

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

Notice Regarding Completion of Share Acquisition of Sky Court Hotel Co., Ltd.

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.

Our company acquired 100% issued shares of Sky Court Hotel Co., Ltd. which is operating 4 hotels mainly located in the capital region. This acquisition is conducted through our subsidiary Sun Frontier Hotel Management Inc.

1. Reason for Share Acquisition

We have built up a business model with the strength of operation capability cultivated through office building business. By utilizing this model, we are actively working on development, operation and revitalization of hotel as the second main pillar following our office building business.

Considering meeting the demands of accommodations from tourists to Japan could benefit the creation of society interests, we are developing the "Inbound City-tourism Hotel" targeting on tourists to Japan.

As one means of further accelerating the growth, we put existing hotel management company Sky Court Hotel Co., Ltd. under our wing with the intent to achieve the goal of creating a "heart-warming hotel". By keeping up the ingenious efforts to increase the added value of hotel, we would like to meet various needs of accommodations from international and domestic tourists.

By turning Sky Court Hotel Co., Ltd. into a sub-subsiary of ours, we incorporated this hotel chain, which consists of 4 hotel buildings suitable for sightseeing and long-term stay, into our hotel strategy. We believe this could make us be able to meet the accommodation needs which is becoming much more diverse. For inbound tourists brought by our business alliance partner Spring Group of China, and remarkable increasing FIT (foreign independent tourist), each hotel is very suitable. From now on, we will try our best to boost customers' satisfaction by increasing the added value of hotel. Also, we will strive to improve the profitability and make contributions for the growth and development of our company.

2. Overview of Sub-subsiary (Sky Court Hotel Co., Ltd.)

- (1) Name: Sky Court Hotel Co., Ltd.
- (2) Location: 2-1, Ginza 6-chome, Chuo-ku, Tokyo
- (3) Representative: President Tomoaki Horiguchi
- (4) Main Business: Hotel Management
- (5) Capital: 10 million yen (Company wholly owned by Sun Frontier Hotel Management Inc.)
- (6) Date of the Foundation: July 20, 1987

3. Overview of Hotels under Operation

Hotel Sky Court Kawasaki

Location	12-9 Minami-cho, Kawasaki-ku, Kawasaki-shi, Kanagawa-ken			Tel	044-233-4400
Structure	Steel reinforced concrete, flat roof, 7 storeys. Steel framed reinforced concrete, flat roof, 10 storeys			Land Area	1,175.09 m ²
Rooms (Maximum Accommodation Capacity)	200 rooms (221 people)	Year of Completion	1988 1992	Gross Floor Area	4,463.67 m ²

Characteristics

- As an apartment building with outside corridor, it is superior in sound insulation effect which assures strict privacy. Both group and long-term tourists could have a comfortable time here.
- It only take 6 minutes' walk to "LA CITTADELLA" with cinema multiplex, spectator number of which is number one in Japan, live hall, shops, restaurants and wedding chapel.

Main Intra-building Amenities : Free Wi-Fi in entire building, restaurant with 50 seats, meeting room, 24 hours coin laundry, parking lot for 6 passenger cars, etc.



Hotel Sky Court Koiwa

Location	6-11-4 Kita-koiwa, Edogawa-ku, Tokyo			Tel	03-3672-4411
Structure	Steel reinforced concrete and Steel framed reinforced concrete, flat roof, 10 storeys			Land Area	717.34 m ²
Rooms (Maximum Accommodation Capacity)	105 rooms (141people)	Year of Completion	1988	Gross floor Area	2,759.01 m ²

Characteristics

- As an apartment building with outside corridor, it is also superior in sound insulation effect which assures strict privacy. It is equipped with a multi-purpose room which can accommodate up to 45 people. It could be used for corporate meetings, training seminars and various business events.
- One minute walk to Keisei Main Line Koiwa Station which provides a very convenient access to station.

Main Intra-building Amenities : Free Wi-Fi in entire building, Chinese Restaurant "Enkenkaku", multi-purpose room, 24 hours coin laundry, parking lot for 3 passenger cars, etc.



Hotel Sky Court Narita

Location	161 Shinden, Narita-shi, Chiba-ken			Tel	0476-73-6211
Structure	Steel reinforced concrete, flat roof, 6 storeys.			Land Area	1,526.04 m ²
Rooms (Maximum Accommodation Capacity)	100 rooms (161people)	Year of Completion	1984	Gross Floor Area	2,137.66 m ²

Characteristics

- As a hotel near to Narita Airport, in order to make customers who are in business trip or travel could feel comfortable, it is equipped with coin laundry, building cleaning is conducted completely every day. And also, there is a parking lot which customers could use for free within 20 days.
- Free shuttle bus to and from Narita Airport.

Main Intra-building Amenities : Free Wi-Fi in entire building, restaurant, free shuttle bus to and from Narita Airport, 24 hours coin laundry, parking lot for 100 passenger cars, etc.



Hotel Sky Court Hakata

Location	4-73 Gion-cho, Hakata-ku, Fukuoka-shi, Fukuoka-ken			Tel	092-262-4400
Structure	Steel reinforced concrete and Steel framed reinforced concrete, flat roof, 9 storeys above ground and 1 basement storey			Land Area	808.09 m ²
Rooms (Maximum Accommodation Capacity)	159 rooms (198 people)	Year of Completion	1992	Gross Floor Area	3,383.79 m ²

Characteristics

- Attached restaurant with high ceiling which gives a feeling of spaciousness.
- 8 minutes' walk to Hakata Station, 7 minutes to Fukuoka Airport by subway, good location of convenient access. Nakasu stalls and Canal City are both within the walking distance, very convenient for sight-seeing and business.

Main Intra-building Amenities : Free Wi-Fi in entire building, restaurant, coin laundry, parking lot for 7 passenger cars, etc.



Our deepest compassion goes to all those who suffered from the accident of ground collapse in Hakata Ekimae 2-chome intersection.

Fortunately, Hotel Sky Court Hakata was not influenced by this accident and is operating as usual.

4. Overview of Share Acquisition

- (1) Name: Sky Court Hotel Co., Ltd.
- (2) Location: 8-22 Tomihisa-cho, Shinjyuku-ku, Tokyo
- (3) Representative: President Kazuko Nishida
- (4) Main Business: Subdivision and Sales of Apartments
- (5) Capital: 100 million yen
- (6) Date of the foundation: April 5, 1969

5. Future Outlook

The effect caused by this acquisition to consolidated results of fiscal year ending March 31, 2017 will be negligible. However, we will quickly implement disclosure in case there is any change happened to results forecast for future inspection.
