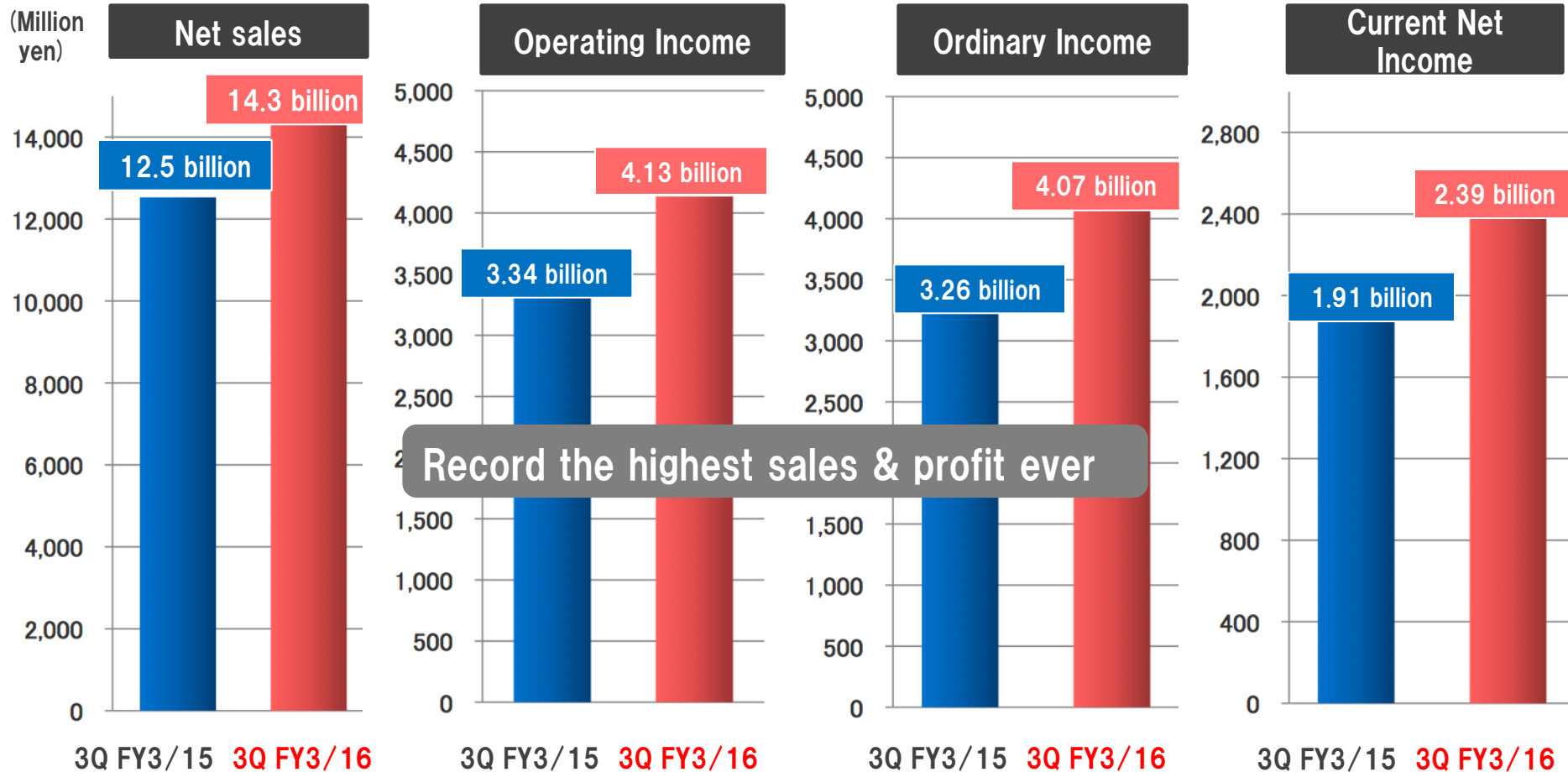




- Financial Results for the Third Quarter of the Fiscal Year Ending March 2016
- Medium-term Management Plan (FY3/16 to FY3/18)

- Net sales ¥14,305 million (up ¥1,776 million or **114.2%** YoY)
- Operating income ¥4,135 million (up ¥791 million or **123.7%** YoY)
- Ordinary income ¥4,077 million (up ¥811 million or **124.9%** YoY)
- Net income attributable to owners of parent ¥2,391 million (up ¥478 million or **125.0%** YoY)



3Q Cumulative Results for FY3/16

Sports Club Business

Average no. of sports clubs: 60
No. of members: up 3.0% YoY

Hotel Business

No. of hotels: 7
Operating rate: 90.8%

Real estate Business

No. of rental apartments: 50 buildings, 2,070 rooms
Occupancy rate: 98.4%

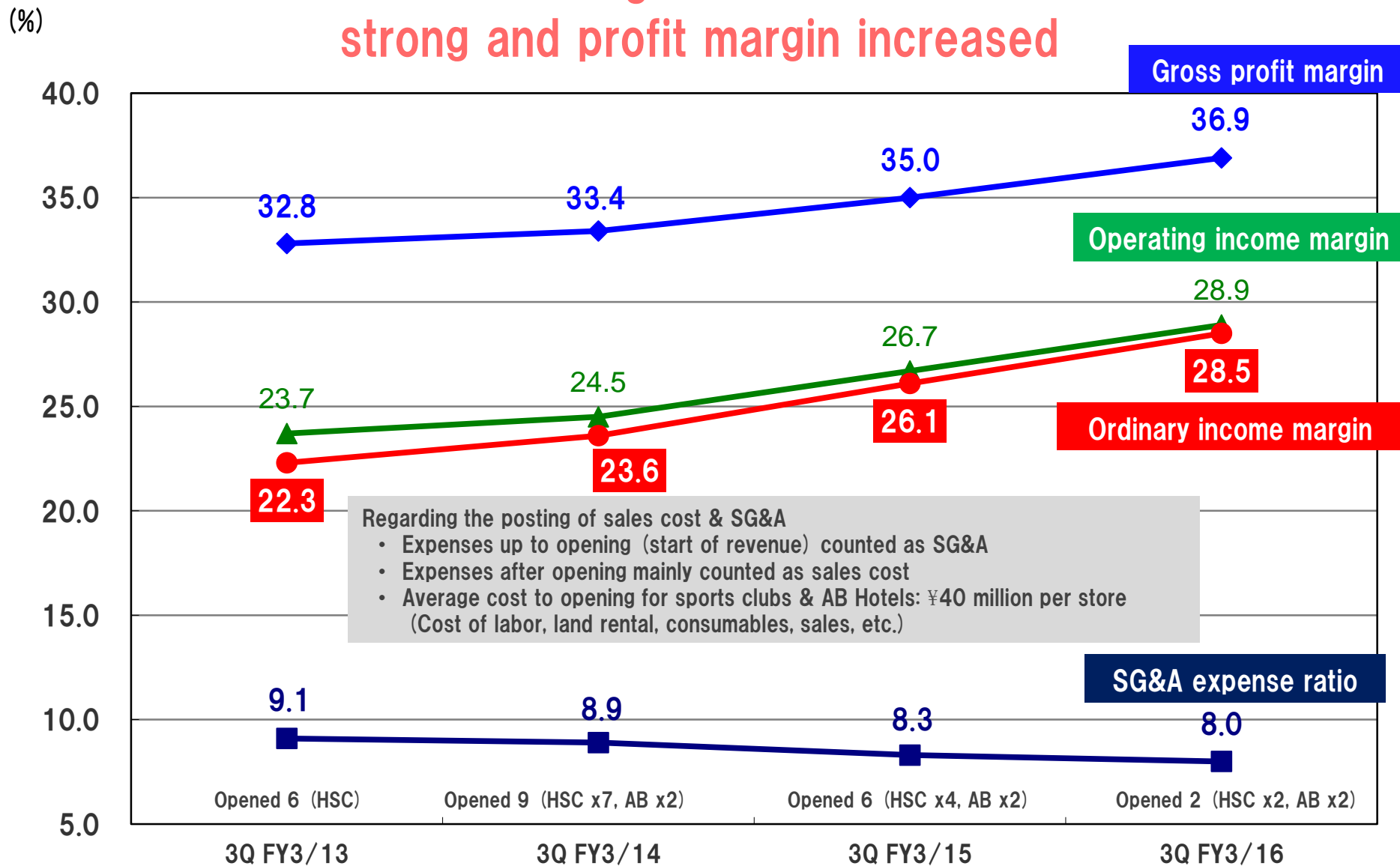
(Million yen)	FY3/15 (April 2014 - December 2014)			FY3/16 (April 2015 - December 2015)			
	Results	Ratio to sales %	YoY%	Results	Ratio to sales %	YoY%	Increase/decrease
Net sales	12,529	100.0	111.5	14,305	100.0	114.2	+1,776
Sports Club Business	10,029	80.0	111.0	11,073	77.4	110.4	+1,043
Hotel Business	1,439	11.5	127.7	2,158	15.1	150.0	+719
Real estate Business	1,060	8.5	98.5	1,073	7.5	101.3	+13
Gross Profit	4,385	35.0	116.7	5,282	36.9	120.5	+896
Sports Club Business	3,251	(32.4)	115.5	3,748	(33.9)	115.3	+497
Hotel Business	537	(37.3)	145.8	927	(43.0)	172.6	+390
Real Estate Business	596	(56.3)	104.3	606	(56.5)	101.7	+9
SG&A	1,041	8.3	103.7	1,147	8.0	110.1	+105
Operating Income	3,343	26.7	121.5	4,135	28.9	123.7	+791
Sports Club Business	2,791	(27.8)	120.6	3,265	(29.5)	117.0	+473
Hotel Business	461	(32.1)	149.9	765	(35.5)	165.9	+304
Real Estate Business	557	(52.6)	104.4	557	(51.9)	100.0	0
Adjustments (mainly head office expenses)	△467	-	115.5	△453	-	97.0	+13
Ordinary Income	3,265	26.1	122.9	4,077	28.5	124.9	+811
Net income attributable to owners of parent	1,912	15.3	132.7	2,391	16.7	125.0	+478

Quarterly Trends

(Million yen)

	1Q (April – June)		2Q (July – September)		3Q (October – December)		4Q (January – March)		FY3/16	
	Results	YoY%	Results	YoY%	Results	YoY%	Results	YoY%	Results	YoY%
Net sales	4,651	110.9	4,786	113.8	4,866	114.4			14,305	114.2
Sports Club Business	3,649	110.2	3,681	109.7	3,742	110.6			11,073	110.4
Hotel Business	644	154.5	746	153.9	767	142.9			2,158	150.0
Real Estate Business	358	99.3	358	98.3	356	106.6			1,073	101.3
Gross Profit	1,622	116.7	1,806	123.5	1,853	121.0			5,282	120.5
Sports Club Business	1,182	113.2	1,253	118.0	1,312	114.6			3,748	115.3
Hotel Business	235	159.1	346	174.2	345	181.4			927	172.6
Real Estate Business	205	103.2	206	102.1	194	99.6			606	101.7
SG&A	421	114.5	364	124.3	360	94.8			1,147	110.1
Operating Income	1,200	117.5	1,441	123.3	1,492	129.7			4,135	123.7
Sports Club Business	995	114.5	1,101	116.0	1,167	120.1			3,265	117.0
Hotel Business	189	148.4	290	165.1	286	181.3			765	165.9
Real Estate Business	188	101.0	192	101.6	177	97.2			557	100.0
Adjustments (mainly head office expenses)	△172	106.7	△142	98.3	△139	86.2			△453	97.0
Ordinary Income	1,185	118.2	1,411	125.1	1,479	130.5			4,077	124.9
() Ordinary Income Ratio	(25.5%)	(24.7%)	(29.5%)	(26.8%)	(30.4%)	(26.6%)			(28.5%)	(26.1%)
Net income attributable to owners of parent	701	116.1	826	126.7	862	131.6			2,391	125.0
New Business	Sports club: 1 Hotel: 1				Sports club: 1 Hotel: 1				Sports club: 2 Hotel: 2	

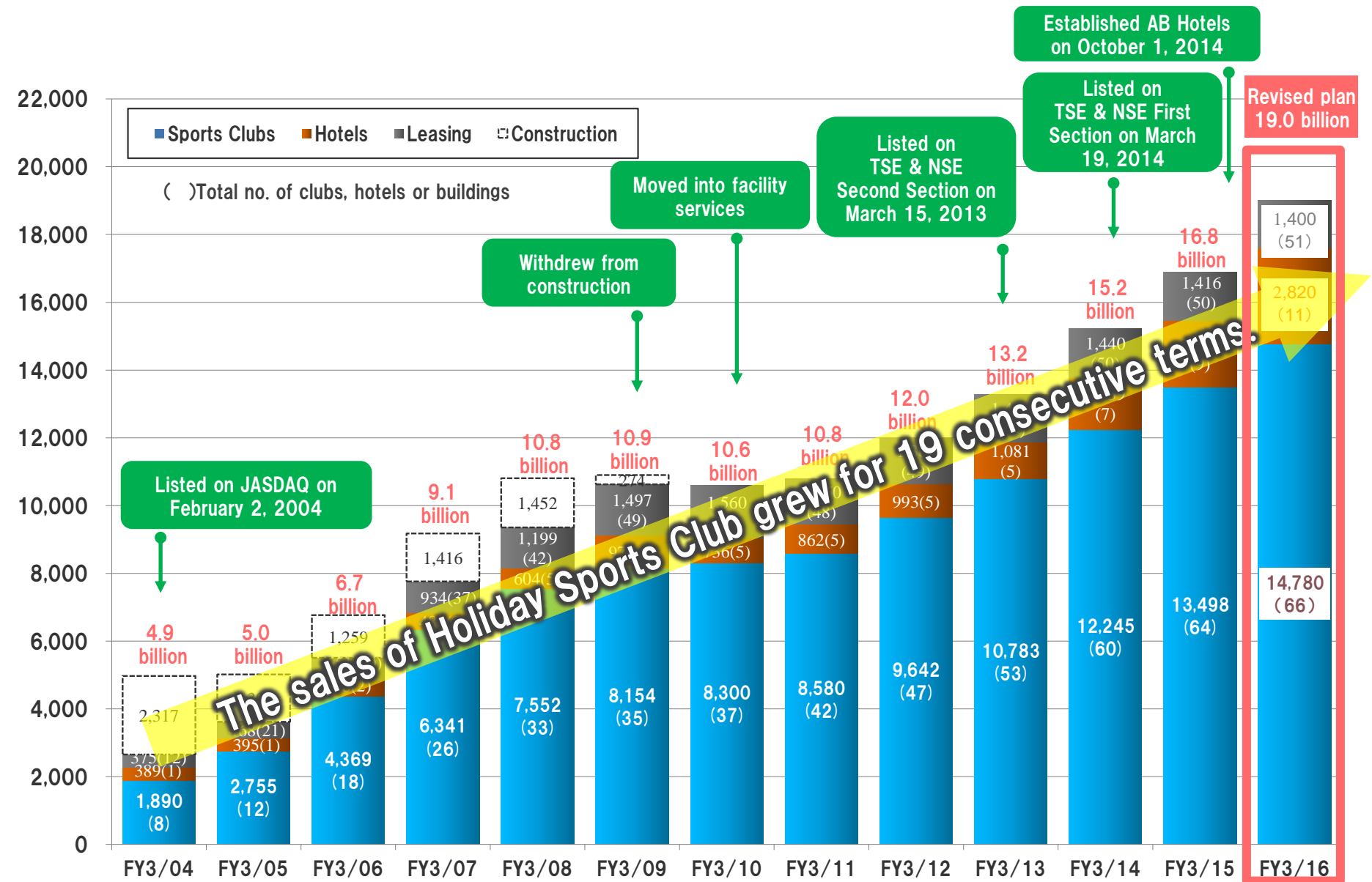
Revenue from existing clubs and hotels remained strong and profit margin increased



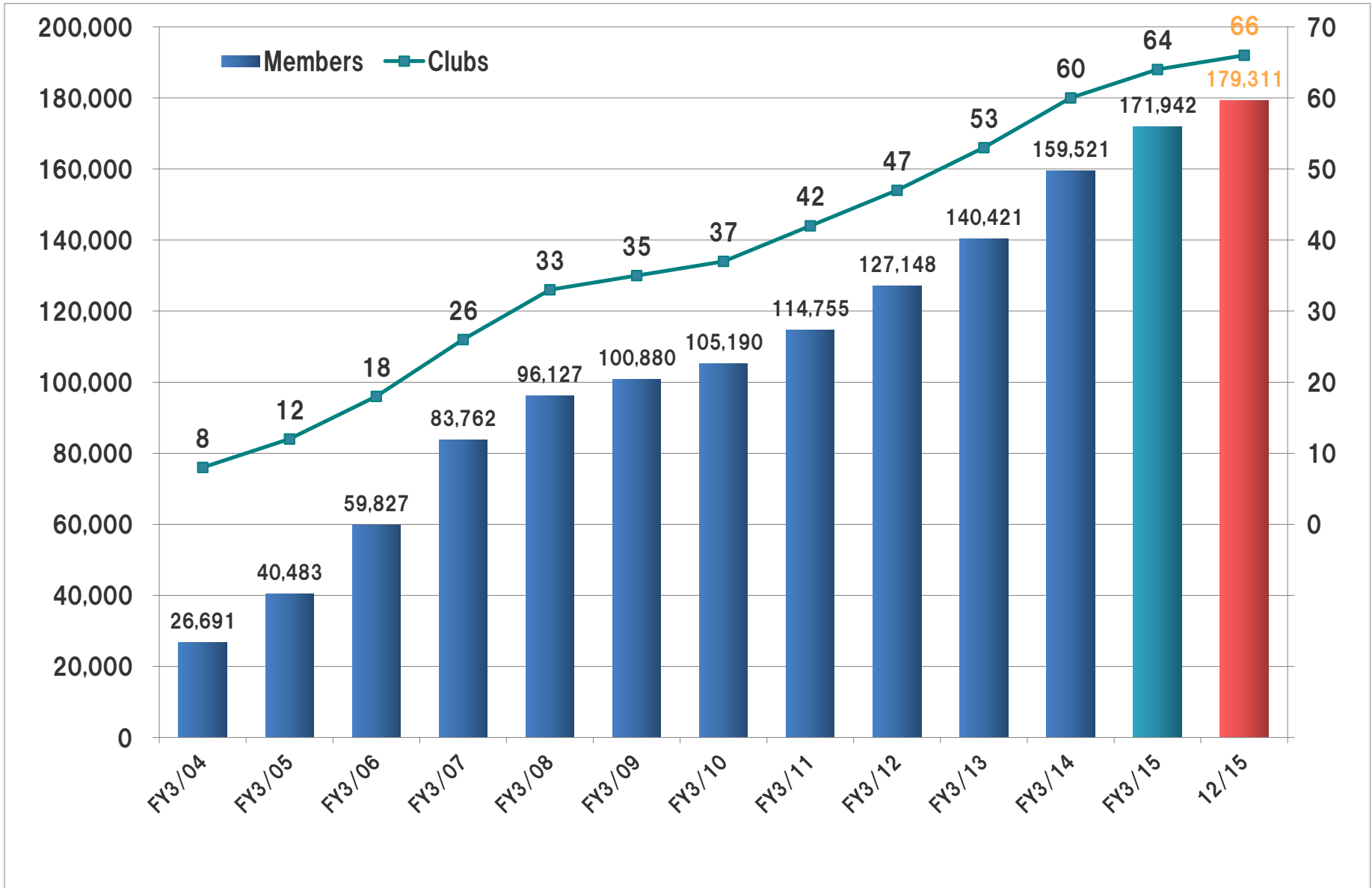
Upwards revision

(Million yen)

	Consolidated			Consolidated			
	FY3/15 (April 2014 - March 2015)			FY3/16 (April 2015 - March 2016)			
	Results	Ratio to sales %	YoY%	Plan	Ratio to sales %	YoY%	Increase/decrease
Net sales	16,888	100.0	110.9	19,000	100.0	112.5	+2,111
Sports Club Business	13,498	79.9	110.2	14,780	77.8	109.5	+1,281
Hotel Business	1,973	11.7	128.2	2,820	14.8	142.9	+846
Real Estate Business	1,416	8.4	98.3	1,400	7.4	98.8	△16
Gross Profit	5,845	34.6	116.4	6,920	36.4	118.4	+1,074
Sports Club Business	4,317	(32.0)	115.2	4,920	(33.3)	114.0	+602
Hotel Business	731	(37.1)	145.0	1,200	(42.6)	164.0	+468
Real Estate Business	796	(56.2)	103.7	800	(57.1)	100.4	+3
SG&A	1,540	9.1	109.7	1,620	8.5	105.2	+79
Operating Income	4,305	25.5	121.5	5,300	27.9	123.1	+994
Sports Club Business	3,634	(26.9)	118.0	4,280	(29.0)	117.8	+645
Hotel Business	615	(31.2)	144.9	970	(34.4)	157.5	+354
Real Estate Business	742	(52.4)	103.5	720	(51.4)	96.9	△22
Adjustments (mainly head office expenses)	△687	-	113.5	△670	-	97.5	△17
Ordinary Income	4,203	24.9	120.1	5,200	27.4	123.7	+996
Net income attributable to owners of parent	2,536	15.0	128.3	3,100	16.3	122.2	+563

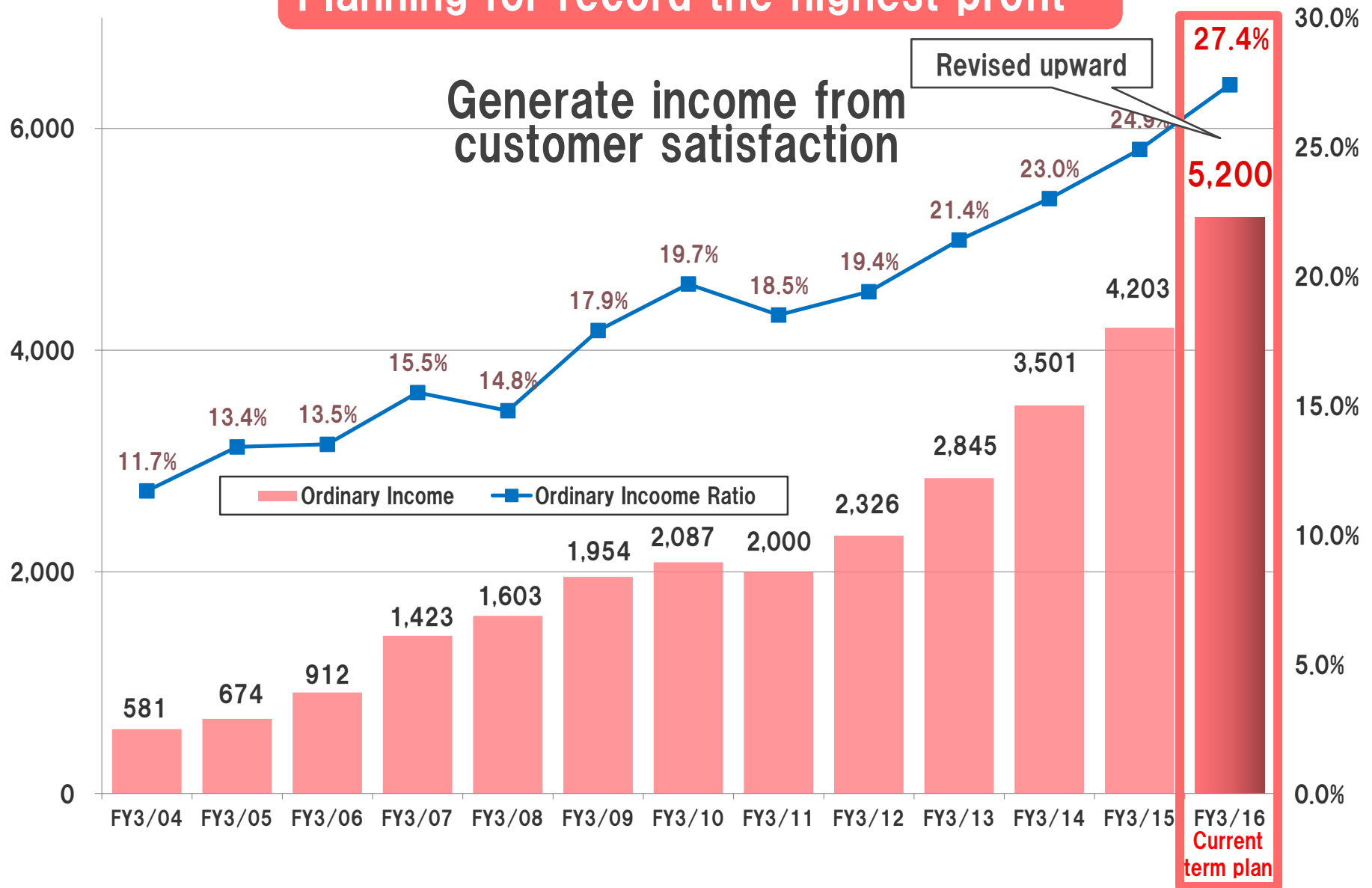


No. of Holiday Sports Clubs & Members

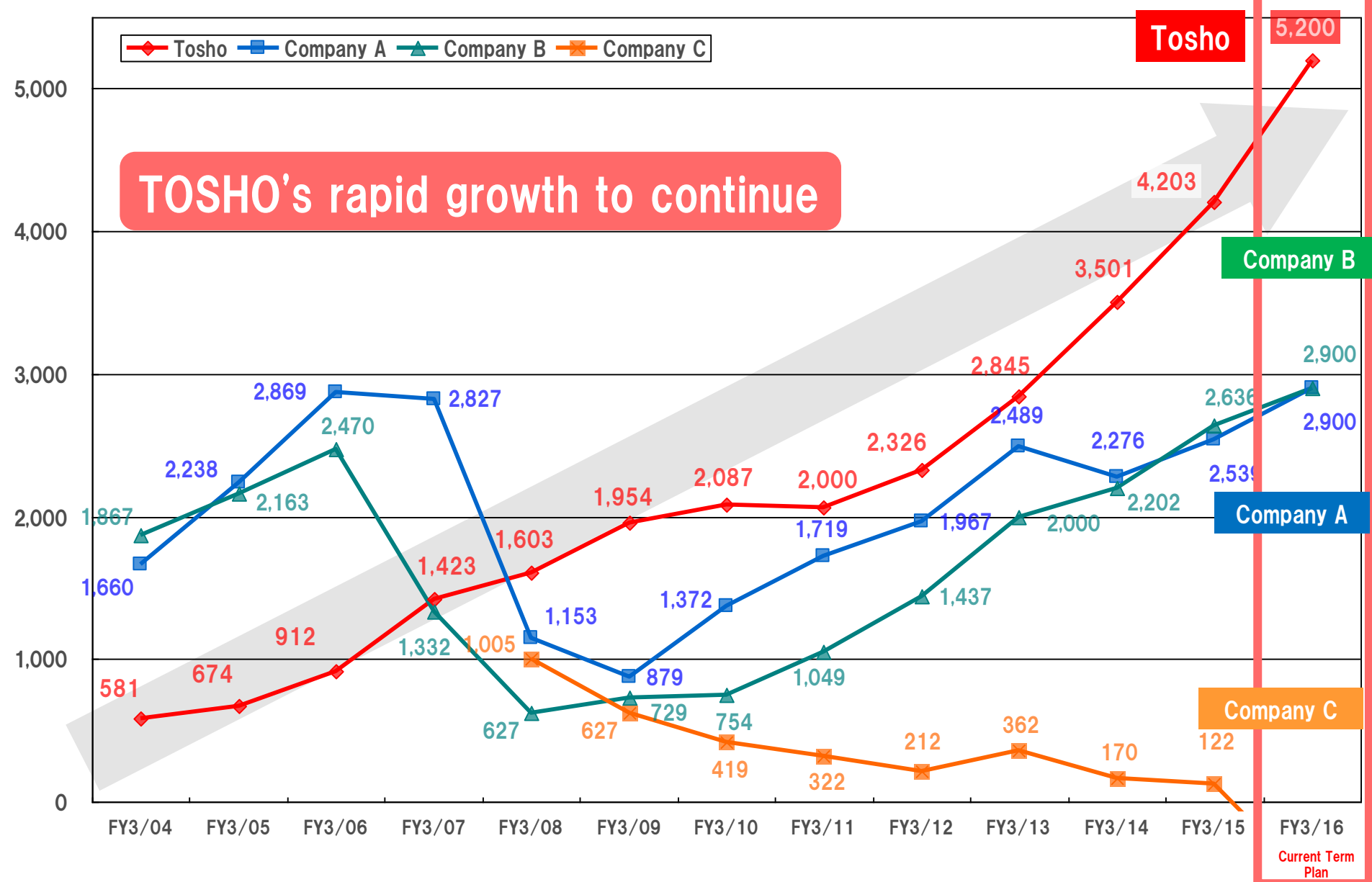


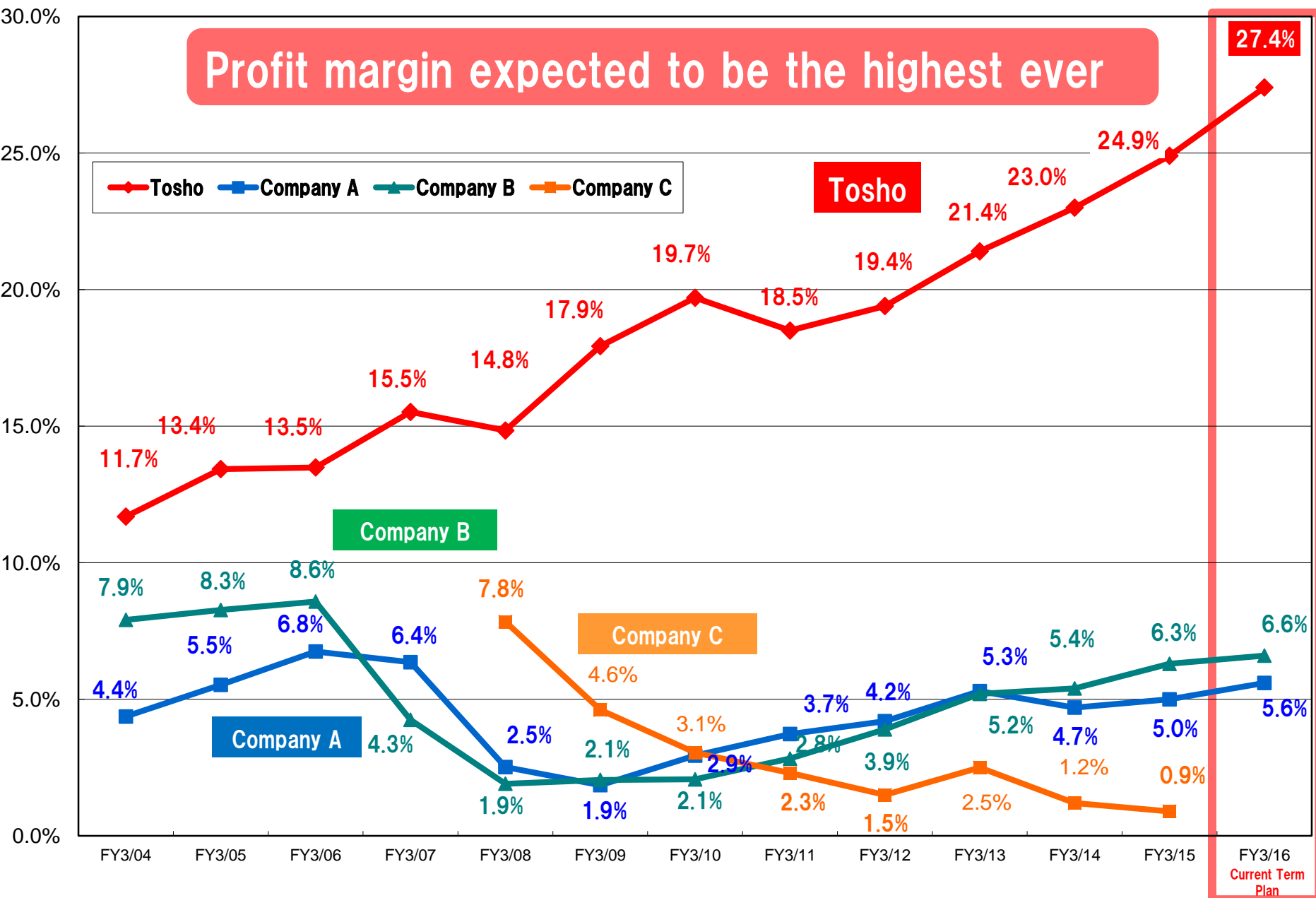
Planning for record the highest profit

Generate income from customer satisfaction

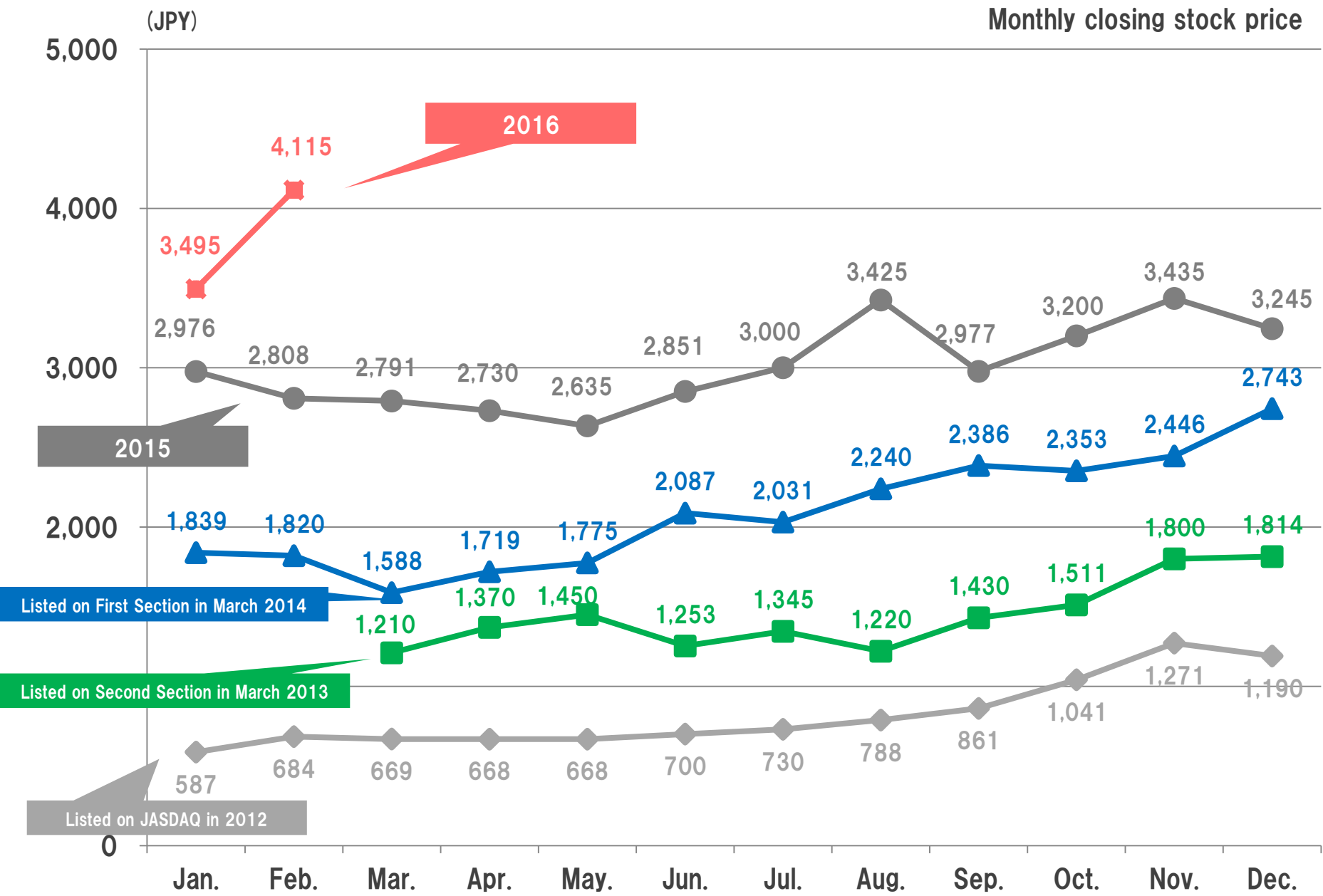


Million yen





Tosho Stock Price Trend



Increased dividend

Original plan: ¥21, up from ¥ 20

Interim dividend: ¥10, year-end dividend: ¥ 11

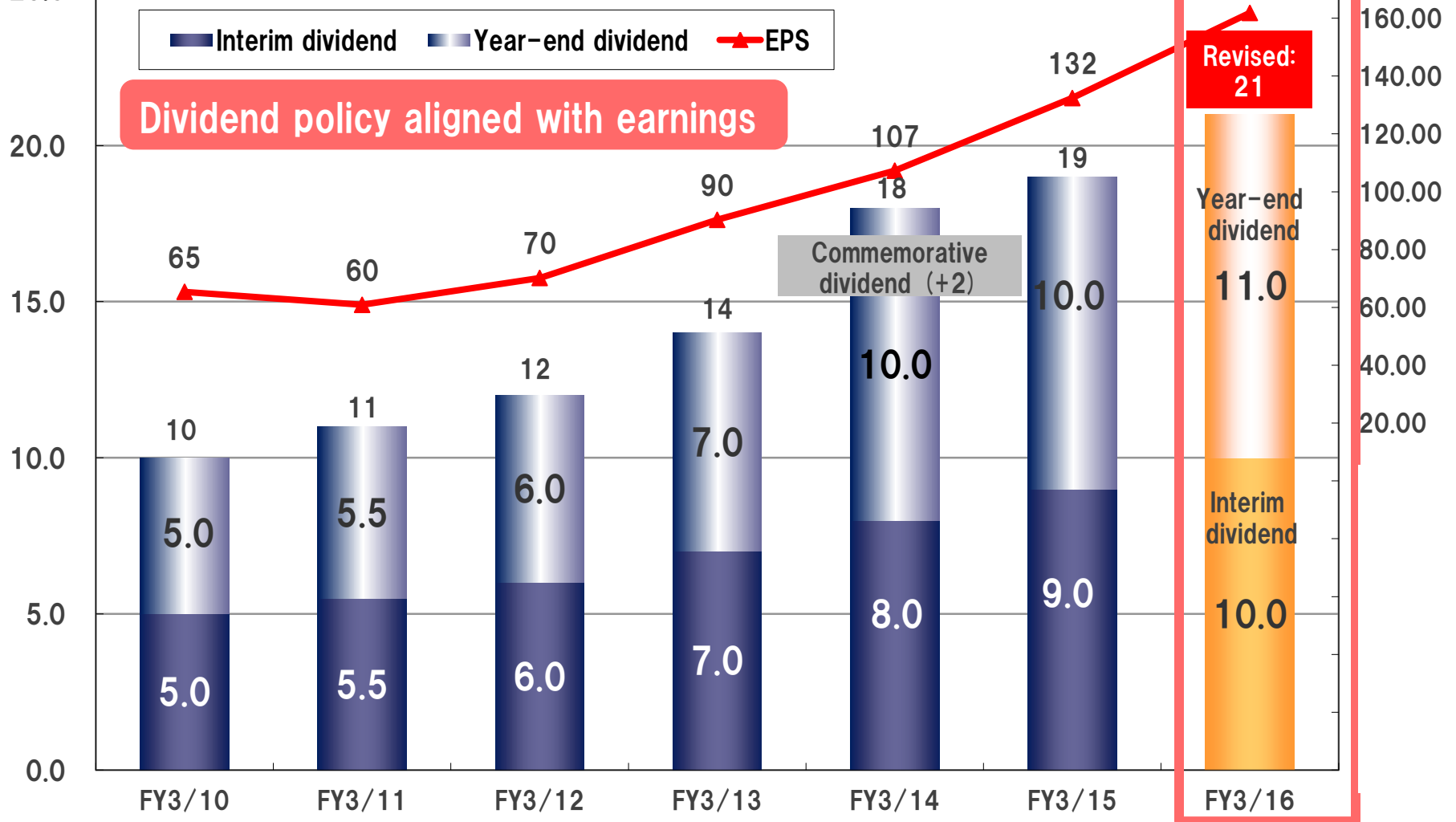
EPS (JPY)

Annual dividend (JPY)

25.0

■ Interim dividend ■ Year-end dividend ▲ EPS

Dividend policy aligned with earnings



Commemorative dividend (+2)

Revised: 21

Year-end dividend

11.0

Interim dividend

10.0



Medium-term Management Plan

(FY3/16, FY3/17, FY3/18)

Wellness Life Tosho Group

Three principles of health: “Exercise, Nutrition, Rest”

Tosho

Sports Club Business Holiday Sports Club

Wellness through exercise
66 clubs across Japan



Real Estate Business Rental Apartments (A City)

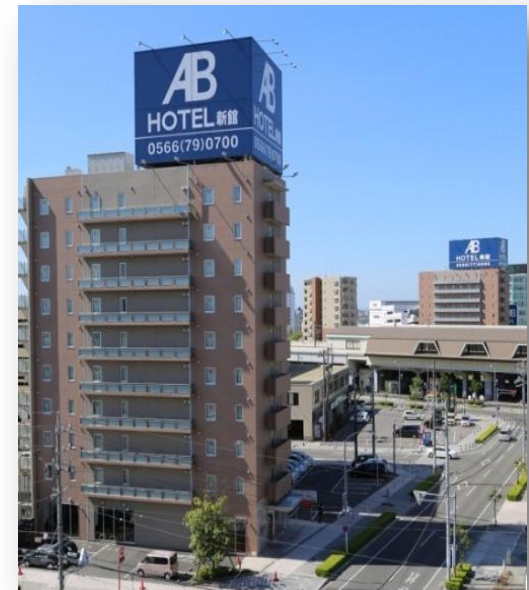
Wellness through comfort
51 buildings across Aichi Prefecture



AB Hotel

Hotel Business AB Hotel

Wellness through good sleep
11 hotels across Japan



Medium-term Plan

First year plan - FY3/16

Net sales:	¥18.2 billion
Ordinary income:	¥4.7 billion
Ordinary income margin:	25.8%

Plus ¥500 million

Net sales:	¥19.0 billion
Ordinary income:	¥5.2 billion
Ordinary income margin:	27.4%

**Medium-term 3-year Management
Plan revised upwards**

Original Medium-term 3-year Plan

(Issued on May 21, 2015)

	FY3/16	FY3/17	FY3/18
Ordinary income	¥4.7 billion GO (+5)	¥5.2 billion GO (+5)	¥5.7 billion

GOGO Plan revised upwards

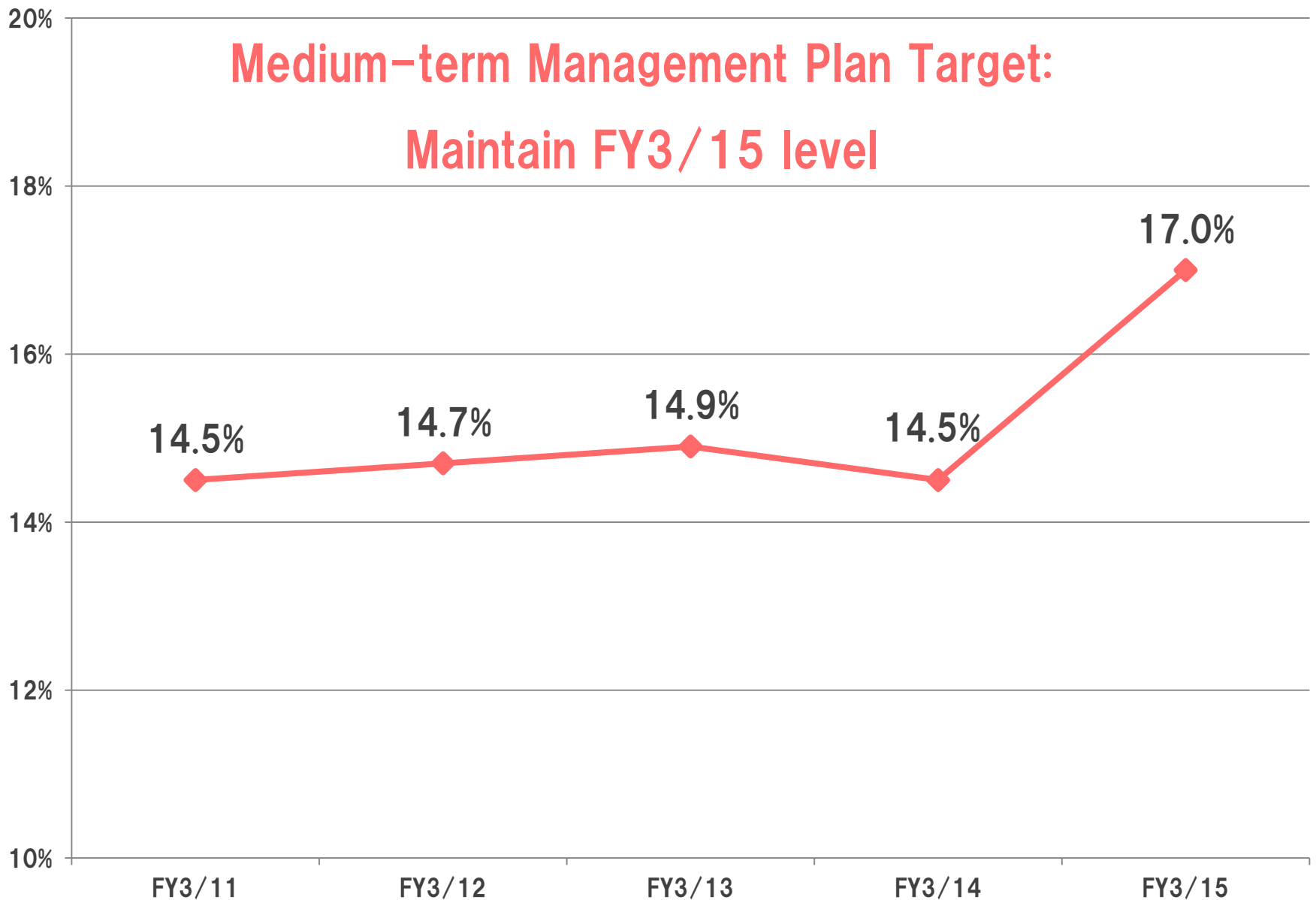
	FY3/16	FY3/17	FY3/18
Ordinary income	¥5.2 billion GO (+5)	¥5.7 billion GO (+5)	¥6.2 billion

Upwards revision

Tosho Group: Ordinary income to increase by more than ¥500 million YoY

	FY3/16	FY3/17	FY3/18
Net sales	¥19.0 billion		
Growth rate (YoY)	112.5%		
Ordinary income	¥5.2 billion	GO (+5) ¥5.7 billion	GO (+5) ¥6.2 billion
Growth rate (YoY)	123.7%	109.6%	108.8%
Ordinary income margin	27.4%		
Planned capital expenditure	¥2.5 billion	¥5.0 billion	¥5.0 billion
New sports clubs	2	6	8
New hotels	2	4	5
New rental apartments	35	200	200

Future sales figures to be announced after closing statement on sales results for FY3/16.



Continued rapid growth in the **facility service industry**

5 Strategies for Holiday Sports Clubs

1. Market

- Market survey targeting 100,000–150,000 people
Is there a demand?

2. Development

- Develop a new business model
Is our business model keeping up with the times?

3. New products

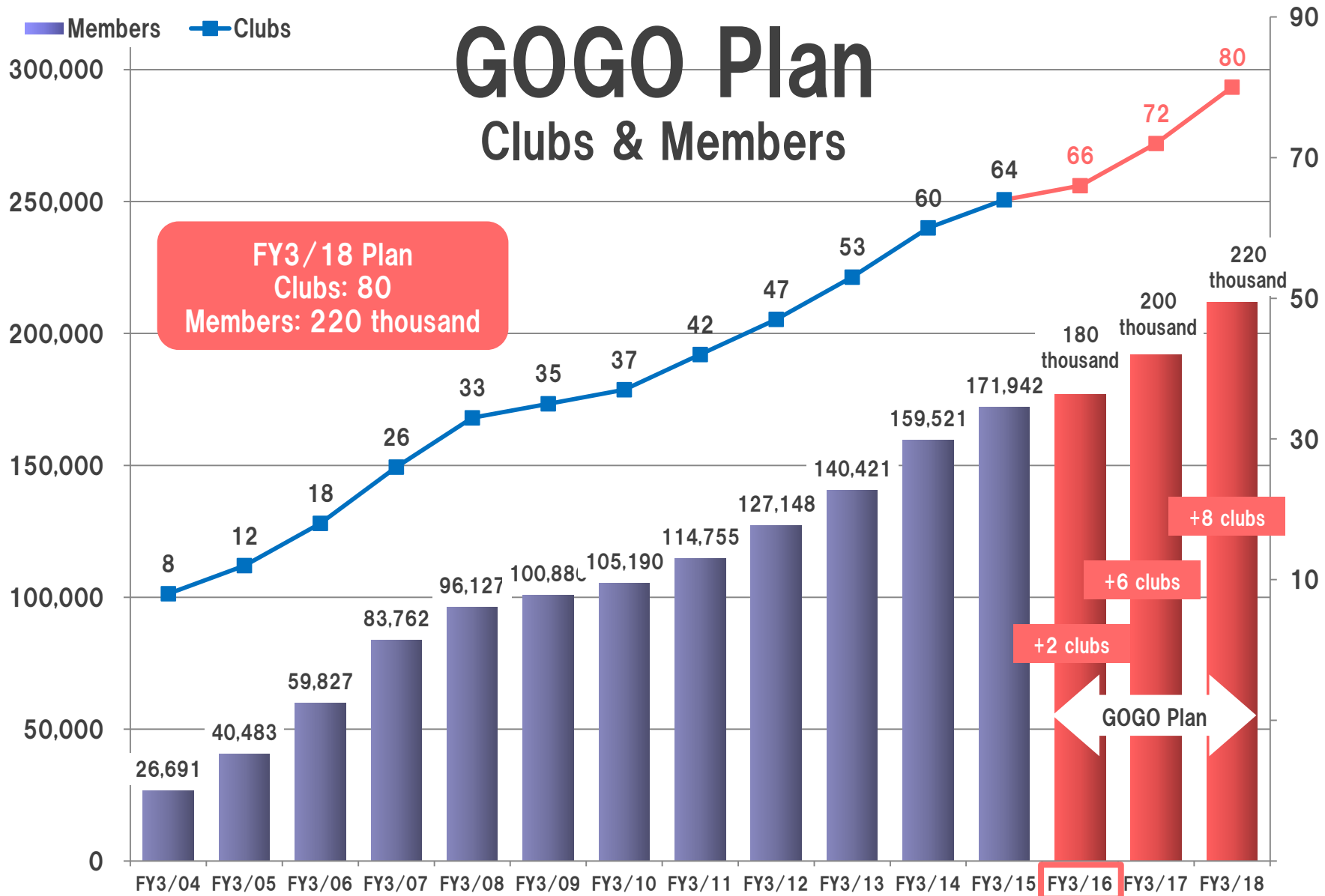
- Introduce new programs, new systems & new products
Are we continuing to release hot sellers?

4. Sales

- Flyers, web, word-of-mouth
Are people being inspired to join?

5. Service

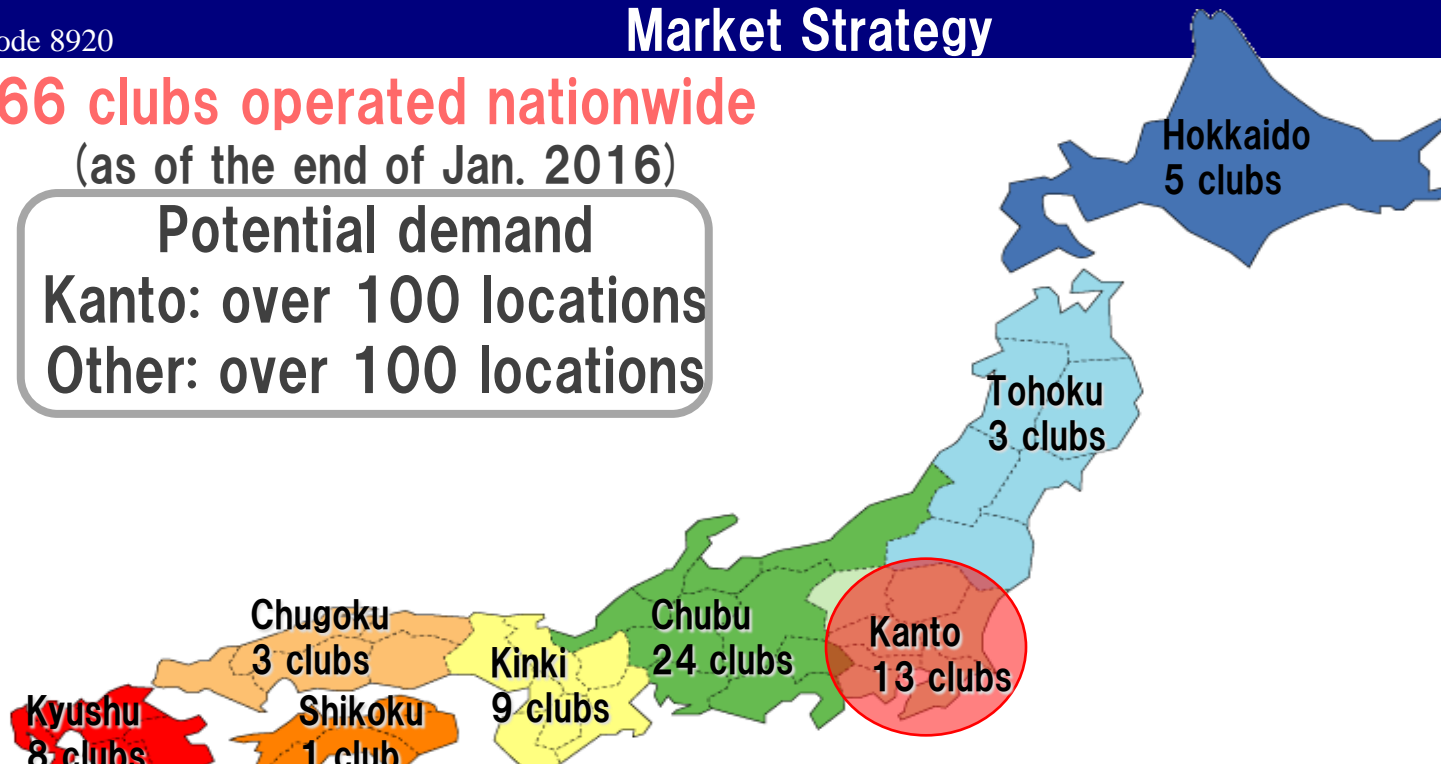
- HR training, service etiquette, maintenance of facility & environment
Do we offer safety, peace-of-mind & comfort?



66 clubs operated nationwide

(as of the end of Jan. 2016)

Potential demand
Kanto: over 100 locations
Other: over 100 locations



Hokkaido: 5 clubs
•Hakodate
•Asahikawa
•Sapporo Kiyota
•Sapporo Kita 24 Jo
•Tomakomai
Tohoku: 3 clubs
•Hirosaki (Aomori)
•Akita (Akita)
•Morioka (Iwate)
Kanto: 13 clubs
•Utsunomiya (Tochigi)
•Isesaki (Gunma)
•Takasaki (")
•Maebashi (")
•Ota (")
•Funabashinichidai-mae (Chiba) ★
•Ichihara Goi (") ★
•Zamarinkan (Kanagawa) ★
•Ebina Kashiwadai (")
•Sagamihara (")
•Kodaira (Tokyo)
•Nishiichinoe (Edogawa) ★ ★plan
•Okegawa (Saitama) ★
•Fukaya (")
•Soka (") next pan

Kyushu: 8 clubs	Chugoku: 3 clubs	Kinki: 9 clubs	【Chubu: 24 clubs	•Mikawa-anjo (Aichi)	•Niigata Benten (Niigata)
•Yahatanishi (Fukuoka)	•Fukuyama (Hiroshima)	•Suzuka (Mie)	•Kofu (Yamanashi)	•Kariya Chiryu (")	•Niigata Akamichi (")
•Fukuoka Umebayashi (")	•Yonago (Tottori)	•Yokkaichi (")	•Matsumoto (Nagano)	•Ichinomiya (")	•Nagaoka (")
•Onojo (")	•Tottori (") plan	•Kusatsu (Shiga) ★	•Nagano (")	•Toyohashi (")	•Toyama (Toyama)
•Omuta (")	•Izumo (Shimane)	•Nara (Nara)	•Ueda (")	•Toyota (")	•Takaoka (")
•Oita (Oita)		•Yamatotakada (") plan	•Numazu (Shizuoka)	•Nagoya Narumi (")	•Kanazawa (Ishikawa)
•Saga (Saga)	Shikoku: 1 club	•Izumiotsumi (Osaka)	•Hamamatsu (")	•Nisshin Nagakute (")	•Fukui (Fukui)
•Kumamoto Kita (Kumamoto)	• Matsuyama (Ehime)	•Higashi Osaka (")	•Shimizu (")	•Toyokawa (")	
•Kumamoto Nagamine (")		•Neyagawa (") ★	•Fuji (")	•Owariasahi (") plan	
		•Osaka Hirano (")	•Fujinomiya (") plan	•Ogaki (Gifu)	
		•Himeji (Hyogo)			
		•Mukonosono (") plan			

※ ★: Clubs without pool facilities
※ Operating clubs shown on map



Equipped with female-only studio



General Eco 2500 Model		
Investment amount (building ownership)	¥500 million	
Net sales (thousand yen)	210,000	100%
Ordinary income	73,500	35%
Expenses	136,500	65%
Location	Close to town center & station	
Site area	Around 1,500 tsubo (around 4,959m ²)	
Total floor space	Around 500 tsubo (around 1,653m ²)	
Parking	180 cars	
Assumed No. of members	2,500	
Avg. fee	¥7,000	
Market population	100,000 within 3km	



HR training

Customer Satisfaction !

Instructor practical training

Operational management training

Customer service training

New product development

No. 1 Choice !

Develop new programs

Maintenance training

No. 1 in Safety !

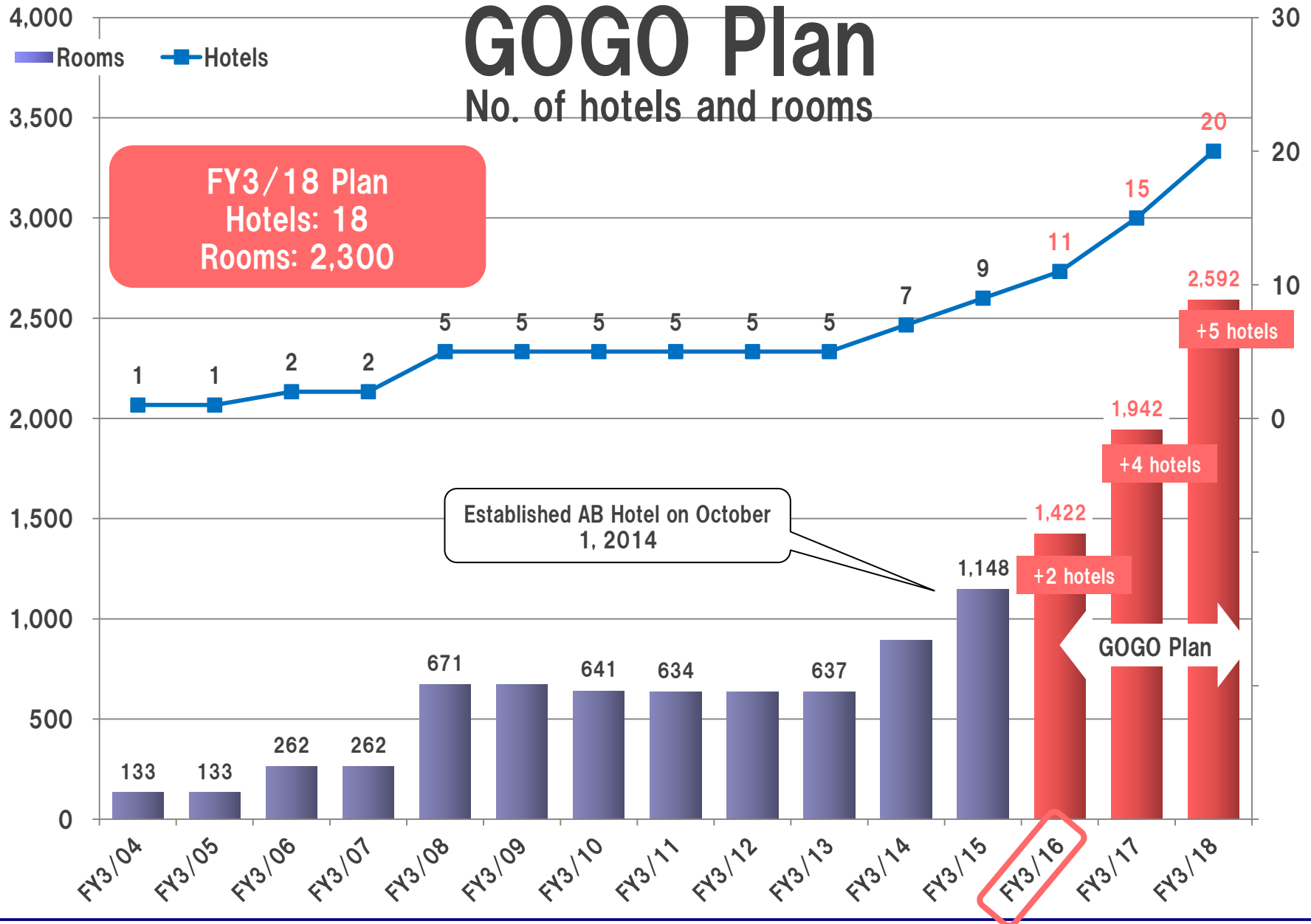
Machine maintenance

Equipment maintenance

Building maintenance

GOGO Plan

No. of hotels and rooms



Branching out from Mikawa-anjo hotels across Japan



11 hotels operated in Japan
(as of the end of January 2016)

Opening of 11th hotel (Toyohashi)

Nara Prefecture
•AB Hotel Nara FY16
Kyoto Prefecture
•AB Hotel Kyoto Shijo Omiya FY17
Saitama Prefecture
•AB Hotel Fukaya
Gunma Prefecture
•AB Hotel Isesaki FY16
Ishikawa Prefecture
•AB Hotel Kanazawa

Aichi Prefecture x9
•AB Hotel Mikawa-anjo (Main)
•AB Hotel Mikawa-anjo (New)
• AB Hotel Mikawa-anjo (South)
•AB Hotel Toyota Motomachi
•AB Hotel Okazaki
•AB Hotel Nagoya Sakae
•AB Hotel Komaki
•AB Hotel Ichinomiya
•AB Hotel Toyohashi
•AB Hotel Mikawa Toyota FY16
Shizuoka Prefecture
•AB Hotel Fuji FY17
•AB Hotel Iwata FY17
Gifu Prefecture
•AB Hotel Kakamigahara FY16
•AB Hotel Gifu FY17



AB Hotels targeting 80% occupancy rate & 35% profit by focusing on customer satisfaction

Creating hotels that can satisfy the demand of guests

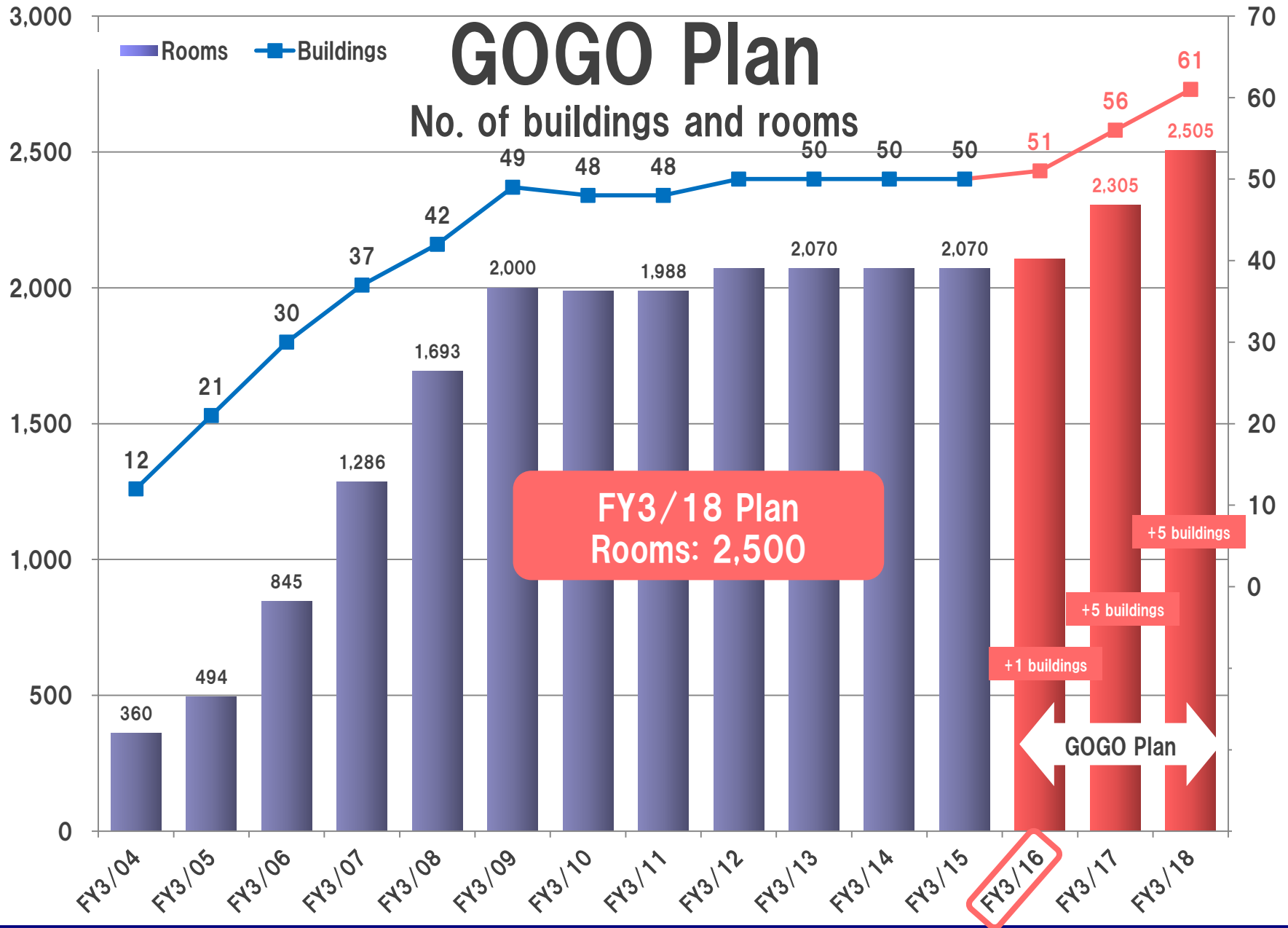


Investment amount (building ownership)	¥520 million	
Net sales (thousand yen)	215,280	100%
Ordinary income	75,348	35%
Expenses	139,932	65%

Location	Commercial area, in the vicinity of a station
Site area (Leased)	Around 300 tsubo (around 992m2)
Size	130 guest rooms
Assumption	80% occupancy rate
Avg. price	¥6,000+
Target	Businessmen, families, women

GOGO Plan

No. of buildings and rooms



FY3/18 Plan
Rooms: 2,500

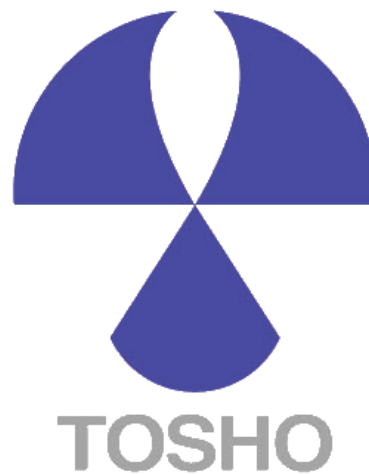
GOGO Plan

+1 buildings

+5 buildings

+5 buildings

**Tosho Group will continue to grow
under the theme of “Wellness Life”**



Memo

Memo

Memo