benefits all nations.

Hoi An: The area where the Japanese and Chinese Town were formed when the Red-seal ships trade was prosperous in 17th century. Including the Japan covered bridge, there are many remaining relics built in mixed styles of Japan and Vietnam. Imari porcelain was also discovered there which shows this World Heritage Site's deep connection with Japan.