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Securities Code: 8920

May 29, 2017

To our shareholders:

Yuichiro Kutsuna
President
TOSHO CO., LTD.
1-16-5 Mikawaanjo-cho, Anjo-shi, Aichi

Notice of the 39th Annual General Meeting of Shareholders

You are cordially invited to attend the 39th Annual General Meeting of Shareholders of TOSHO CO., LTD. (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing. Please indicate your vote of approval or disapproval of each proposal on the enclosed voting form and return the form to the Company no later than 6:00 p.m. on Thursday, June 15, 2017 (JST) after reviewing the attached Reference Documents for General Meeting of Shareholders.

- 1. Date and Time:** Friday, June 16, 2017, at 10:00 a.m. (JST)
- 2. Venue:** 1F, Special Conference Hall, Hotel Grand Tiara ANJO
1-8-11 Mikawaanjo-cho, Anjo-shi, Aichi

3. Purpose of the Meeting:

Matters to be reported:

1. Business Report, Consolidated Financial Statements and audit report of the Consolidated Financial Statements by our Financial Auditor and Audit & Supervisory Board for the 39th fiscal year (From April 1, 2016 to March 31, 2017)
2. Report on the Non-Consolidated Financial Statements for the 39th fiscal year (From April 1, 2016 to March 31, 2017)

Matters to be resolved:

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|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Eight Directors |
| Proposal No. 4 | Election of Two Audit & Supervisory Board Members |
| Proposal No. 5 | Payment of Directors' Retirement Benefits for Retired Directors |

You are kindly requested to present the enclosed voting form to the receptionist when you attend the meeting.

If any changes have been made to items in the Reference Documents for General Meeting of Shareholders, Business Report, Non-Consolidated Financial Statements, and Consolidated Financial Statements, such changes will be posted on the Company's website (<http://www.to-sho.net/>).

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company believes that one of the most important management priorities is to return its profit to its shareholders, and seeks to maintain stable distribution of dividends. However, at the same time, the Company also has a policy to make decisions towards effective use of its internal reserves for business expansion and enhancement of the business quality.

In accordance with the above policy, the Company proposes to pay a year-end dividend of ¥12 per share for the fiscal year under review, which is ¥1 higher than the ordinary dividend for the previous fiscal year, in light of a solid business performance and both increased revenue and increased profits.

1. Year-end dividends

- (i) Type of dividend property
To be paid in cash.
- (ii) Allotment of dividend property and their aggregate amount
¥12 per common share of the Company
The total dividends will be ¥229,842,588.
- (iii) Effective date of dividends of surplus
The effective date of dividends shall be June 19, 2017.

2. Other appropriation of surplus

While internal reserves are used in ways such as making investments to enhance the corporate value, the following decisions have been made to strengthen the business foundation for aggressive business expansion henceforth.

- (i) Item of surplus to be decreased and amount of decrease
Retained earnings brought forward: ¥3,000,000,000
- (ii) Item of surplus to be increased and amount of increase
General reserve: ¥3,000,000,000

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

The amendments have been proposed to change the total number of authorized shares from the current 23,040,000 shares to 76,630,000 shares in the Article 5 of the current Articles of Incorporation (Total number of authorized shares) in order to enable expeditious financing geared towards increasing the liquidity of the Company's shares and future business expansion.

2. Details of the amendments

(Underlined part indicates the amendments.)

Current Articles of Incorporation	Proposed Amendments
Article 1 to Article 4 (omitted) (Total number of authorized shares)	Article 1 to Article 4 (unchanged) (Total number of authorized shares)
Article 5 The total number of shares authorized to be issued by the Company shall be <u>23,040,000</u> .	Article 5 The total number of shares authorized to be issued by the Company shall be <u>76,630,000</u> .
Article 6 to Article 49 (omitted)	Article 6 to Article 49 (unchanged)

Proposal No. 3 Election of Eight Directors

The terms of office of all nine Directors will expire at the conclusion of this meeting.

In that regard, the Company proposes the election of eight Directors, lowering the number of Directors by one to enable quick and flexible decision making in the Board of Directors.

The candidates for Director are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned (Thousands)
1	Toshihiro Kutsuna (March 1, 1951)	Apr. 1973 Joined Izumi Shibafu Mar. 1979 Established the Company; President and Representative Director Apr. 2002 Chairman and Representative Director Oct. 2003 President and Representative Director Oct. 2014 President of AB Hotel CO., LTD. Apr. 2015 President and Representative Director and Group Chief Executive Officer of the Company June 2016 Chairman, Representative Director and Chief Executive Officer (current position) Sept. 2016 Chairman and Representative Director of AB Hotel CO., LTD.	8,266
2	Yuichiro Kutsuna (January 1, 1975)	Apr. 1997 Joined the Company Apr. 1999 Director June 2005 Director and General Manager of the Real Estate Development Business Department Jan. 2008 Executive Director and President of Sports Club Company Apr. 2010 Executive Director and General Manager of Corporate Planning Office Jan. 2014 Executive Director, General Manager of Corporate Strategy Office and Chief of Tokyo Office Apr. 2015 Executive Director, Chief Operating Officer, General Manager of Corporate Strategy and Chief of Tokyo Office June 2016 President, Representative Director and Chief Operating Officer (current position)	2,102
3	Mayumi Kutsuna (July 13, 1952)	Apr. 1974 Joined Izumi Shibafu Mar. 1979 Joined the Company Feb. 1989 Director Oct. 1990 Managing Director Oct. 1993 Director and Vice President Apr. 2002 Director and President Oct. 2003 Director and Vice President Apr. 2010 Director and Vice President (in charge of AB Hotel CO., LTD., Holiday Golf Garden, Human Resources and Employment, and Store Development) May 2013 Director, Vice President and General Manager of New Product Development Office Oct. 2014 Director and Vice President of AB Hotel CO., LTD. (current position) Feb. 2017 Director and Vice President, and in charge of Human Resource of the Company (current position)	333

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned (Thousands)
4	Takashi Inagaki (January 28, 1964)	<p>Apr. 1982 Joined Oishi Labor Management and Accounting Firm</p> <p>Apr. 1987 Joined Subaru</p> <p>Dec. 1994 Joined Hamaji Kanko</p> <p>Mar. 1996 Joined the Company</p> <p>Jan. 2000 Managing Director and General Manager of Sports Club Business Department</p> <p>Apr. 2002 Director and General Manager of Sports Club Business Department</p> <p>June 2007 Managing Director and General Manager of the Sports Club Business Department</p> <p>Apr. 2010 Managing Director and General Manager of Holiday Sports Club</p> <p>Jan. 2014 Managing Director, Manager of Holiday Sports Club and Deputy Chief of Tokyo Office</p> <p>June 2016 Executive Director, General Manager of Holiday Sports Club and Chief of Tokyo Office (current position)</p>	34
5	Naoya Kuwazoe (October 12, 1969)	<p>July 1993 Joined Yamanaka Tax Accounting Office</p> <p>June 2000 Joined NV Nijyuichi</p> <p>Sept. 2003 Joined the Company</p> <p>June 2006 Director, General Manager of Administration Headquarters and General Manager of Accounting Department</p> <p>Apr. 2010 Director and General Manager of Administration Department</p> <p>May 2013 Managing Director and General Manager of Administration Department</p> <p>Apr. 2015 Managing Director, General Manager of Administration Department and Group Chief Financial Officer</p> <p>June 2016 Managing Director, General Manager of Administration Headquarters and Chief Financial Officer (current position)</p>	18
6	Yoichi Kariyazono (September 27, 1961)	<p>Apr. 1984 Joined Olympic Sports</p> <p>Mar. 1997 Joined Fukatsu Denkasha</p> <p>Feb. 1999 Joined Leaman</p> <p>Mar. 2001 Joined the Company</p> <p>Apr. 2002 Director and General Manager of Administration Headquarters</p> <p>Apr. 2006 Director and General Manager of the Hotel Business Department</p> <p>May 2007 Director and General Manager of Internal Administration Office</p> <p>Jan. 2010 Director and General Manager of Investor Relations Office</p> <p>Jan. 2012 Director and General Manager of President Office</p> <p>Jan. 2014 Director, General Manager of President Office and General Manager of A·City Department</p> <p>Jan. 2015 Director, General Manager of A·City Department and General Manager of Investor Relations Office (current position)</p>	13

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned (Thousands)
7	Akibumi Kamiya (October 22, 1951)	Apr. 1979 Joined Kamihachi Nov. 1989 Passed Bar Examination Apr. 1992 Registered as an attorney at law Joined Owaki & Washimi Law Office Apr. 1999 Established Akibumi Kamiya Law Office Director of Akibumi Kamiya Law Office (current position) June 2010 Outside Director of the Company (current position) (Significant concurrent positions outside the Company) Director of Akibumi Kamiya Law Office	-
8	Keisuke Sugiura (August 26, 1965)	Apr. 1988 Joined Japan Associated Finance CO., LTD. Feb. 1993 Joined Meinan Business Consultants June 2000 Established Heisei FP Office Inc. (currently OSP); President and Representative Director (current position) Apr. 2002 Director (part-time) of the Company June 2007 Retired as Director (part-time) June 2008 Outside Audit & Supervisory Board Member of CROPS CORPORATION June 2012 Outside Director of the Company (current position) June 2016 Outside Director (Audit and Supervisory Committee Member) of CROPS CORPORATION (current position) (Significant concurrent positions outside the Company) President and Representative Director of OSP Outside Director (Audit and Supervisory Committee Member) of CROPS CORPORATION	4

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. Akibumi Kamiya and Keisuke Sugiura are candidates for outside Director.
 3. (1) The Company proposes the election of Akibumi Kamiya as an outside Director because he has experience working as an attorney at law and expertise in corporate legal affairs. The Company considers him able to adequately supervise the Company's management from the objective standpoint of a legal expert. He has never in the past been involved in management except as an outside officer. However, the Company judges that he will appropriately fulfill his duties as an outside Director based on the above reasons.
(2) The Company proposes Keisuke Sugiura's election as an outside Director so that he can apply his extensive experience and broad discernment as a manager to the Company's management, and further strengthen the Company's corporate governance by making use of his independent position in the Company.
 4. Akibumi Kamiya and Keisuke Sugiura are currently outside Directors of the Company, and at the conclusion of this meeting, their tenure as outside Directors will have been seven years and five years respectively.
 5. The number of the Company's shares held include the number of shares held in the Tosho Officers Shareholding Association.
 6. The Company has entered into agreements with Akibumi Kamiya and Keisuke Sugiura, pursuant to the provisions of Article 427, paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum liability amount based on the agreements is the amount provided for by Article 425, paragraph 1 of the same Act. If the reelection of Mr. Kamiya and Mr. Sugiura is approved, the Company plans to renew the aforementioned agreements with them.
 7. The Company has submitted notification for Akibumi Kamiya and Keisuke Sugiura as independent officers as provided for by the Tokyo Stock Exchange and the Nagoya Stock Exchange. If the reelection of Mr. Kamiya and Mr. Sugiura is approved, the Company plans for their appointment as independent officers to continue.
 8. Candidates for Director Toshihiro Kutsuna and Mayumi Kutsuna are Parent Company, etc. as provided by Article 2, item 4-2 of the Companies Act.

Proposal No. 4 Election of Two Audit & Supervisory Board Members

The terms of office of the Audit & Supervisory Board Members Yumiko Sakurai (Eto) and Kazuo Ito will expire at the conclusion of this meeting. Therefore, the Company proposes the election of two Audit & Supervisory Board Members.

The consent of the Audit & Supervisory Board has been obtained for this proposal.

The candidates for Audit & Supervisory Board Member are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibilities in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned (Thousands)
1	Yumiko Sakurai (Eto) (March 1, 1969)	<p>Oct. 1992 Joined ITO Accounting & Consultancy Office Apr. 1996 Registered as Certified Public Accountant Jan. 2002 Established the Yumiko Sakurai Certified Public Accountant Office (current position) Feb. 2002 Registered as Certified Public Tax Accountant June 2009 Outside Audit & Supervisory Board Member of the Company (current position) Aug. 2010 Outside Audit & Supervisory Board Member of I.K CO., LTD. June 2014 Outside Director of PROTO CORPORATION (current position) Aug. 2016 Outside Director (Audit and Supervisory Committee Member) of I.K CO., LTD. (current position)</p> <p>(Significant concurrent positions outside the Company) Director of the Yumiko Sakurai Certified Public Accountant Office Outside Director of PROTO CORPORATION Outside Director (Audit and Supervisory Committee Member) of I.K CO., LTD.</p>	-
2	Kazuo Ito (April 11, 1968)	<p>Oct. 1996 Joined ITO Accounting & Consultancy Office Apr. 2000 Registered as Certified Public Accountant Nov. 2005 Established the Certified Public Accountant Ito Accounting Office (current position) June 2008 Outside Auditor of SANTEC CORPORATION (current position) Apr. 2009 Outside Audit & Supervisory Board Member of POVAL KOGYO CO., LTD. (current position) June 2013 Outside Audit & Supervisory Board Member of the Company (current position)</p> <p>(Significant concurrent positions outside the Company) Director of the Certified Public Accountant Ito Accounting Office Outside Auditor of SANTEC CORPORATION Outside Audit & Supervisory Board Member of POVAL KOGYO CO., LTD.</p>	-

- Notes:
1. There is no special interest between any of the candidates and the Company.
 2. The name of the candidate Yumiko Sakurai in her family registry is Yumiko Eto, and she practices as a Certified Public Accountant (tax accountant) as Yumiko Sakurai.
 3. The Company has entered into agreements with Yumiko Sakurai and Kazuo Ito, pursuant to Article 427, paragraph 1 of the Companies Act, to limit their liability for damages under Article 423, paragraph 1 of the same Act. The maximum liability amount based on the agreements is the amount provided for by Article 425, paragraph 1 of the same Act. If reelection of Ms. Sakurai and Mr. Ito is approved, the Company plans to renew the aforementioned agreements with them.
 4. Yumiko Sakurai and Kazuo Ito are candidates for outside Audit & Supervisory Board Member.
 5. Reasons for nomination as candidates for outside Audit & Supervisory Board Member and for judging them capable of appropriately fulfilling duties as outside Audit & Supervisory Board Members
 Yumiko Sakurai and Kazuo Ito have been nominated as candidates for outside Audit & Supervisory Board Member because they have extensive experience and broad discernment as certified public accountants, and the Company

believes that they will apply their knowledge to auditing as outside Audit & Supervisory Board Members of the Company.

6. Yumiko Sakurai and Kazuo Ito are currently outside Audit & Supervisory Board Members. At the conclusion of this meeting, their tenures as Audit & Supervisory Board Members will have been eight years and four years respectively.
7. The Company has submitted notification for Yumiko Sakurai and Kazuo Ito as independent officers as provided for by the Tokyo Stock Exchange and the Nagoya Stock Exchange. If the reelection of Ms. Sakurai and Mr. Ito is approved, the Company plans for their appointment as independent officers to continue.

Proposal No. 5 Payment of Directors' Retirement Benefits for Retired Directors

The term of office of Director Kazuki Kutsuna will expire at the conclusion of this meeting, and he will therefore retire from his position. Furthermore, Hiroyasu Ichioka, who retired as a Director and had assumed office as an Executive Officer at the conclusion of the 38th Annual General Meeting of Shareholders held on June 14, 2016, retired as an Executive Officer. Thus, in order to reward them for their services during their respective tenures, the Company proposes to pay them retirement benefits within the appropriate range in accordance with certain standards of the Company.

The Company proposes that the specific amount, the time and means of payment of the retirement benefits be entrusted to the Board of Directors.

The career summaries of the retiring Directors are as follows:

Name	Career summary	
Kazuki Kutsuna	June 2011	Director of the Company (current position)
Hiroyasu Ichioka	June 2006	Director of the Company
	June 2016	Resigned as Director