

1. Financial Results for the Three Months Ended June 2011

2. Medium-term Business Plan and Growth Strategy

健康に、美しく
ホリデイスポーツクラブ

かんばろう東北
かんばろう日本
ひとつの日本



Presentation for Institutional Investors
August 3, 2011 (Wed.) 13:30-14:30
Seminar Room 1, 6F, Tokyo Stock Exchange Bldg.

遊ぶ、楽しむ、フィットネス
HOLIDAY
SPORTS CLUB
ホリデイスポーツクラブ



株式会社 **東祥**

President Toshihiro Kutsuna

JASDAQ

Code:8920

TOSHO Co., Ltd.

TOSHO Co., Ltd.	
Business activities	Pct of sales (FY2011)
	◆ Sports Club business (About 80%)
	“Holiday Sport Club” 43 clubs “Holiday Golf Garden” 2 golf ranges
	◆ Hotel business (8%)
	“AB Hotel” 5 hotels
	◆ Leasing business (12%)
	“A City” Apartments 48 buildings, 1,988 rooms
Representative Head office	Toshihiro Kutsuna 1-16-5 Mikawa-anjomachi, Anjo-shi, Aichi Pref.
Stock code	8920
Listing	OSE JASDAQ (Standard)
Business category	Service sector
Established	March 1979 (fiscal year ends March 31)
Capital	497,914 thousand yen
Employees	200 (as of April 1, 2011) Avg. age 25.8 years old
Shares outstanding	17,592,351 shares
Shareholders	4,994 (as of March 31, 2011)
1 unit	100 shares

1. Three Months Ended June 2011 (April 2011 – June 2011)

- “Holiday Sport Club”
Opened 1 new sports club as planned
- Sales of 109.3% YoY
Marked a record high for the 1st quarter

Highlights

- ◆ **Sales**
¥2,922 million (109.3% YoY)
 - ◆ **Gross profit**
¥883 million (105.8% YoY)
 - ◆ **Operating income**
¥604 million (98.1% YoY)
 - ◆ **Ordinary income**
¥565 million (98.1% YoY)
 - ◆ **Net income**
¥316 million (113.8% YoY)
- ※ The Great East Japan Earthquake related
- Posted ¥20 million in donations as SG&A expenses

Newly opened May: Sapporo-kita Nijyuyonjyo club

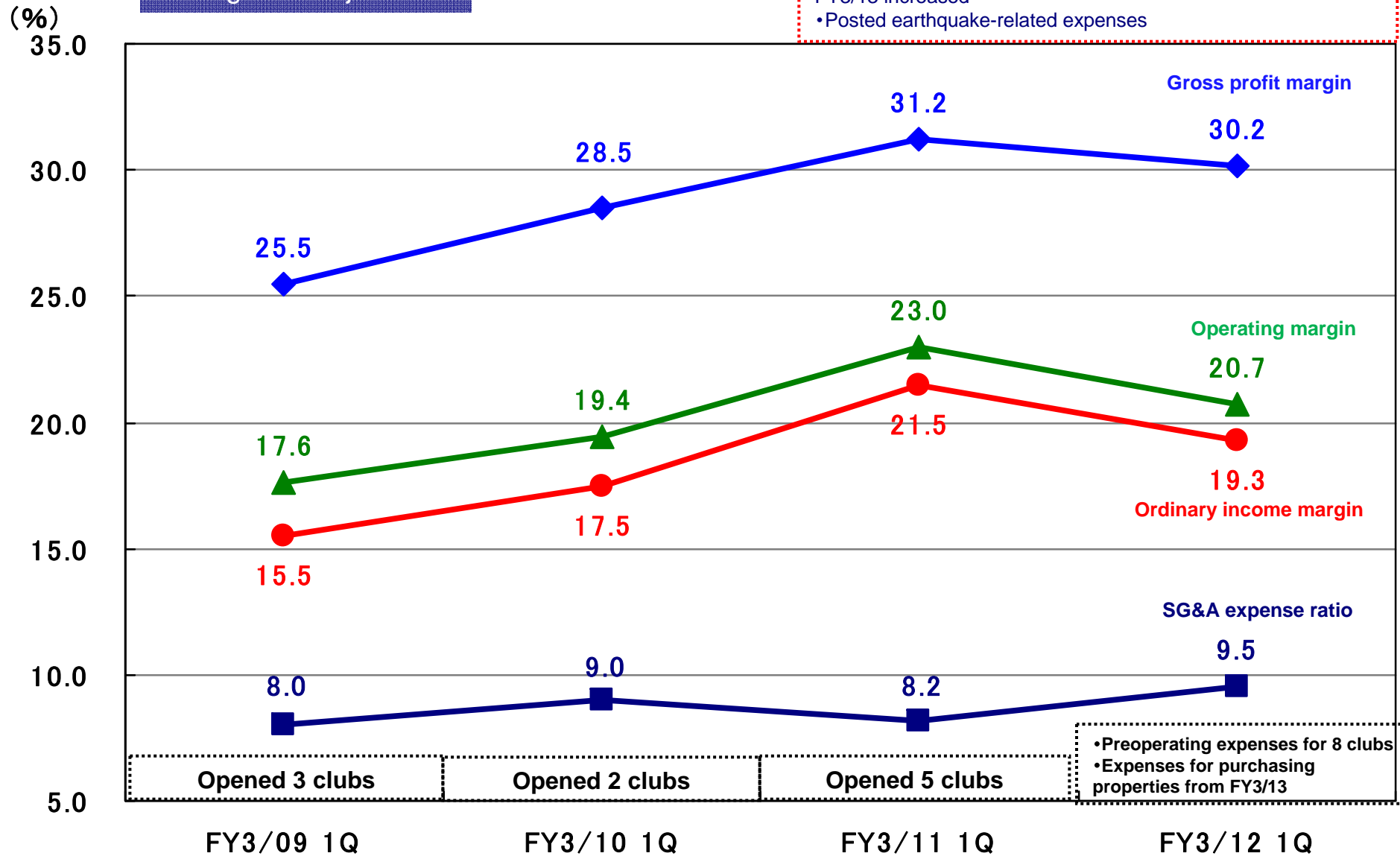
P/L vs. FY3/11

(Million yen)

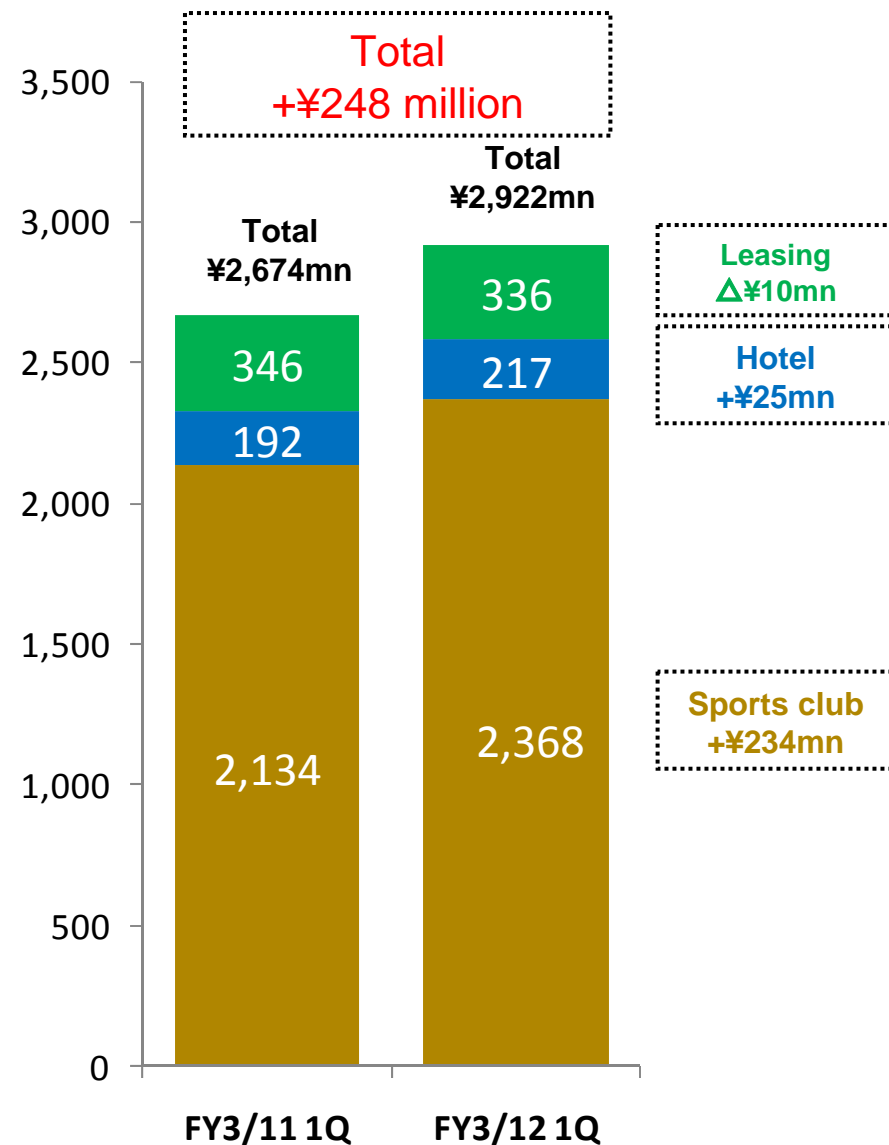
	FY3/11 (Apr. 2010-Jun. 2010)			FY3/12 (Apr. 2011-Jun. 2011)			YoY	
	Actual	% of sales	YoY%	Actual	% of sales	YoY%	Change	Change in % of sales
Net sales	2,674	100.0	101.9	2,922	100.0	109.3	+248	-
Sports Club business	2,134	79.8	103.2	2,368	81.0	110.9	+234	+1.2
Hotel business	192	7.2	106.0	217	7.4	112.9	+25	+0.2
Leasing business	346	13.0	93.0	336	11.5	97.2	△10	△1.5
Gross profit	835	31.2	111.6	883	30.2	105.8	+48	△1.0
Sports Club business	650	(30.5)	106.6	677	(28.6)	104.1	+27	(△1.9)
Hotel business	28	(14.6)	400.0	44	(20.4)	157.8	+16	(+5.8)
Leasing business	156	(45.3)	120.8	162	(48.1)	103.3	+6	(+2.8)
SG&A expenses	219	8.2	92.4	278	9.5	127.3	+59	+1.3
Operating income	616	23.0	121.0	604	20.7	98.1	△12	△2.3
Sports Club business	580	(27.2)	-	562	(23.8)	97.0	△18	(△3.4)
Hotel business	22	(11.9)	-	39	(18.1)	171.93	+17	(+6.2)
Leasing business	145	(42.0)	-	147	(43.8)	101.4	+2	(+1.8)
Adjustments (mainly head office expenses)	△132	-	-	△145	-	109.6	△13	-
Ordinary income	576	21.5	125.2	565	19.3	98.1	△11	△2.2
Net income	277	10.4	109.1	316	10.8	113.8	+39	+0.4

Changes in major index

- Opening expenses & expenses for developing new clubs from FY3/13 increased
- Posted earthquake-related expenses



Factors for change in sales



Leasing business Owns 48 buildings 1,988 rooms

Stable revenues with rental guarantees

- ◆ Earned stable revenues by managing rental apartment buildings with rental guarantees
 - Lowered vacancy rate by increasing the management company from 1 company to 4 companies
- ◆ As of June
No. of vacant rooms 71 Vacancy rate 3.5%
(In July, the vacancy rate improved to 1%)

Hotel business 5 hotels

Higher operating rate (up 12%) increased sales

- ◆ Increased use by periphery firms for business purposes
- ◆ Increase in family demand
 - FY3/11 1Q operating rate ⇒ 61.0%
 - FY3/12 1Q operating rate ⇒ 73.4%
- ◆ Website measures～continued to strengthen sales channel

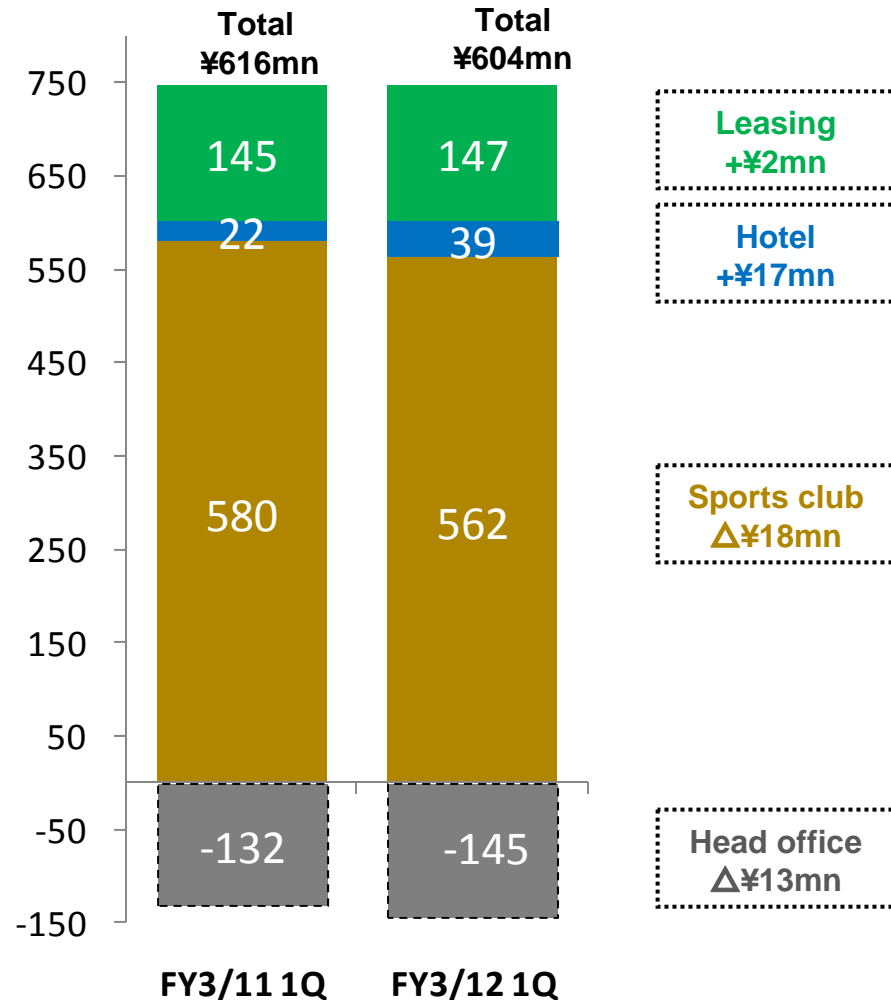
Sports club business 43 clubs

Effect of increase in sales due to newly opened clubs

- ◆ FY3/11 sales increased for opening 5 clubs
Sapporo-kiyota (Nov.), Akita (Dec.),
Nagoya-Narumi (Jan.), Nagaoka (Feb.), Ota (Mar.)
- ◆ May 2011
Sales increased for opening Sapporo-kita Nijyuyonjyo
- ◆ Existing clubs: 37 Decreased 2.5% YoY (full-year plan was prepared at 2.5% less)
- ◆ In 2Q, plans to remodel 6 clubs to increase the membership and sales

Factors for change in operating income

Total
△¥12 million



Leasing business

Operating margin 42.0% ⇒ 43.8%
Continued cost-cutting

- ◆ Continued cost-cutting
 - Tax and public dues (down ¥6 million YoY)
 - Depreciation cost (down ¥10 million YoY)

Hotel business

Operating margin 11.9% ⇒ 18.1%
Profit increased due to rise in operating rate

- ◆ Earnings increased due to strong sales
- ◆ Continued cost-cutting
 - Depreciation cost (down ¥4 million YoY)
 - Lease expense (down ¥2 million YoY)

Sports club business

Operating margin 27.2% ⇒ 23.8%
Lower profit due to increased development cost

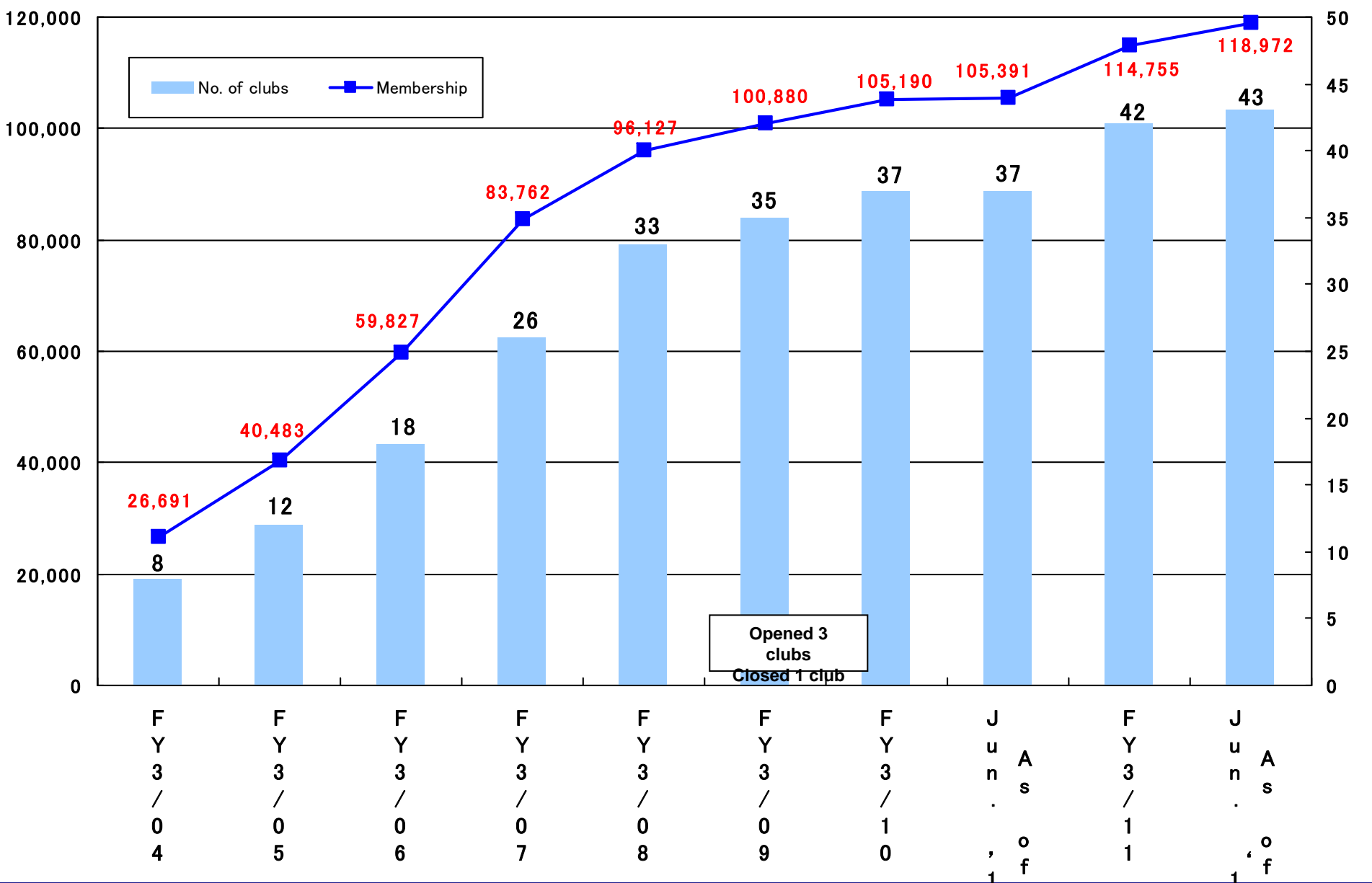
- ◆ Development costs of newly opened clubs increased
⇒ Rise in SG&A expenses
 - Development costs ¥42 million (up ¥32 million YoY)
- ◆ Recruitment associated with opening new clubs (employed 45 staffs)

Head office costs

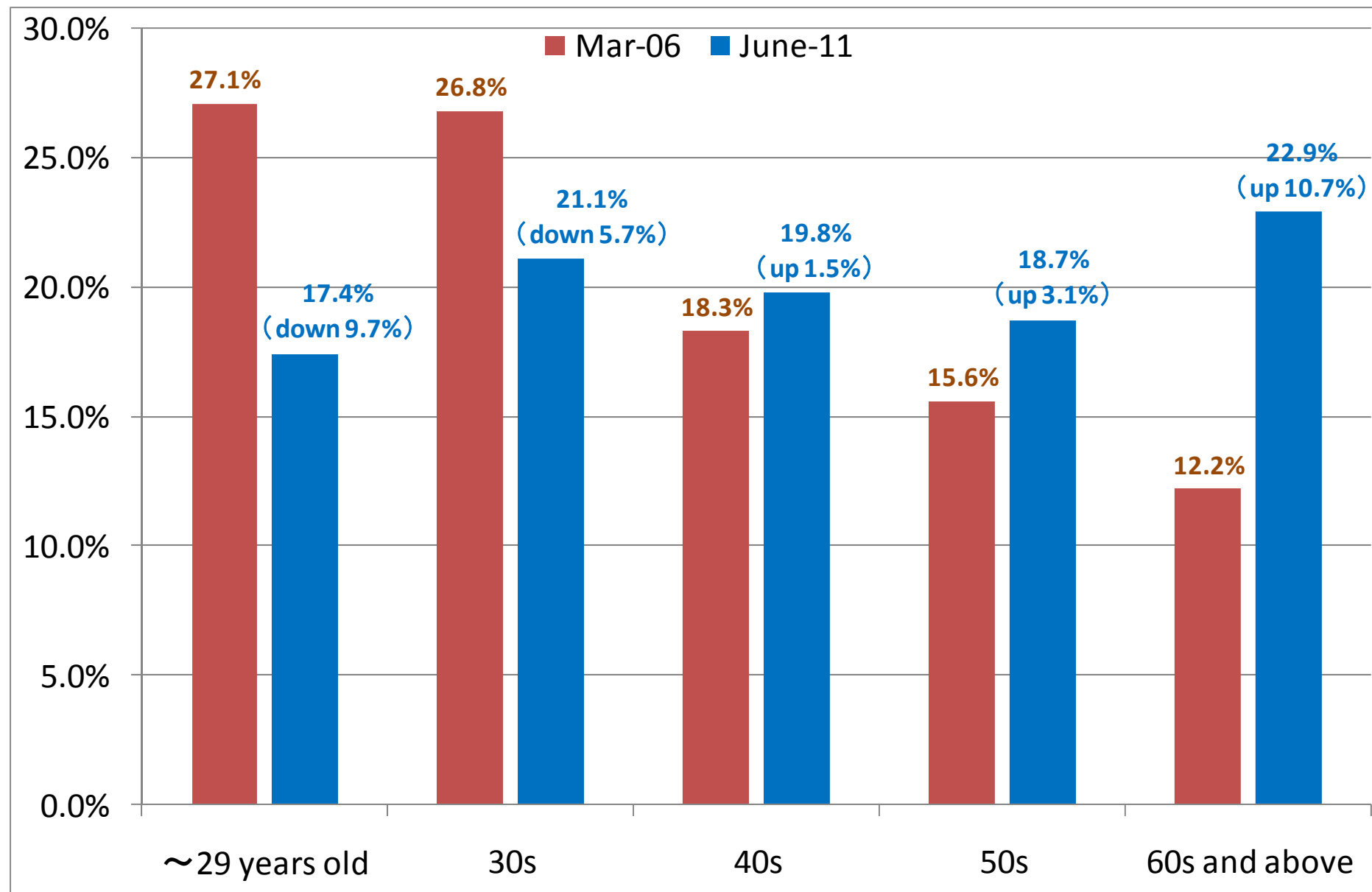
- ◆ Posted earthquake-related expenses of ¥20 million as SG&A expenses

(Persons)

(No. of clubs)



Opened 3 clubs
Closed 1 club



Reduced debts while employing aggressive strategy for opening sports clubs

BS vs. FY3/11

(Million yen)

		FY3/11 (Apr. 2010-Mar. 2011)		Three months ended Jun. 2011 (Ap. 2011- Jun. 2011)			YoY	
		Actual	Share %	Actual	Share %	YoY%	Change	Change in % of shares
Current assets		2,051	7.9	3,041	11.3	115.1	+990	+3.4
Fixed assets	Tangible fixed assets	21,449	82.7	21,352	79.6	102.3	Δ97	Δ3.1
	Other fixed assets	2,431	9.4	2,446	9.1	108.8	+15	Δ0.3
	Total	23,880	92.1	23,798	88.7	94.7	Δ82	Δ3.4
Total assets		25,932	100.0	26,840	100.0	102.8	+908	-
Current liabilities		5,931	22.9	6,023	22.4	92.1	+92	Δ0.5
Fixed liabilities		12,613	48.6	13,211	49.2	102.8	+598	+0.6
Total liabilities		18,545	71.5	19,234	71.7	99.1	+689	Δ0.2
Total net assets		7,386	28.5	7,606	28.3	113.6	+220	Δ0.2
Total liabilities and net assets		25,932	100.0	26,840	100.0	102.8	+908	-

Plan to open 8 sports clubs

◆“Comprehensive 2,500 model” ⇒ May : Sapporo-kita Nijyuyonjyo club

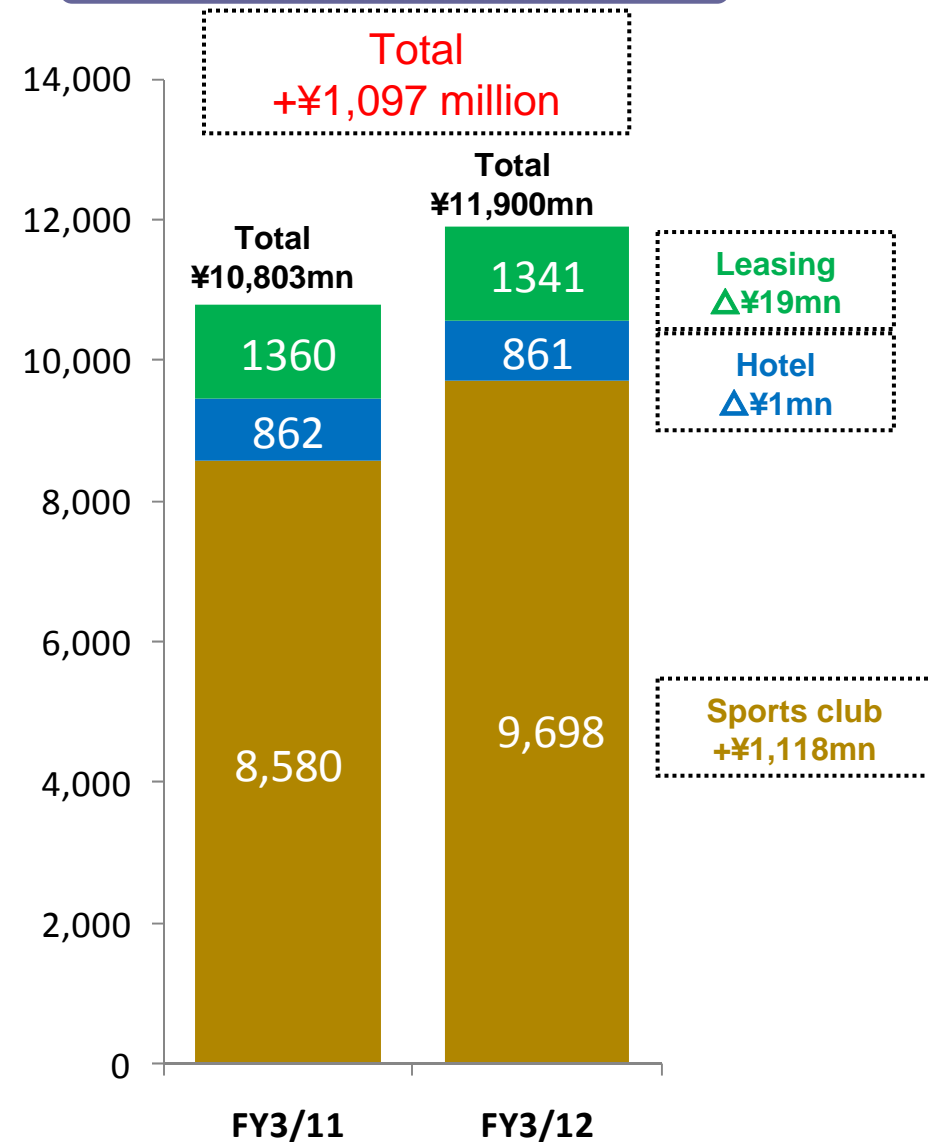
◆“Comprehensive 2,000 model” ⇒ Oct. : Izumo & Tomakomai clubs Jan.: Ueda & Yonago clubs Mar.: Nisshin & Funabashi clubs

P/L vs. FY3/11

(Million yen)

	FY3/11 (Apr 2010 – Mar 2011)			FY3/12 (Apr 2011 – Mar 2012)			YoY	
	Actual	% of sales	YoY%	Plan	% of sales	YoY%	Change	Change in % of sales
Net sales	10,803	100.0	101.9	11,900	100.0	110.2	+1,097	-
Sports Club business	8,580	79.4	103.4	9,698	81.5	113.0	+1,118	+2.1
Hotel business	862	8.0	117.1	861	7.2	99.9	Δ1	Δ0.8
Leasing business	1,360	12.6	87.2	1,341	11.3	98.6	Δ19	Δ1.3
Gross profit	3,248	30.1	100.7	3,710	31.2	114.2	+462	+1.1
Sports Club business	2,426	(28.3)	99.5	2,853	(29.4)	117.6	+427	(+1.1)
Hotel business	195	(22.7)	218.0	219	(25.4)	112.3	+24	(+2.7)
Leasing business	626	(46.1)	89.6	638	(48.8)	101.9	+12	(+2.7)
SG&A expenses	1,050	9.7	117.8	1,190	10.0	113.3	+140	+0.3
Operating income	2,198	20.4	94.1	2,520	21.2	114.6	+322	+0.8
Sports Club business	1,939	(22.6)	91.8	2,249	(23.2)	116.0	+310	(+0.6)
Hotel business	175	(20.3)	321.3	198	(23.0)	113.1	+23	(+2.7)
Leasing business	579	(42.6)	90.0	598	(44.6)	103.3	+19	(+2.0)
Adjustments (mainly head office expenses)	Δ495	-	104.3	Δ525	-	-	Δ30	-
Ordinary income	2,000	18.5	95.8	2,300	19.3	115.0	+113	+0.8
Net income	1,071	9.9	96.8	1,220	10.3	113.9	+149	+0.4

Factors for change in sales



Leasing business Owns 48 buildings 1,988 rooms

Stable revenues with rental guarantees

- ◆ Plan a vacancy rate of 4.5%
 - Aim for full occupancy
- ◆ Because the management company's rental condominiums with 10-year rental guarantee accounts for about 60%, sales associated with vacancy will decrease slightly but we expect decrease in sales of non-guaranteed real right

Hotel business 5 hotels

Sales increase due to higher operating rate

- ◆ Operating rate planned at 70% (unchanged from FY3/11)
- ◆ Raise operating rate by offering accommodation package highly-value added services
 - ① Free breakfast ② Free dinner ③ Free parking
 - ④ Free Internet ⑤ With a big bath
- ◆ Website measures ~ strengthen sales channel

Sports club business 50 clubs (up 8 clubs)

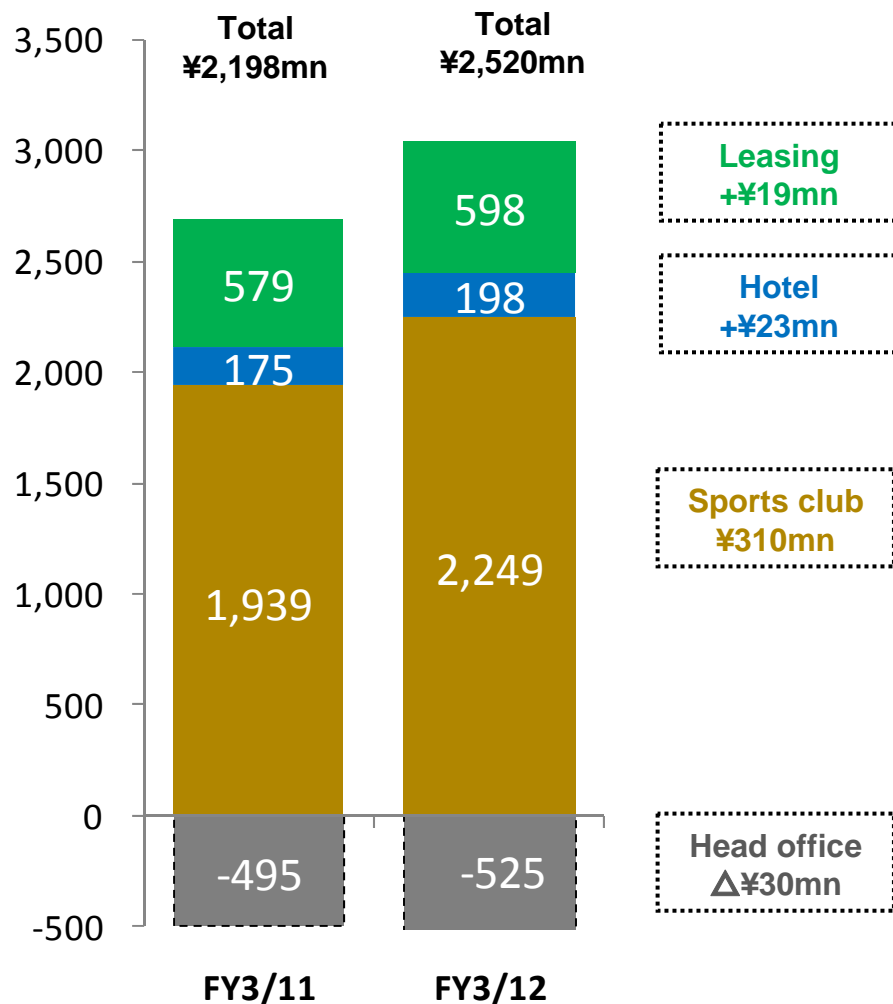
Effect of increase in sales due to newly opened clubs

- ◆ Effect of increase in sales of newly opened clubs in FY3/11 and FY3/12
 - Plan a 2.5% decrease YoY at existing sports clubs
 - Clubs opened in FY3/11: 5
 - New clubs in FY3/12: 8
 - “Comprehensive 2,500 model” ⇒ 1 club
 - “Comprehensive 2,000 model” ⇒ 5 clubs
 - “No swimming pool 2,000” model ⇒ 2 clubs

Based on the theme “health and beauty”, we will introduce new programs to increase customer satisfaction and reduce withdrawal.

Factors for change in operating income

Total
+¥322 million



Leasing business

Operating margin 42.6% ⇒ 44.6%

- ◆ Depreciation of existing properties reduced
- ◆ Because we do not plan to sell the building, we will only have income from lease and therefore, profit margin will increase

Hotel business

Operating margin 20.3% ⇒ 23.0%

- ◆ Reduce depreciation of existing sports clubs and will continue to raise operating rate while reviewing selling expenses, food cost, cost of linen and other expenses to secure profits.
- ◆ Reduce personnel expenses by simplifying reservation services through increasing websites for reservations, broaden information distribution and strengthen website reservations.

Sports club business

Operating margin 22.6% ⇒ 23.2%

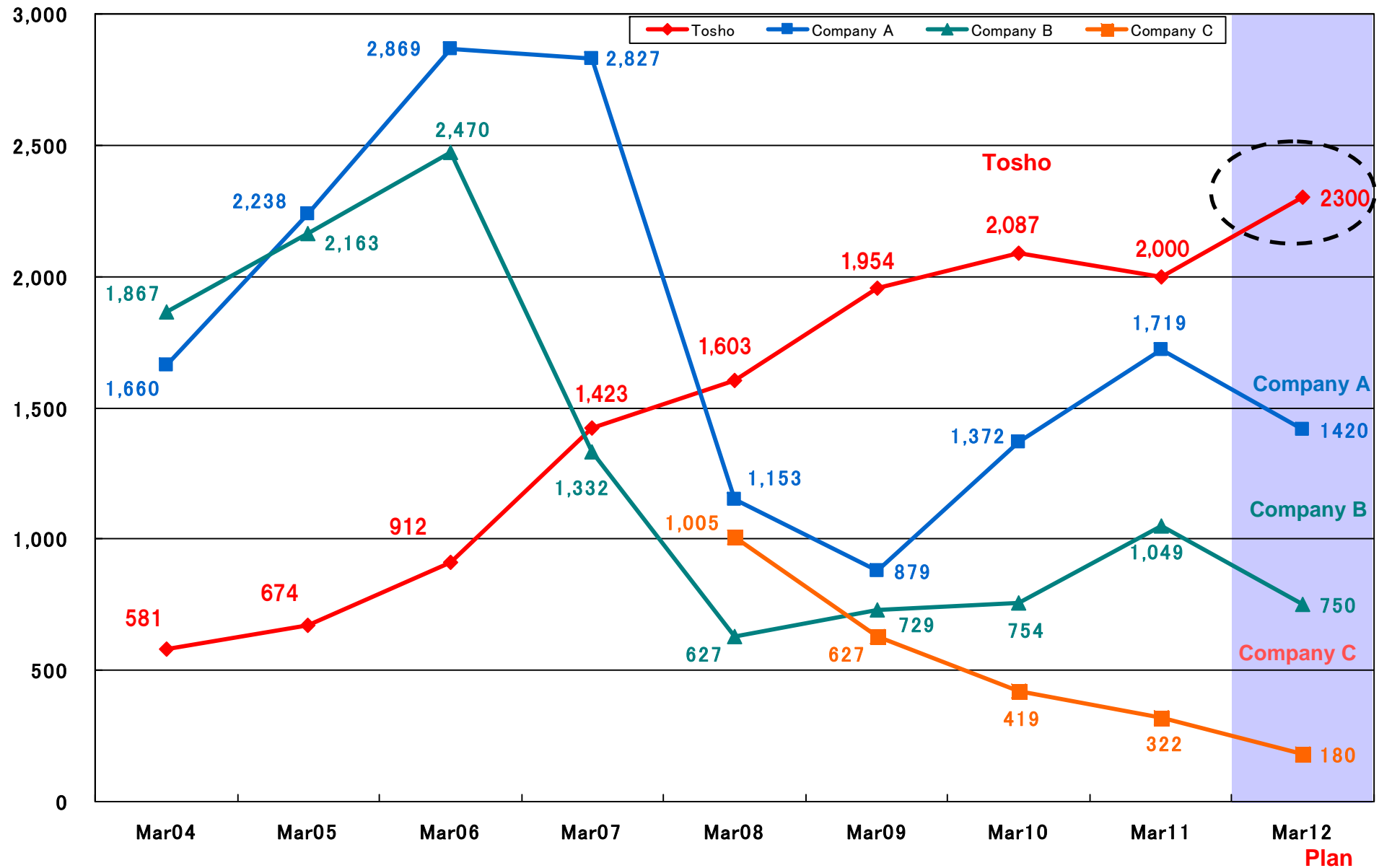
- ◆ Absorb development costs from FY3/12 by fully operating the sports clubs opened in FY3/11
- ◆ Reduce existing-sports clubs' lease and depreciation
- ◆ Reduce selling expenses by reducing withdrawals and increasing the pct. of members
- ◆ Continue to improve costs to raise profitability and increase profit margin
- ◆ Post building repair expenses of ¥10 million due to the earthquake in 2011

Head office costs

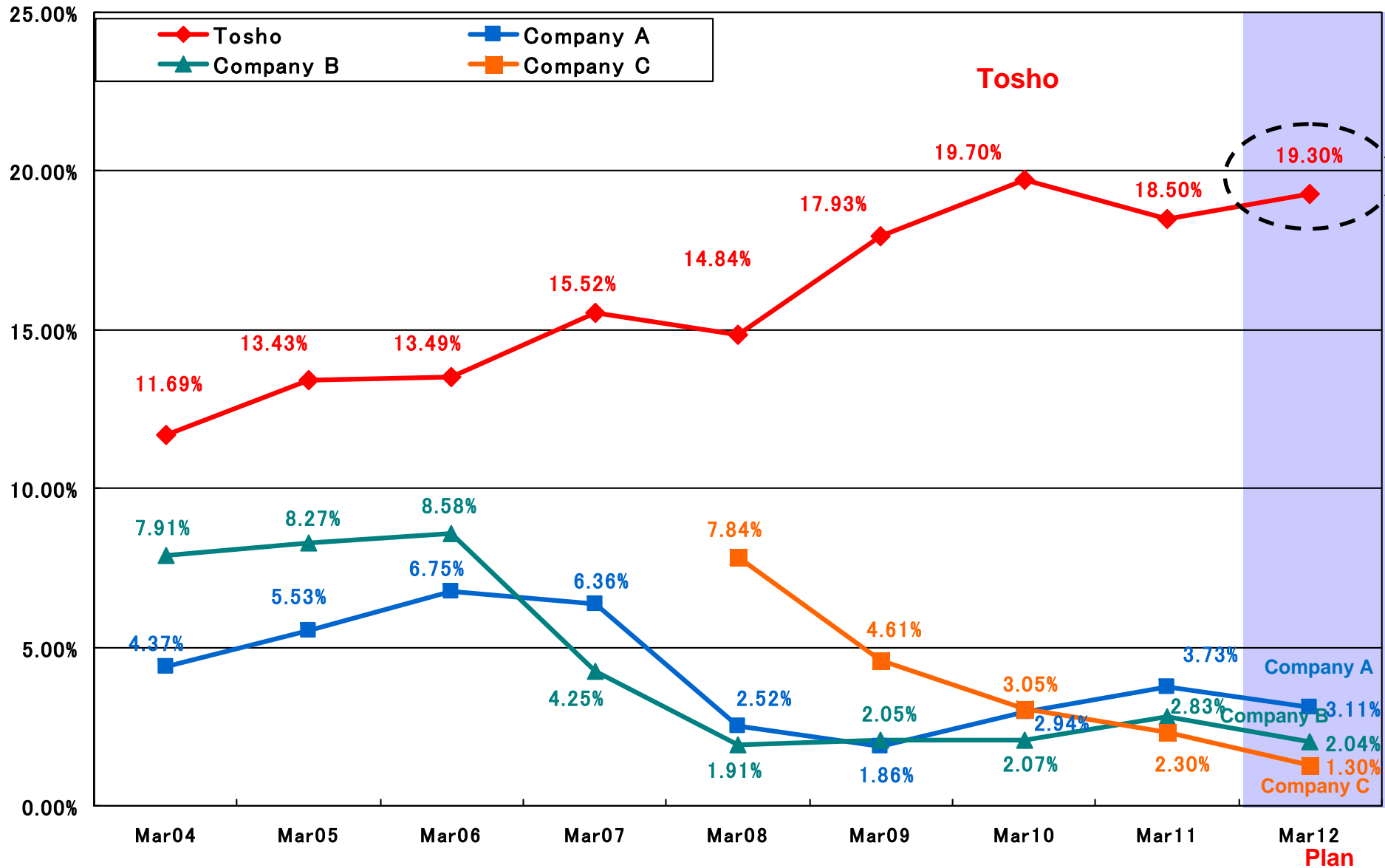
- ◆ Post earthquake-related expenses of ¥20 million as SG&A expenses

Million yen

Listed competitors Ordinary income Actual・Plan



Listed competitors Ordinary income margin Actual・Plan



2. Midterm Business Plan and Growth Strategy

Management Philosophy

Create a healthy life and
serve for the society and the people

1. A company which creates a healthy life.
2. A company which is appreciated by customers and makes money.
3. A company that can respond to the changing times.
4. A company which is financially sound.
5. A company in which effort is rewarded.
6. A company which will expand its business globally.

Company credo

Trust comes first

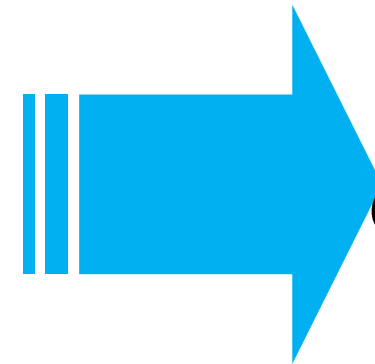
1. The company cannot develop without trust.
2. Cultivate a new market by introducing new products and services.
3. Offer better services at cheaper prices.
4. The joys of customers will lead to trust.
5. Maintaining credit will develop the company.
6. Good seeding will bring about good results.
7. Cordial attitude will build credibility.

“Three principles of health”

1. Exercise

2. Nutrition

3. Rest



Social contribution
promoting health

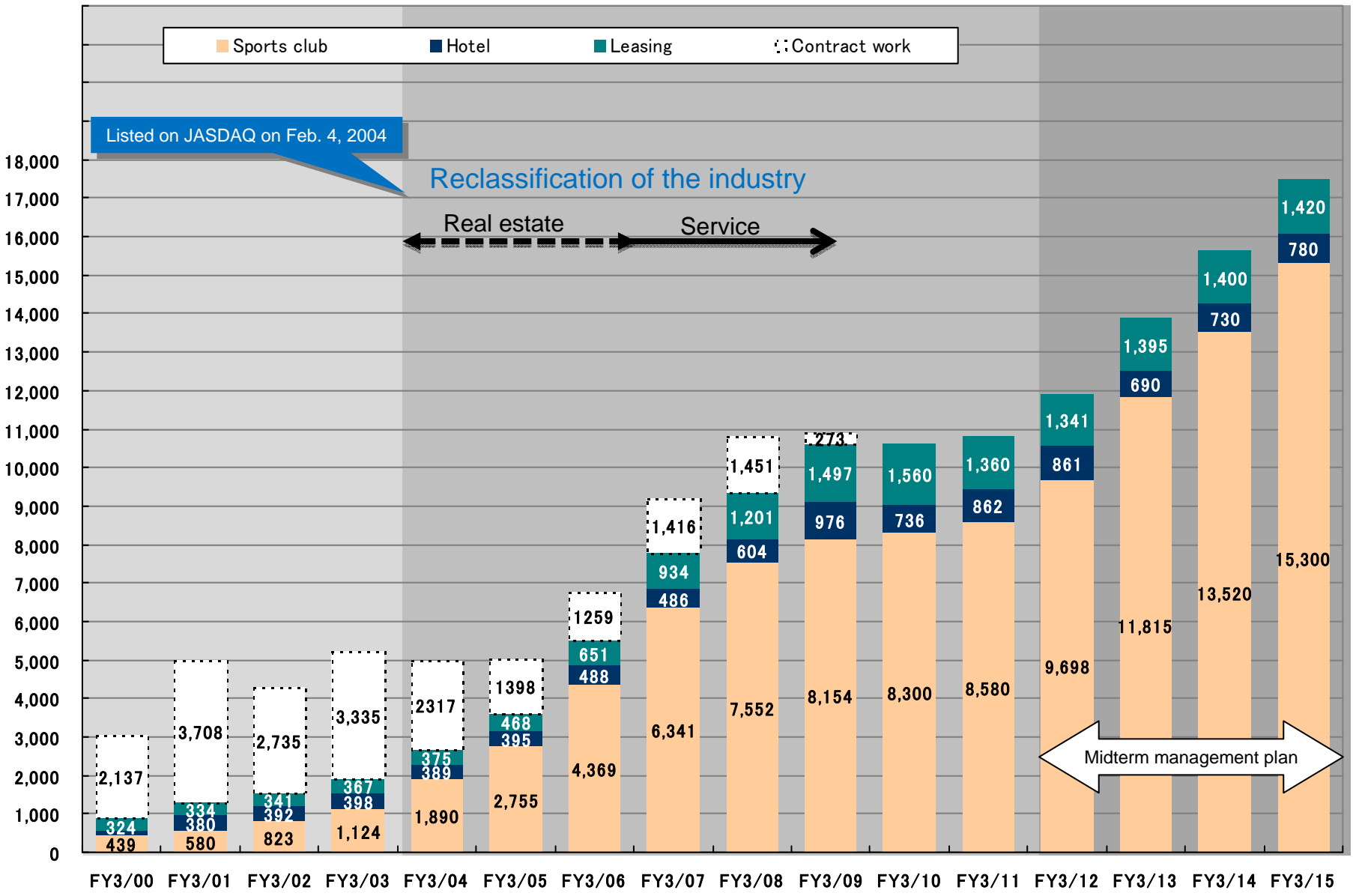
◆ Final Fiscal Year (FY3/15) Target

Sales	¥17.5 billion	Up 62% (1.6x)	(vs. FY3/11)
Ordinary income	¥4.4 billion	Up 120% (2.2x)	(")
Ordinary income margin	25%	Up 6.5 points	(")
EPS	¥140	Up 130% (2.3x)	(")
Dividend payout ratio	20%	Up 1.9 point	(")

Midterm plan
Figures announced on Oct. 2010

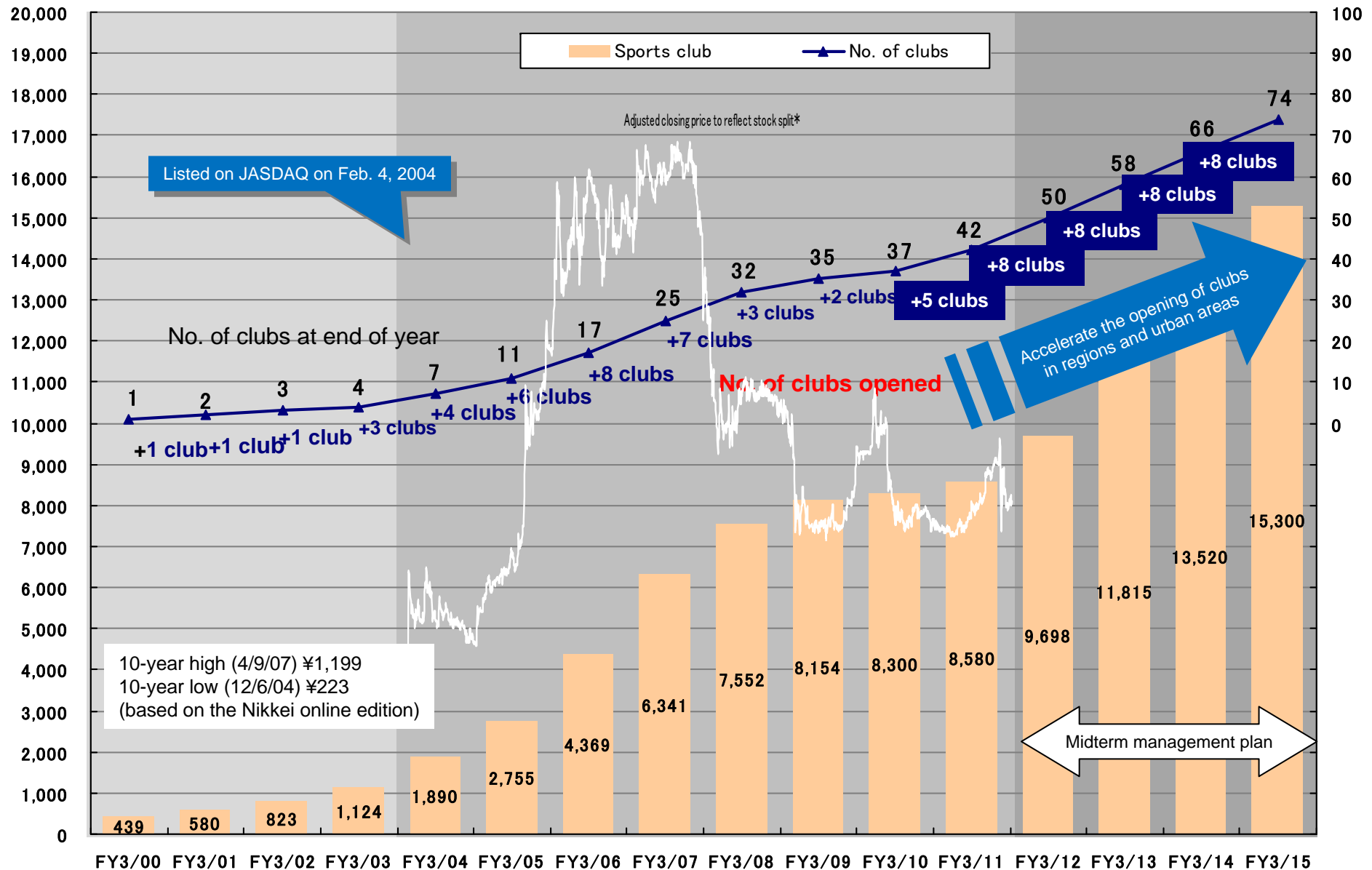
Net sales (Million yen)

No. of clubs



Net sales (Million yen)

No. of clubs



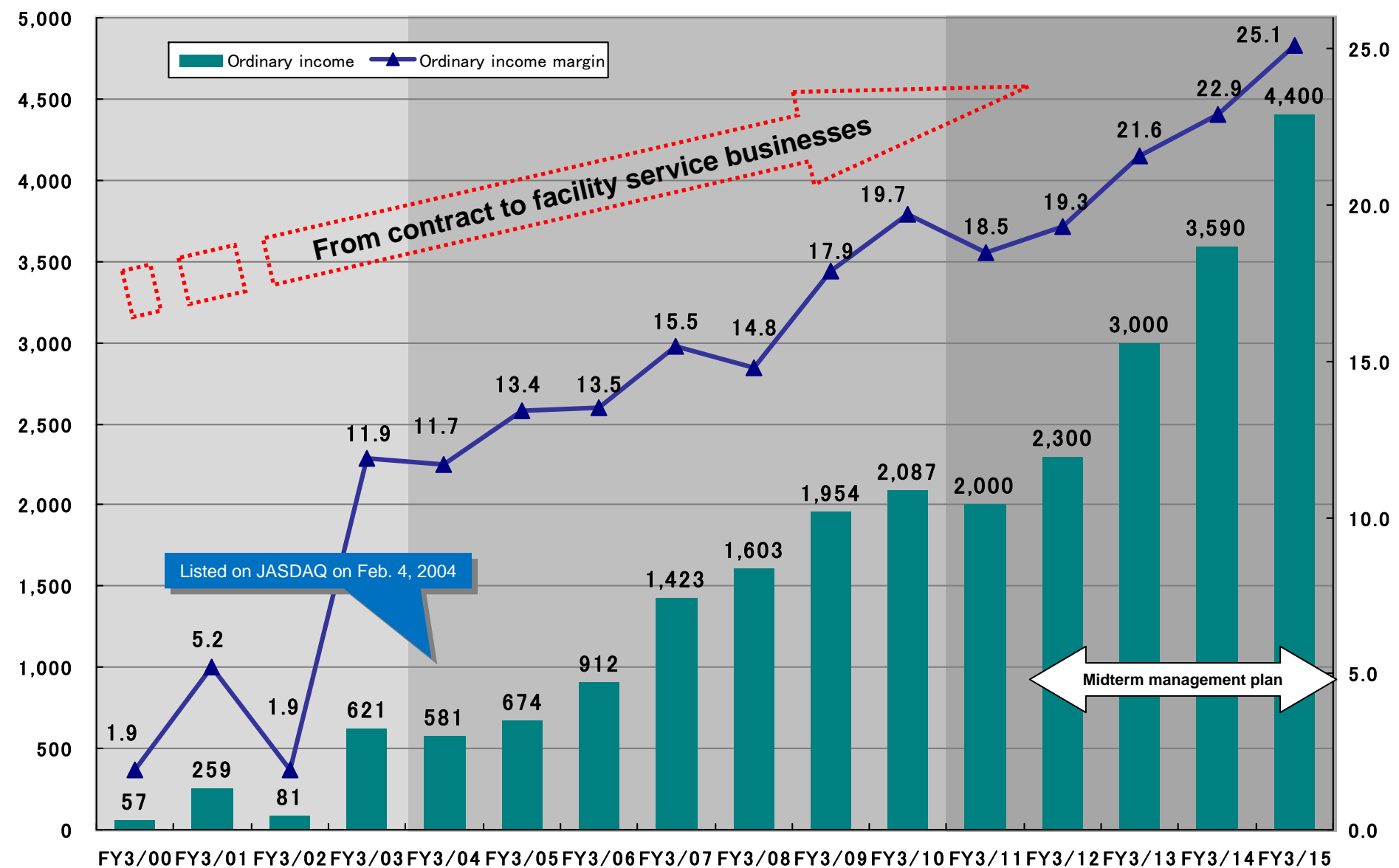
10-year high (4/9/07) ¥1,199
10-year low (12/6/04) ¥223
(based on the Nikkei online edition)

Accelerate the opening of clubs in regions and urban areas

Midterm management plan

Ordinary income (Million yen)

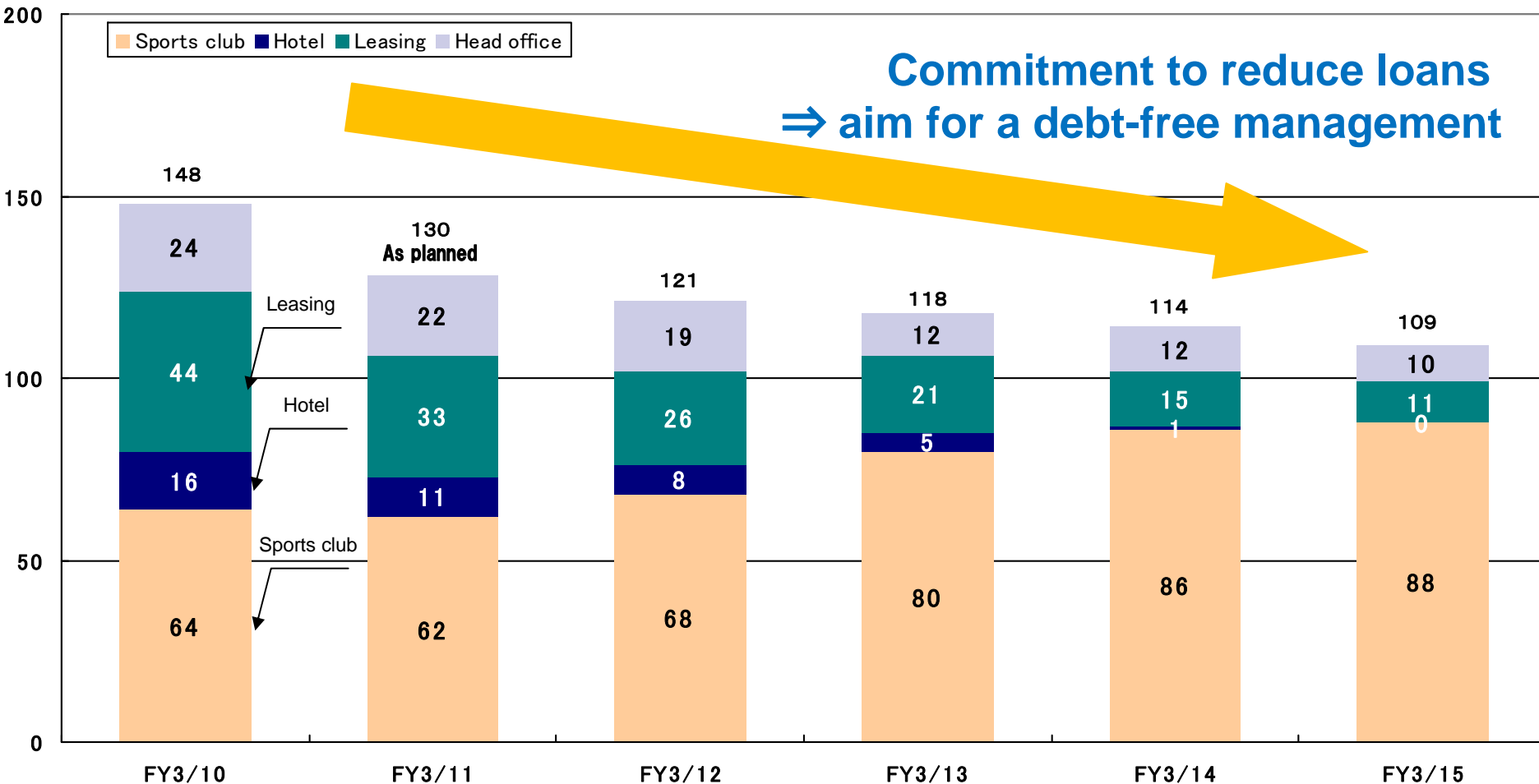
Ordinary income (%)



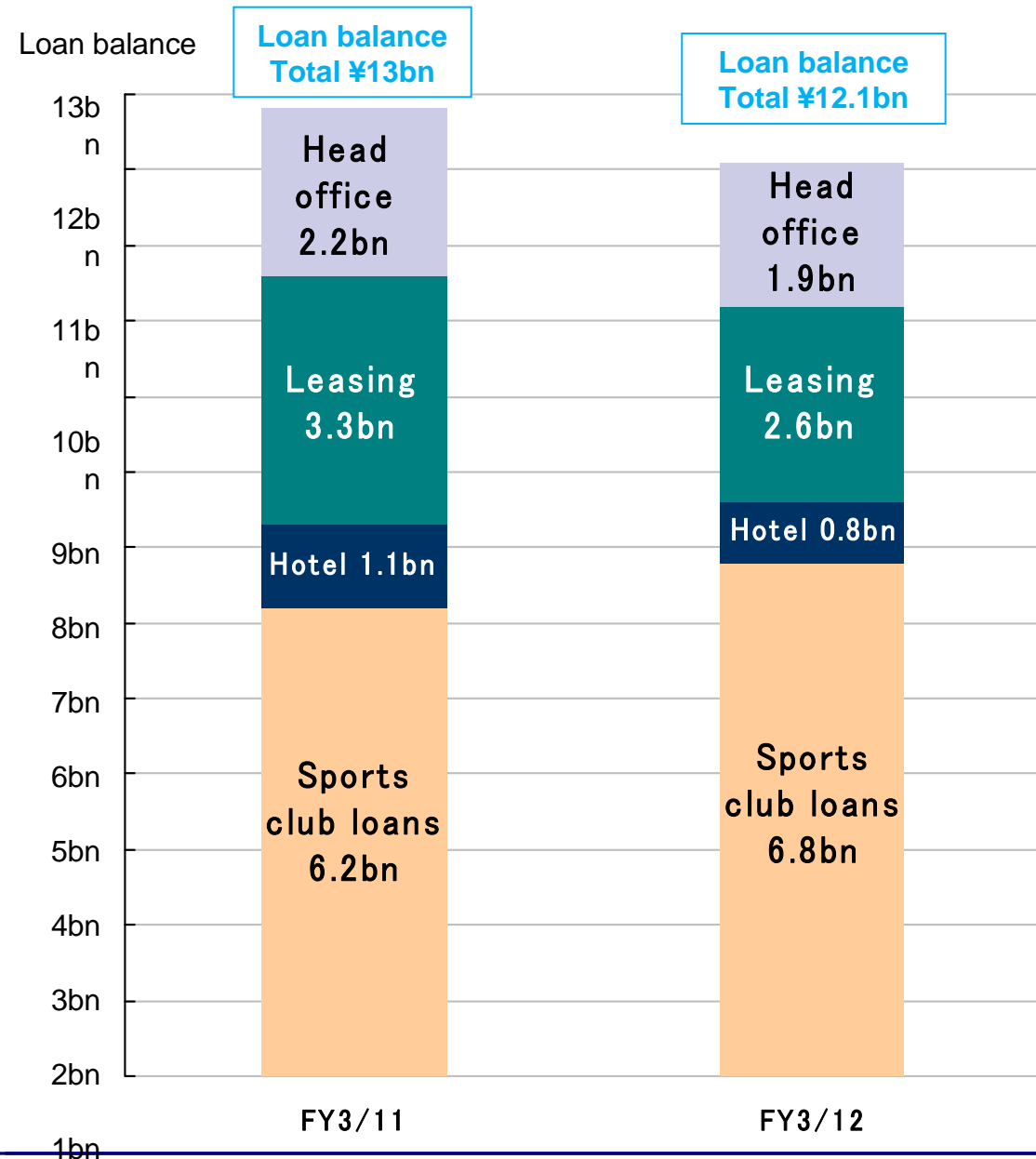
- ◆ Sports club business・・・Demand for funds for capital investments will increase
- ◆ Hotel business, leasing business・・・Balance of loans will be reduced every year

Company-wide balance of loans will be reduced every year

Balance of loans (billion yen)

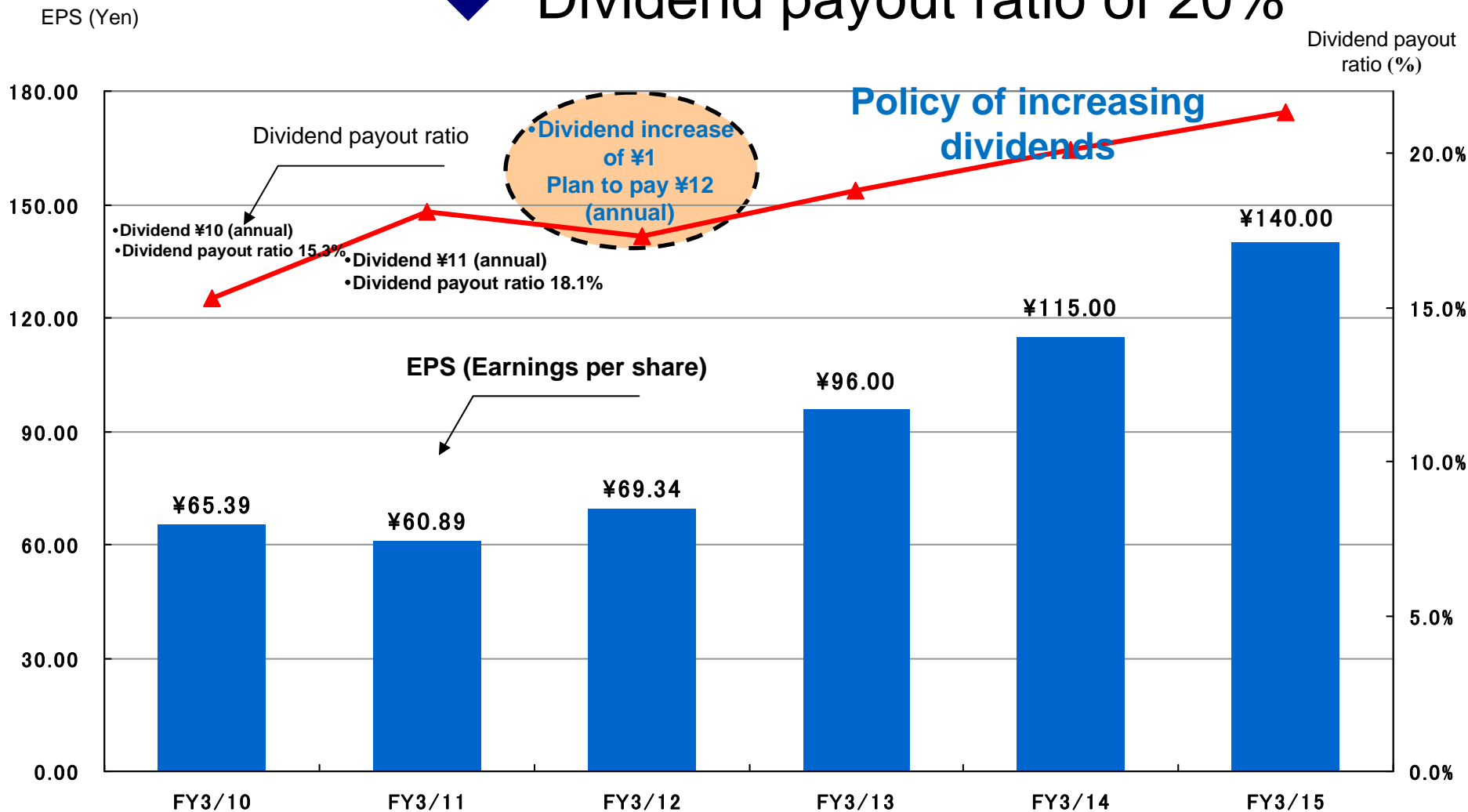


Commitment to reduce loans
=> aim for a debt-free management



	Actual	Plan
Total	FY3/11	FY3/12
① Ordinary income mn	2,000	2,300
② Depreciation	1,264	1,303
③ = ① + ②	3,265	3,603
③ / loan (%)	25.1	29.8
Leasing	FY3/11	FY3/12
① Ordinary income mn	513	546
② Depreciation	256	228
③ = ① + ②	769	774
③ / loan (%)	23.3	29.8
Hotel	FY3/11	FY3/12
① Ordinary income mn	167	193
② Depreciation	125	109
③ = ① + ②	292	302
③ / loan (%)	26.5	37.8
Sports club	FY3/11	FY3/12
① Ordinary income mn	1,885	2,156
② Depreciation	872	959
③ = ① + ②	2,757	3,115
③ / loan (%)	44.4	45.8

- ◆ Linked to profit growth
- ◆ Dividend payout ratio of 20%



Key points for Holiday Sports Club growth strategy

1. Market strategy
2. Business model strategy
3. Product strategy
4. Human resources development
5. Price strategy

Strategy to respond to changes in the market

- ① "Requirements of customers" ⇒ "Emphasize convenience"
- ② "Located in front of a station" ⇒ "To residential area"
- ③ "Aging society with a falling birthrate" ⇒ "Increase in participants aged 60 or over"
- ④ "Stimulate potential demand" ⇒ "Capability of developing new products"
- ⑤ "Decrease in young female participants" ⇒ "Development of programs for women"
- ⑥ "Small" market is in demand
- ⑦ There is demand for a market with a population of less than 100 thousand but more than 70 thousand



Create demand for "health and beauty"

The Growth of Holiday Sports Club

Aging society

Increase in medical expenses

Needs for “health and beauty”

Membership in private-sector fitness clubs as pct. of population

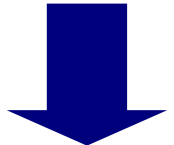
- ◆ Japan 3% (annual revenues of 420 billion yen)
- ◆ U.S.A. 15% (annual revenues of 1,800 billion yen)
- ◆ U.K. 12% (annual revenues of 1,000 billion yen)

Ref.: 2008 Japan/U.S./U.K. Private-sector Fitness Industry Market Data, Fitness Online

There is potential for more demand

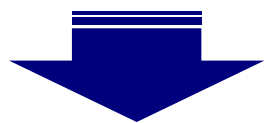
Accelerate the opening of clubs in regions and urban areas

Offer facilities that will give “health and beauty” and “power” to the regions

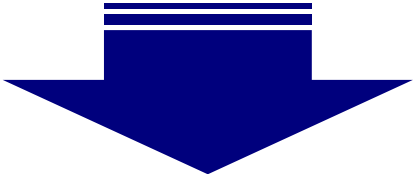


Develop more than 8 clubs annually

No. of clubs at the end of Jun. 2011
43 clubs



At the end of Mar. 2015
74 clubs

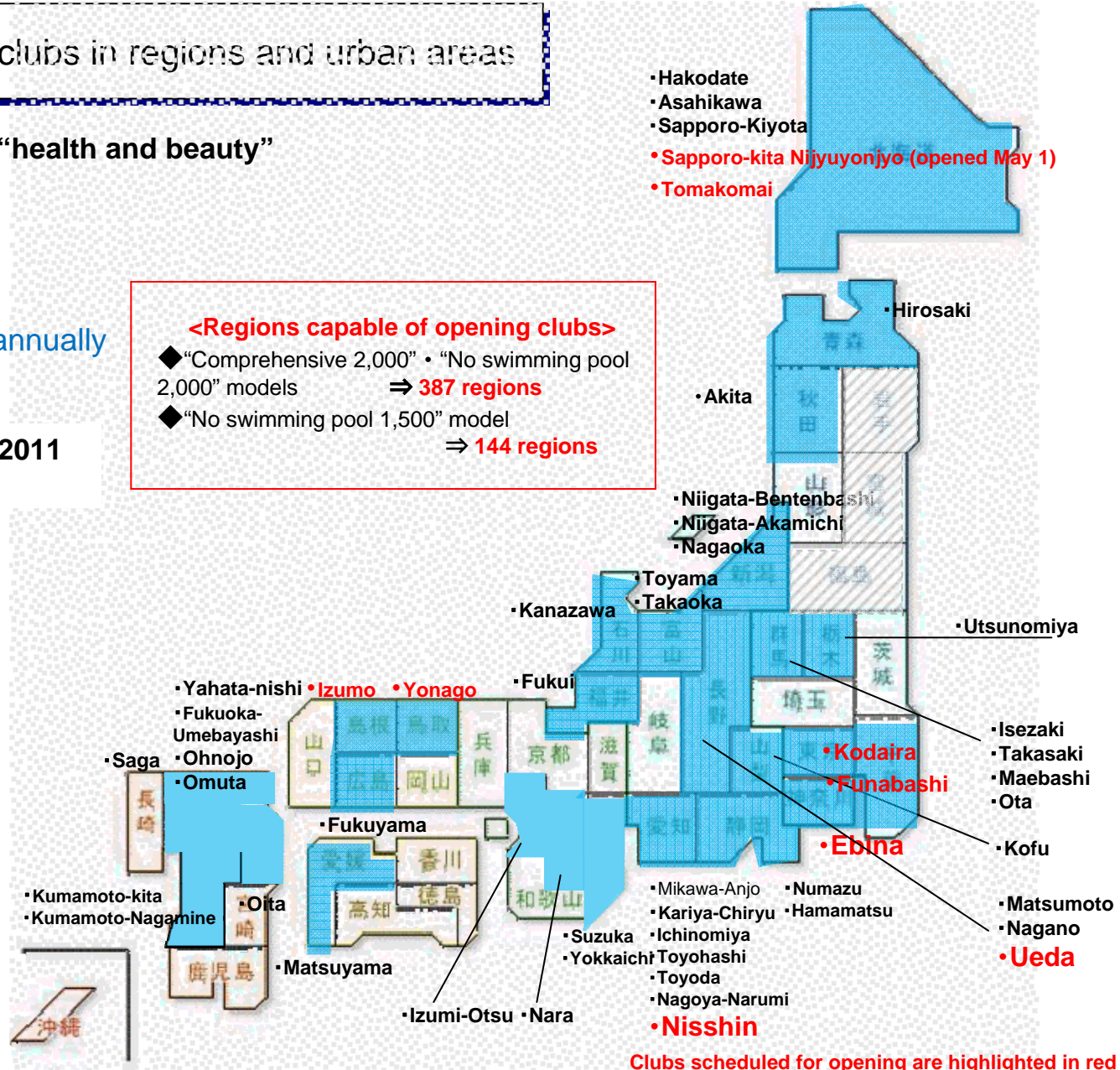


At the end of Mar. 2018

Target 100 clubs

<Regions capable of opening clubs>

- ◆ “Comprehensive 2,000” • “No swimming pool 2,000” models ⇒ **387 regions**
- ◆ “No swimming pool 1,500” model ⇒ **144 regions**



Clubs scheduled for opening are highlighted in red

Open in the Tokyo area for the first time

- ◆ Tsuboi-Higashi, Funabashi-shi, Chiba
(to be opened in March 2012)
- ◆ Kashiwagaya, Ebina-shi, Kanagawa
(to be opened in September 2012)
- ◆ Hanakoganei, Kodaira-shi, Tokyo
(to be opened in December 2012)

Accelerate the opening of clubs in urban areas

Opened for the first
time in the current
term!

① “Comprehensive 2000” business model

Location	Region & urban area	
Site area	About 4,959 square meters	
Total floor space	About 1,700 square meters	
Parking	150 cars	
Assumed members	More than 2,000	
Avg. fee (excluding tax)	¥7,000	
Market population	More than 100,000 people	
Planned opening (target area)	<ul style="list-style-type: none"> ① Sapporo-kita Nijuyuyonjyo (opened May 1, 2011) ② Izumo (Oct. 2011) ③ Tomakomai (Oct. 2011) ④ Ueda (Jan. 2012) ⑤ Yonago (Jan. 2012) 	<ul style="list-style-type: none"> ⑥ Nisshin (Mar. 2012) ⑦ Ebina (Sept. 2012) ⑧ Kodaira (Dec. 2012)



Item	Annual	Pct.	Monthly
Amount of investment	35 billion		
Sales	168,000	100%	14,000
Ordinary income	55,200	33%	4,600
Expenses	112,800	67%	9,400

New model! Scheduled to open in the current term

② “No swimming pool 2000” business model

Location	Urban area
Site area	About 3,306 square meters
Total floor space	About 1,300 square meters
Parking	120 cars
Assumed members	More than 2,000
Avg. fee (excluding tax)	¥6,000
Market population	More than 100,000 people
Planned opening (target area)	Kanto, Chubu, Kansai Accelerate the openings of sports clubs in major cities ①Funabashi (Mar. 2012)



Item	Annual	Pct.	Monthly
Amount of investment	23 billion		
Sales	144, 000	100%	12, 000
Ordinary income	47, 600	33%	4, 000
Expenses	96, 400	67%	8, 000

New model! Scheduled
to open in FY12

③ “No swimming pool 1500” business model

Location	Region
Site area	About 2,645 square meters
Total floor space	About 1,157 square meters
Parking	100 cars
Assumed members	More than 1,500
Avg. fee (excluding tax)	¥6,000
Market population	70,000 - 100,000 people
Planned opening (target area)	Can open in small trade areas



Item	Annual	Pct.	Monthly
Amount of investment	18 billion		
Sales	108,000	100%	9,000
Ordinary income	32,400	30%	2,700
Expenses	75,600	70%	6,300

CHANGE

健康に、美しく
ホリデイスポーツクラブ

この夏、魅せるボディへ! NEWプログラム登場!!

NEW BODY

NEW!
Started in July



美脚&美尻
ボディ!!

Queen Ballet

ビューティクイーン バレワークアウト
バレエダンスとコンディショニングを交互に行い、
リズムに合わせながら女性らしいしなやかなボディ

Only for women

Very popular!
Started in May



お腹を
凹ませる!!

ターゲットアブス フリーズ
TARGET ABS FREEZE

ターゲットアブス フリーズ
アイソメトリック動作(腹筋を収縮したままとめる動作)で、
最大筋力を手に入れて引き締まったお腹を!

NEW!
Started in July



超激汗で
ストレス発散

BOXING KING DANGAN

ボクシングキング ダンガン
弾丸のように鋭いパンチを打ち込み、
いい汗をかいてストレス発散! 自分を磨け!

NEW!
Starts in July,
Aug. Sept.



プールで爽やかに
お腹凹ませ!!

ターゲットアブス アクア
TARGET ABS AQUA

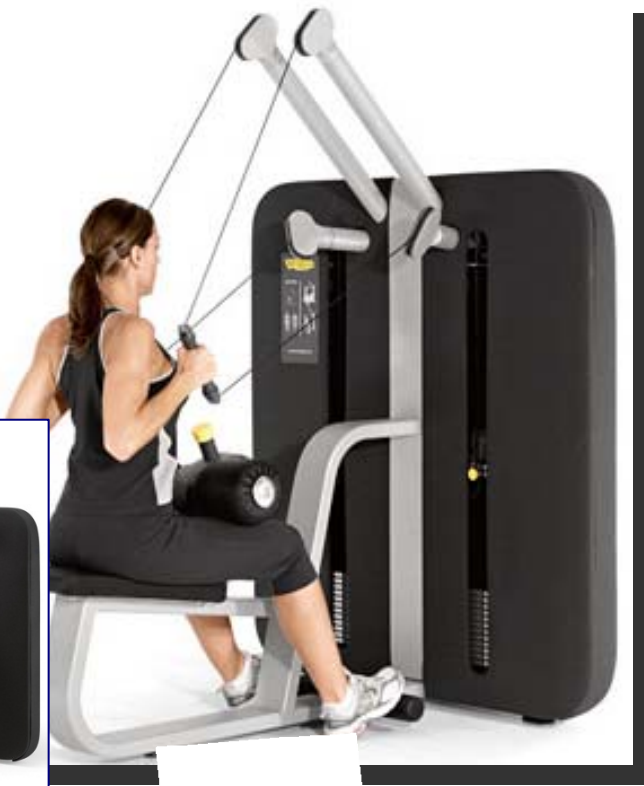
ターゲットアブス アクア
腹筋に特化した動きのみを集め、水の抵抗を利用し、
引き締まった腹筋を手に入れよう!

ホリデイは初心者対象

- 16才以上大人だけの会員制!
- 平日・土曜夜12時まで営業!
- 月会費だけで自由に利用!
- 無料大駐車場完備!
- 快適なお風呂・サウナ完備!

Introduced new machines Kinesis Station

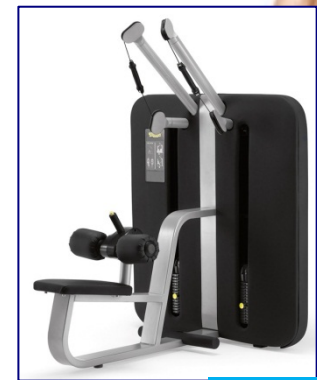
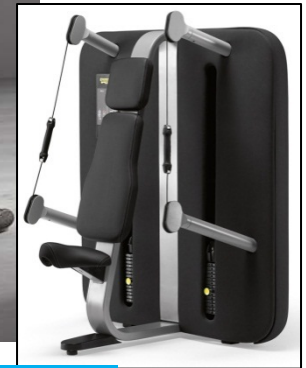
Can be used to strengthen your posture as well as strengthening muscles including chest muscles, abdominal muscles and gluteus maximus muscle because the machines can respond to subtle movements.



High Pull



Press



夏までに絞る! 痩せる! ホリデイで変える最速理想ボディ!

広々、快適空間
「ジム」

イタリア製高級マシンで自由に楽しくトレーニング!

TECHNOGYM The Wellness Company™ 2010年サッカーワールドカップやオリンピックの選手村で使われたイタリア製本格マシンです。(ホリデイ全店使用) **最高品質**

下半身引き締め!

脂肪燃焼にはコレ!
有酸素マシン
6種類のゲーム付!



▲ウェーブ ▲バイクマシン ▲リクライン

NEW!



▲イージーライン

気軽に始められる!
ウォーク&ランマシン

Most popular



スピードをはじめ、
負荷の調整がやすく、
自分に合わせた
トレーニングが可能。

テレビモニター付き!
好きなテレビ番組を見ながら
楽しくトレーニング!

膝や足首にやさしい
独自の低衝撃構造で、外で
走るよりも負担が少ない!

暑い夏でも、室内だから
安心して運動できます。

☀️☔️ 天候に左右されず、いつでも快適!
紫外線も気にしない!

排気ガス・交通トラブルなどの
心配が無く、安心・安全!



マイトレ 専属トレーナーとマンツーマントレーニング
より高い効果を求める方へ楽しくトレーニング
できる4種類のコースをご用意!(有料)
・2kgダイエットコース ・メニュー作成
・ペアストレッチ ・ゆがみ改善コース

無料初回説明会で
安心スタート!

ご入会時に体年齢
などを測定し、
マシンの使い方
をご案内します!

夏トレメニュー
スタート!

NEW!



水の中でらくらく
「プール」
快適で気持ちよく
スイム&ウォーキング



プールプログラム ひざ・腰に負担が少なく安全にトレーニング!



専用コースでゆっくりと楽しめる。 36℃の水温で、気泡に囲まれリラックス。 手すりのついた階段で出入りもスムーズです。いつでも泳げて快適。 営業時間中、

いつでも泳げて快適。

運動後は
「リラックス」
体をゆっくりに休めて
リフレッシュ



お風呂
足をゆったり伸ばして快適にくつろげます。



洗い場
ボディソープとリンスインシャンプーを完備。



無料
リラクゼーションルーム
カラダの疲れやコリを芯からほぐす最上級のマシン。



TV付きサウナ



パウダールーム



ラウンジ

Members queuing up for their program



Reasons for
“popularity”



Studio with an
air of excitement



Very popular running
machines



- ◆ The staffs are kind. Give us warm greetings.
- ◆ Programs here are like no other
- ◆ Easy to participate because the programs aren't difficult
- ◆ Nice open air bath (like no other)
- ◆ Facility is fully equipped and the prices are good
- ◆ The parking is flat and it is free
- ◆ Swimming pool and anywhere we use water are clean
- ◆ Feel comfortable because there are only adults
- ◆ Have a pleasant sweat working because there are many running machines
- ◆ Programs for women are the most popular!

Opening of Holiday College

Purpose

- ◆ Human resource development & education
- ◆ Training for instructors and trainers
- ◆ Training on facilities and machine maintenance
- ◆ Training on operational management
- ◆ Training on customer service skills
- ◆ Training for outside instructors
- ◆ New product development, new program development

Teachers

Chairman: Mayumi Kutsuna

Principal: Takashi Inagaki

Teachers: Outside teachers, university professors, skilled managers

Location: 1-9-2 Mikawa-anjomachi, Anjo-shi, Aichi Pref.

During a lecture



Program training









Train using the same machines as the ones at our clubs



Good Price

Membership fees by business model

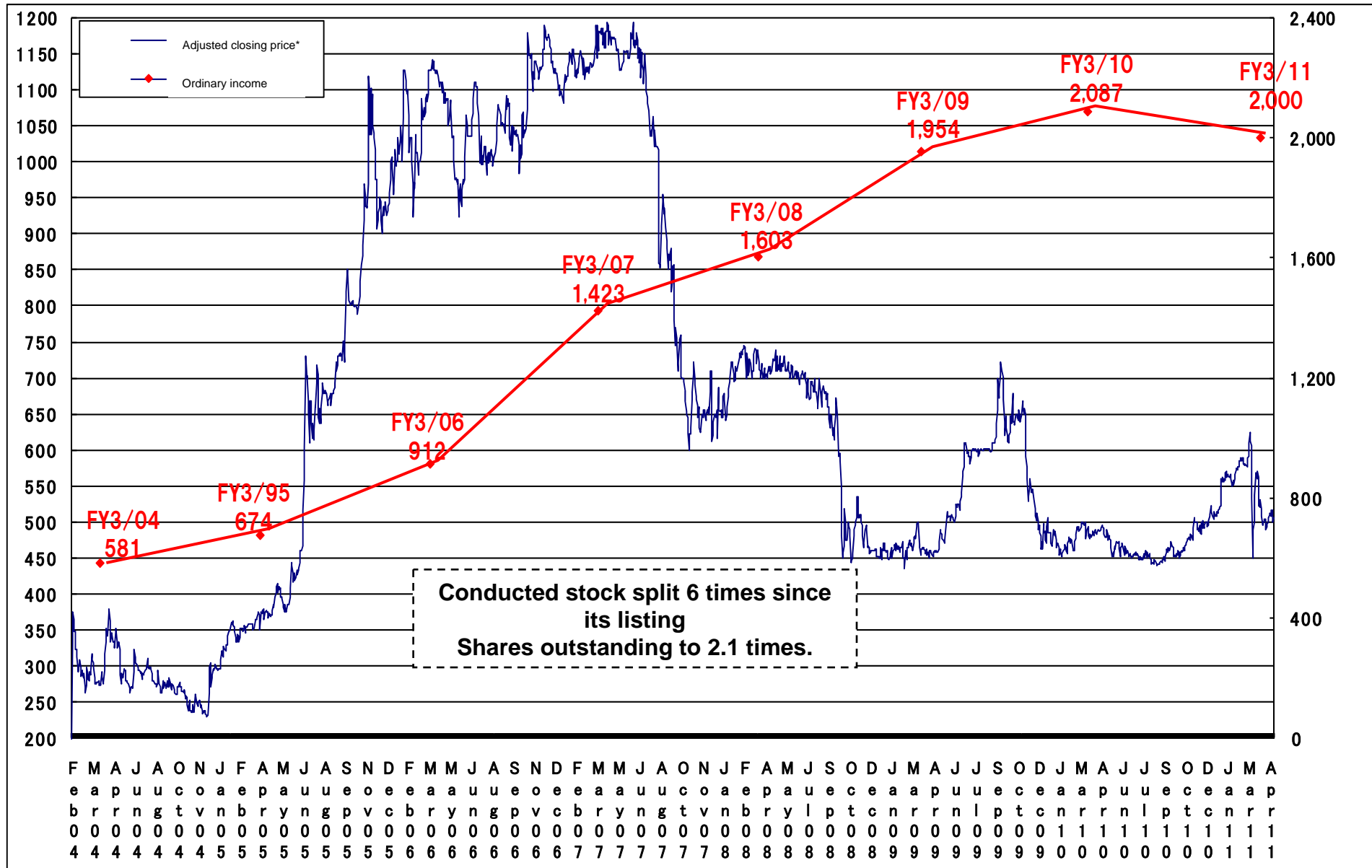
(Before-tax price)

Type of member	“Comprehensive 2,000” model	“No swimming pool 2,000” model “No swimming pool 1,500” model
◆ Master member 	¥8,500/month	¥7,000/month
◆ Pair member 	¥8,000/month	¥6,500/month
◆ Group member 	¥7,000/month	¥6,000/month
◆ Daytime member 	¥5,700/month	¥5,500/month
◆ Night time member 	¥4,700/month	¥4,500/month
◆ Weekend member 	¥4,700/month	¥4,500/month
Average price	¥7,000/month	¥6,000/month

Stock Information Change in Stock Price (February 2004～)

Stock price (Yen)

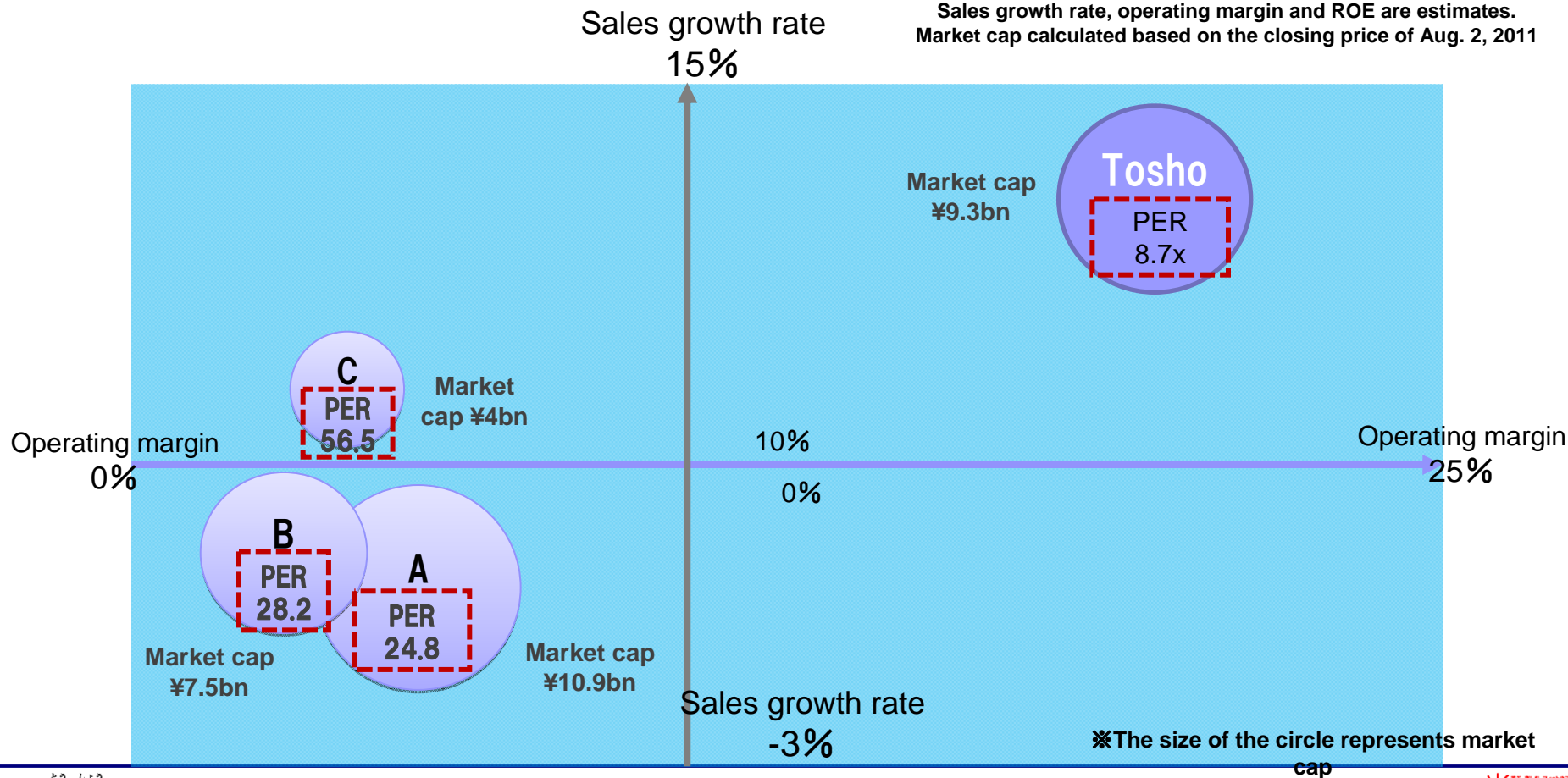
Ordinary income (mn)



Sales growth rate (est.)		Operating margin (est.)		ROE (est.)		PER (actual)	
Tosho	10.2%	Tosho	21.0%	Tosho	16.2%	Tosho	8.7x
Company A	-0.9%	Company A	4.4%	Company A	5.0%	Company A	24.8x
Company B	-0.7%	Company B	2.4%	Company B	2.4%	Company B	26.2x
Company C	2.0%	Company C	3.2%	Company C	1.6%	Company C	56.5x

(Source) Quarterly journal

Sales growth rate, operating margin and ROE are estimates.
Market cap calculated based on the closing price of Aug. 2, 2011



Price-earnings Ratio (PER) (as of August 1)

JASDAQ average	19.08x
Avg. of TSE1 (all stocks)	17.91x
Avg. of TSE2 (all stocks)	18.37x

Comparison with other sports clubs

	Market	Stock price	PER actual	Dividend (forecast)	Dividend yield
Tosho	JASDAQ	¥532	8.74x	Up ¥1 ¥12	2.25%
Central Sports	TSE1	¥953	24.84x	¥15	1.57%
Renaissance	TSE1	¥354	26.26x	¥3	0.84%
Megalos	JASDAQ	¥1,065	56.51x	¥5	0.46%

Previous fiscal year's EPS is used for "PER"

March 1979	Towa Construction Co., Ltd. established as a civil engineering construction company
December 1986	Established Shofuku Real Estate Co., Ltd. to conduct a condominium sales and leasing apartments (predecessor of “A・City”)
August 1989	Started with management of condominium business
December 1989	Started with operations of golf driving ranges Opened the first “Holiday Golf Garden”
March 1995	Consigned construction for leasing apartment house
May 1996	Started the sports club operation Opened the first club: Holiday Sports Club Mikawa-Anjo
May 1997	Started taking orders for the construction of 2x4 houses (Terminated this business in March 2002)
April 1999	Changed company name to “ Tosho Co., Ltd. ” Constructed “Tosho Building” near Mikawa-Anjo Station to serve as the company’s head office
November 1999	Started the hotel operation Opened the first hotel, the current “AB Hotel Mikawa-Anjo Honkan”
January 2003	Planned and sold the first ultra-high-rise condominium in the Mikawa region with a seismic isolation for protection against earthquakes
February 2004	Listed on the JASDAQ market
April 2004	Full-scale launch of the A City series of company-owned leasing condominiums
October 2006	Reclassified the company’s industry for business activities from “real estate” to “services”
As of June 2011	<ul style="list-style-type: none"> ◆ “Holiday Sports Clubs” – 43 ◆ “Holiday Golf Gardens” – 2 ◆ “AB Hotels” – 5 ◆ “A City apartments” – 48 buildings, 1,988 rooms

This presentation contains plans, outlooks, strategies and other information associated with expectations for future results of operations. This information is based on the judgments of management in accordance with information that is currently available.

Actual results of operations may differ from these forward-looking statements for a number of reasons.

* * * * *

For more information

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Thank you for your interest in Tosho.

Everyone at our organization has a strong commitment to achieving our goals.