

May 9, 2017

### Notice of Revision to Medium-Term Management Plan

Following the results for the fiscal year ended March 2017, Tosho Co., Ltd. revised its three-year medium-term management plan ending in the fiscal year ending March 2018 (including the revisions made on May 10, 2016) which was announced on May 21, 2015. Details are as follows.

#### 1. Plan and results for the second year of the medium-term management plan (FY3/17)

Revised plan and results for the fiscal year ended March 2017

	FY3/17 (Revised plan)	FY3/17 (Results)	Difference
Net sales (million yen)	20,700	21,350	+650
Growth rate (YoY)	+7.7%	+11.1%	+3.4 P
Ordinary income (million yen)	5,720	6,025	305
Growth rate (YoY)	+6.3%	+12.0%	+5.7 P
Ordinary income margin	27.6%	28.2%	+0.6 P
EPS (yen)	173.86	194.54	+20.68
ROE	18.0%	18.0%	-
Capital spending plan (million yen)	5,000	4,780	-220
Sports club opening plan	5 clubs	5 clubs	-
Hotel opening plan	3 hotels	3 hotels	-
Rental apartment development plan (Real estate business)	200 rooms	60 rooms	-140 rooms

#### 【Factors for revisions】

As for the core sports club business, the annual average number of members in the existing 64 clubs (opened until FY3/15) increased by 4.4% compared to the previous fiscal year. Moreover, the occupancy rate in the hotel business and the real estate business also increased favorably. As a result, net sales surpassed the initial plan. For details, please refer to the "Consolidated Financial Results for the Fiscal Year Ending March 31, 2010 [Japan GAAP] (Non-consolidated)" announced on May 9.

## 2. Overview of revisions to the medium-term management plan

The company reviewed its major management index targets for the final year of the medium-term management plan, following the results for the fiscal year ended March 2017.

### ◆ Major management index targets for the final year (FY3/18)

Net sales	23.8 billion yen	(Revised plan: +300 million yen)
Ordinary income	6.5 billion yen	(Revised plan: +100 million yen)
Ordinary income margin	27.3%	(Revised plan: +0.1P)
EPS	208 yen	(Revised plan: +14 yen)
ROE	18.5%	(Revised plan: -0.5P)

### ◆ Shareholders' equity ratio plan: above 46%

- ◆ As for the dividend, shareholder return will be paid based on profits.  
(Dividends for FY3/17 are planned to increase for seven consecutive years.)

### <Major management index targets>

	FY3/16 (Results)	FY3/17 (Results)	FY3/18 (Plan)
Net sales (million yen)	19,224	21,350	23,800
Growth rate (YoY)	+13.8%	+11.1%	+11.5%
Ordinary income	5,380	6,025	6,500
Growth rate (YoY)	+28.0%	+12.0%	+7.9%
Ordinary income margin	28.0%	28.2%	27.3%
EPS (yen)	164.79	194.54	208.83
ROE	17.9%	18.0%	18.5%
Capital spending plan (million yen)	3,880	4,780	8,500
Sports club opening (results and plan)	2 clubs	5 clubs	10 clubs
Hotel opening (results and plan)	2 hotels	3 hotels	5 hotels
Rental apartment development (results and plan)	35 rooms	60 rooms	262 rooms