



Wellness Life

東祥 Group

T O S H O

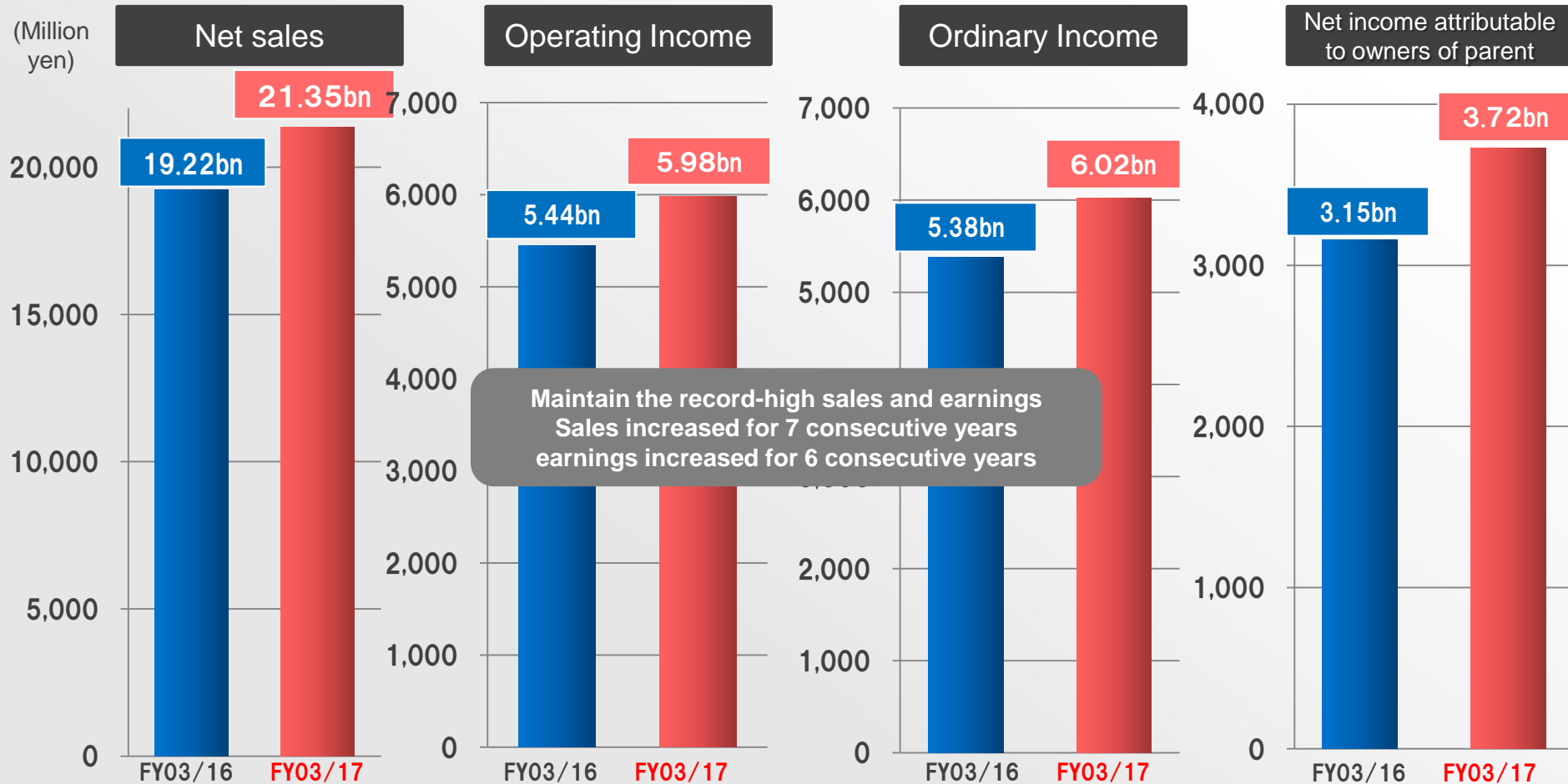


- Financial Results for the Fiscal Year Ended March 2017
- Progress of Medium-term Management Plan (FY03/16 to FY03/18)

June 2017
Financial Results Briefing for Investors
Yuichiro Kutsuna, President&COO

Company name	TOSHO CO., LTD.
Headquarter	16-5, Mikawaanjo 1-Chome, Anjo-shi, Aichi
Tokyo Office	11F Mitsubishi Bldg., 2-5-2 Marunouchi, Chiyoda-ku, Tokyo
Established	March 1979 (Fiscal Year End: March)
Capital	1,580 million yen
No. of employees (Group)	411 (as of Apr. 1, 2017)
No. of shares outstanding	19,157,500 shares
No. of shareholders	3,698 (as of Mar. 31, 2017)
Share unit	100 shares
Security code	8920
Listing market	Tokyo Stock Exchange First Section Nagoya Stock Exchange First Section
Business category	Services
Consolidated subsidiary	AB Hotel Co., Ltd.

- Net sales ¥21,350 million (up ¥2,125 million YoY **+11.1%**)
- Operating income ¥5,982 million (up ¥533 million YoY **+9.8%**)
- Ordinary income ¥6,025 million (up ¥645 million YoY **+12.0%**)
- Net income attributable to owners of parent ¥3,726 million (up ¥569 million YoY **+18.1%**)



Sports Club Business

No. of sports clubs: 64

Average no. of members: up 4.4% YoY

Hotel Business

No. of hotels: 9

Operating rate: 87.4%

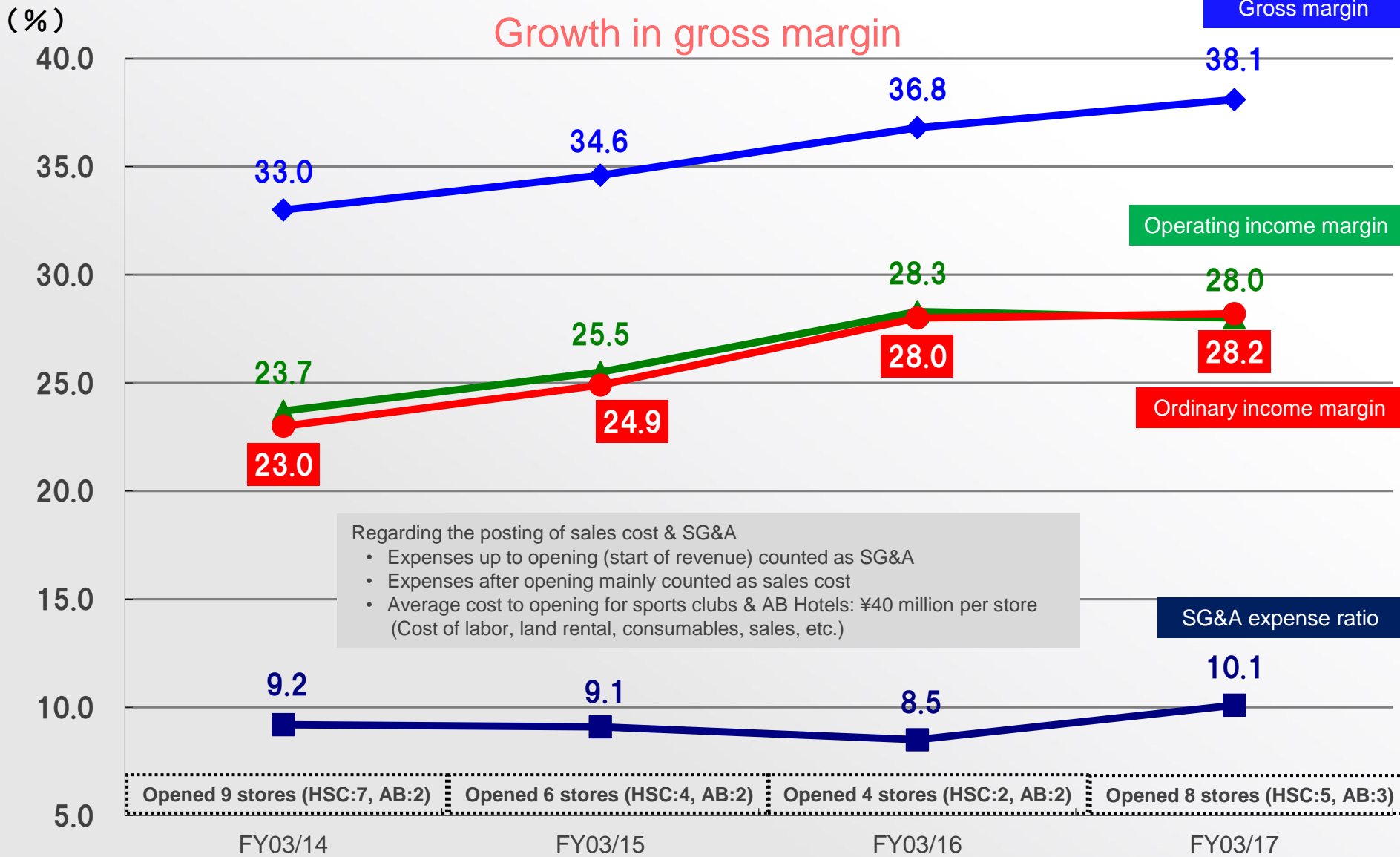
Real estate Business

No. of rental apartments: 54 buildings, 2,165 rooms

Occupancy rate: 97.4%

(Million yen)	FY03/16 (April 2015 - March 2016)		FY03/17 (April 2016 - March 2017)			
	Results	Ratio to sales %	Results	Ratio to sales %	YoY%	Increase/decrease
Net sales	19,224	100.0	21,350	100.0	111.1	+2,125
Sports Club Business	14,887	77.5	16,363	76.7	109.9	+1,475
Hotel Business	2,890	15.0	3,507	16.4	121.4	+617
Real Estate Business	1,446	7.5	1,479	6.9	102.2	+32
Gross Profit	7,077	36.8	8,133	38.1	114.9	+1,055
SG&A	1,628	8.5	2,151	10.1	132.1	+522
Operating Income	5,449	28.3	5,982	28.0	109.8	+533
Sports Club Business	3,763	(25.3)	4,314	(26.4)	114.7	+551
Hotel Business	989	(34.2)	982	(28.0)	99.3	-7
Real Estate Business	688	(47.6)	675	(45.6)	98.1	-13
Adjustments	8	-	10	-	-	+2
Ordinary Income	5,380	28.0	6,025	28.2	112.0	+645
Net Income Attributable to Owners of Parent	3,156	16.4	3,726	17.5	118.1	+569

Favorable same-store sales
Growth in gross margin

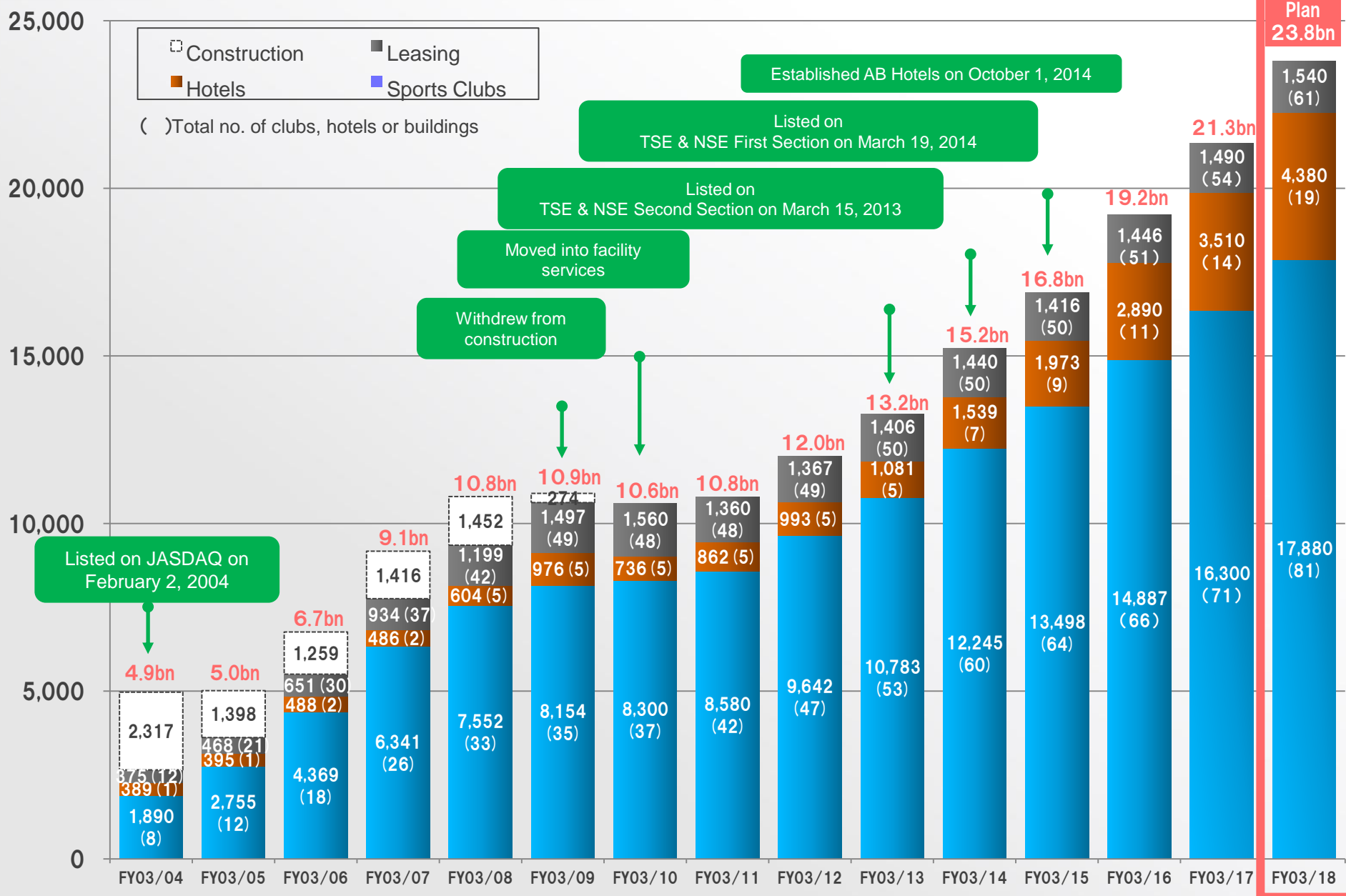


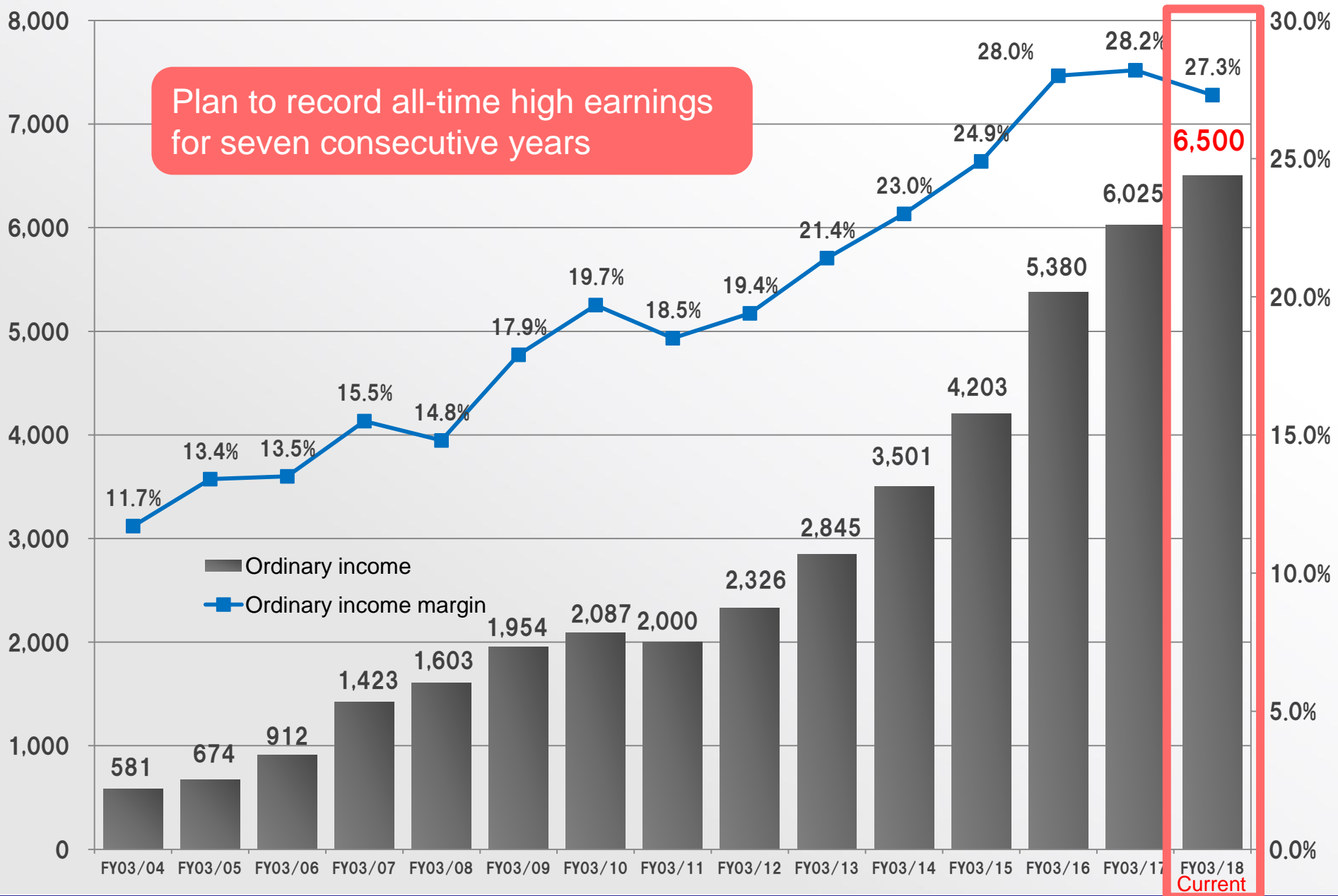
- Net sales ¥23,800 million (+11.5% YoY)
- Operating income ¥6,500 million (+8.7% YoY)
- Ordinary income ¥6,500 million (+7.9% YoY)
- Net income attributable to owners of parent ¥4,000 million (+7.3% YoY)

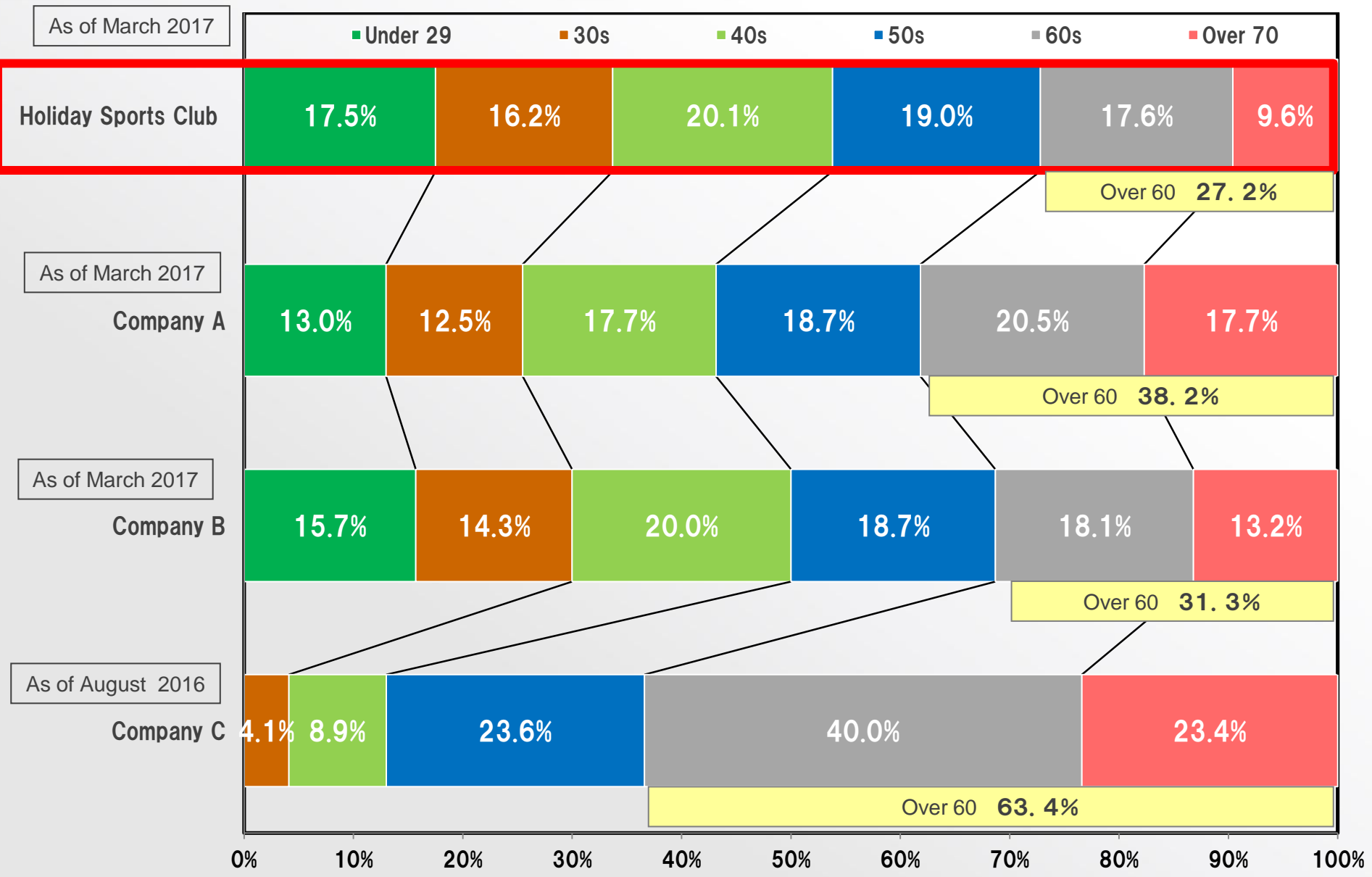


Plan to achieve the record-high sales and earnings

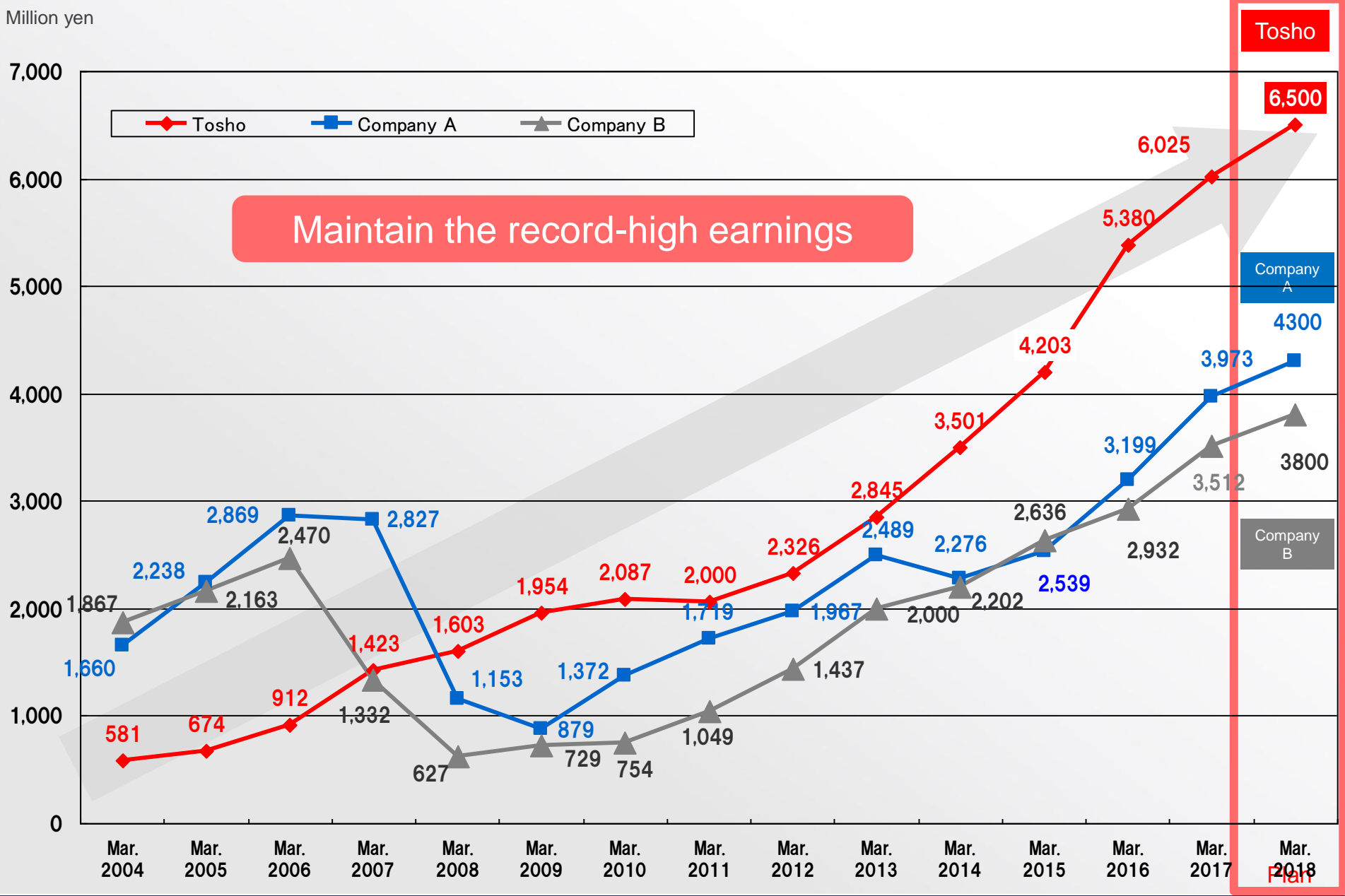
(Million yen)	FY03/17 (April 2015 - March 2017)			FY03/18 (April 2016 - March 2018)			
	Results	Ratio to sales %	YoY%	Results	Ratio to sales %	YoY%	Increase/decrease
Net sales	21,350	100.0	111.1	23,800	100.0	111.5	+2,449
Sports Club Business	16,363	76.7	109.9	17,880	75.1	109.3	+1,516
Hotel Business	3,507	16.4	121.4	4,380	18.4	124.9	+872
Real Estate Business	1,479	6.9	102.2	1,540	6.5	104.1	+60
Gross Profit	8,133	38.1	114.9	8,950	37.6	110.0	+816
SG&A	2,151	10.1	132.1	2,450	10.3	113.9	+298
Operating Income	5,982	28.0	109.8	6,500	27.3	108.7	+517
Sports Club Business	4,314	(26.4)	114.7	4,656	(26.0)	107.9	+341
Hotel Business	982	(28.0)	99.3	1,165	(26.6)	118.6	+182
Real Estate Business	675	(45.6)	98.1	679	(44.1)	100.6	+3
Adjustments	10	-	-	-	-	-	-10
Ordinary Income	6,025	28.2	112.0	6,500	27.3	107.9	+474
Net Income Attributable to Owners of Parent	3,726	17.5	118.1	4,000	16.8	107.3	+273

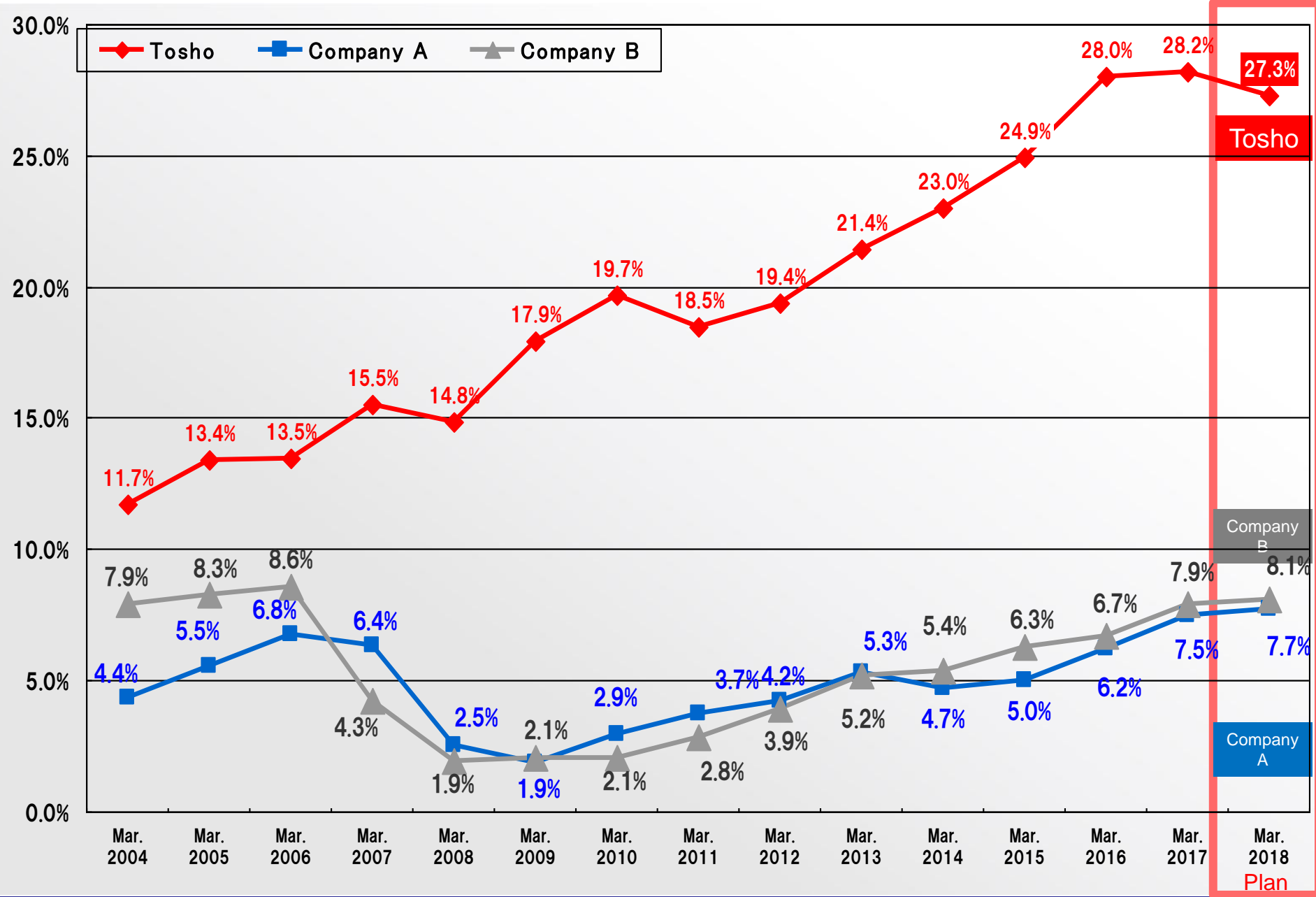






Reference: financial materials of each company, Company C represents "30s" as "30s and under (including 20s)" as the company has no age data of 20s.





Tosho

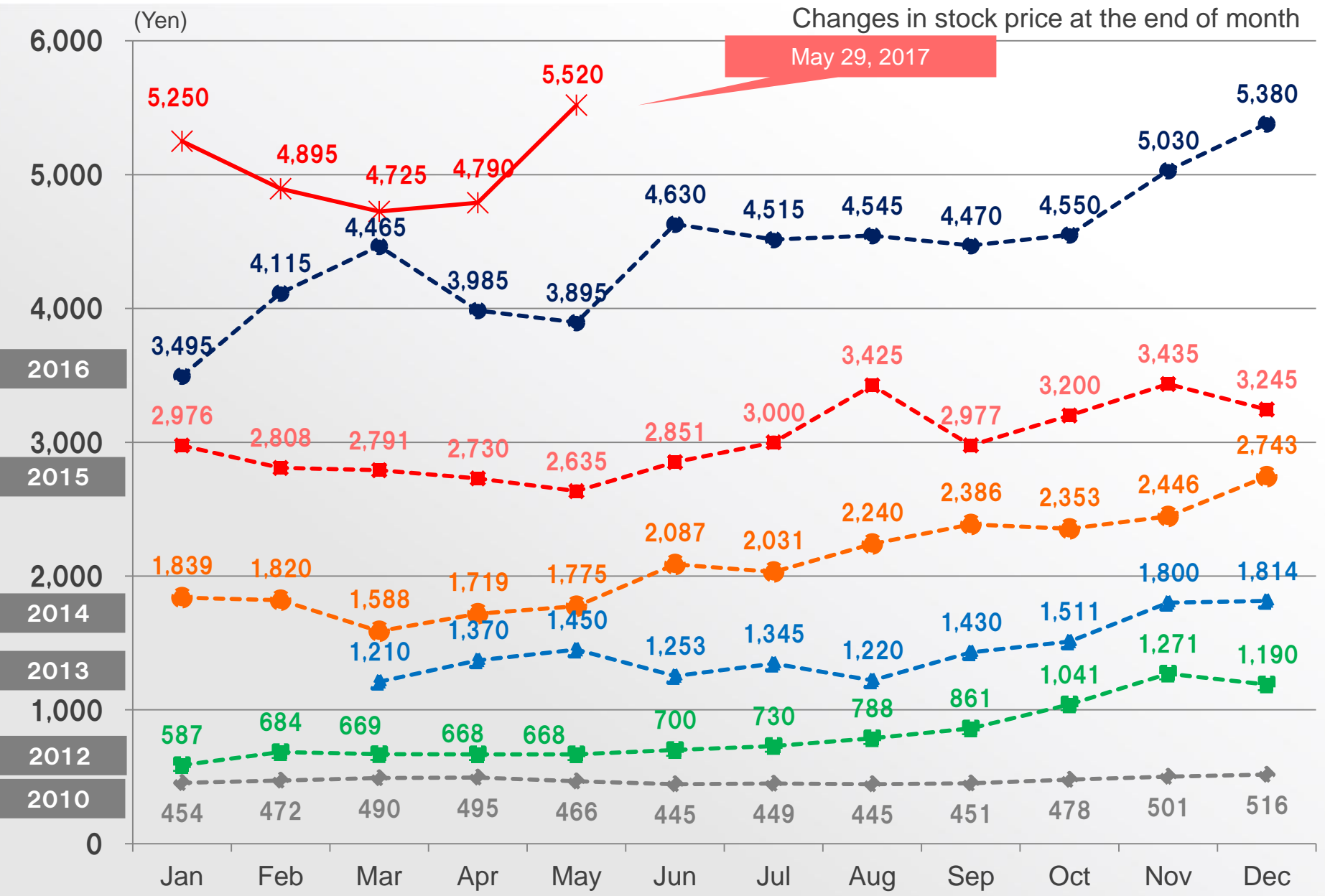
Company B

Company A

Plan

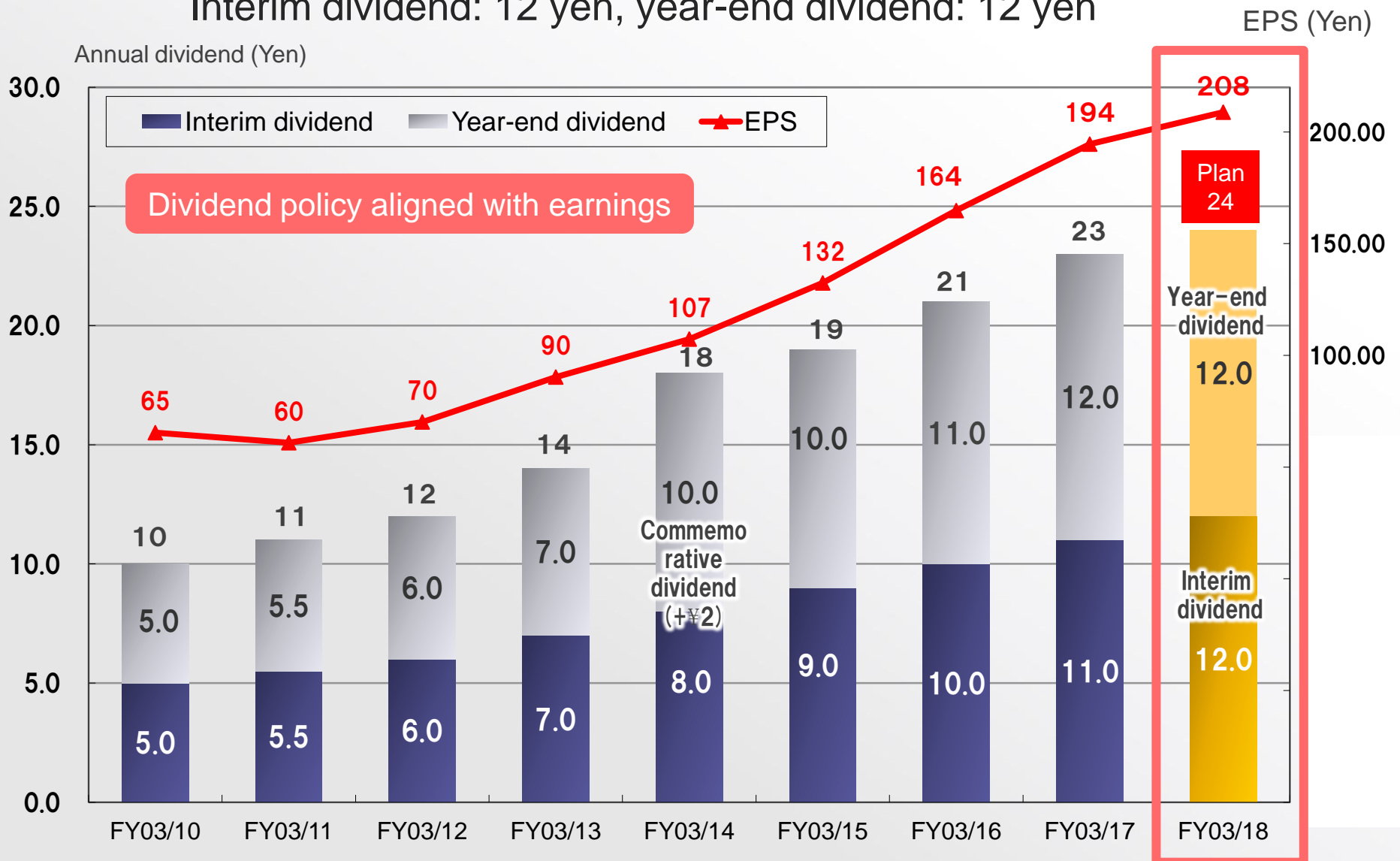
Starting small, aiming for strong growth!

	Market	Stock price	Market cap
Feb. 4, 2004 	Listed on JASDAQ	Offering price 330 yen Initial price 700 yen	¥2.5 billion ¥5.0 billion
Mar. 15, 2013 	Listed on TSE, NSE Second Section	1,206 yen	¥22.1 billion
Mar. 19, 2014 	Listed on TSE, NSE First Section	1,646 yen	¥31.5 billion
Current (May 29, 2017)		5,520 yen	¥105.7 billion



Plan to increase dividend for 8 consecutive years

Interim dividend: 12 yen, year-end dividend: 12 yen



Medium-term Management Plan

FY03/16 (Result), FY03/17 (Result), FY03/18



Wellness Life Tosho Group

Three principles of health: “Exercise, Nutrition, Rest” (No. of stores is as of May 31)

TOSHO CO., LTD.

Sports Club Business “Holiday Sports Club”

Wellness through exercise
71 clubs across Japan



Real Estate Business Rental Apartments “A City”

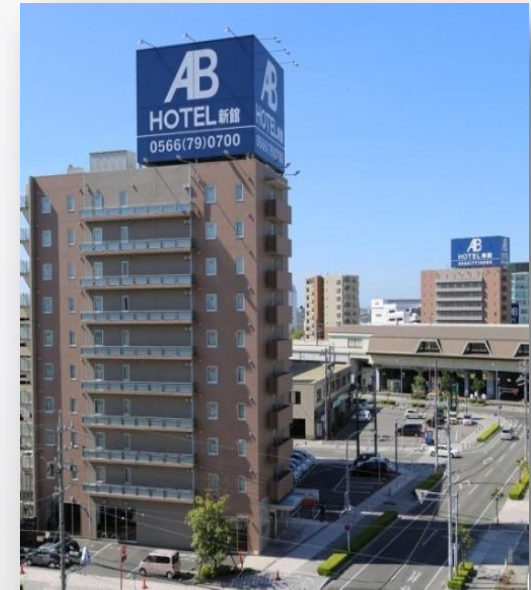
Wellness through comfort
54 buildings across Aichi Prefecture



AB Hotel Co., Ltd.

Hotel Business “AB Hotel”

Wellness through good sleep
15 hotels across Japan



Original Medium-term 3-year Plan

(Issued on May 21, 2015)

	FY03/16	FY03/17	FY03/18
Net sales	¥18.2 billion	¥20 billion	¥22 billion
Ordinary income (Ordinary income margin)	¥4.7 billion (25.8%)	¥5.2 billion (26.0%)	¥5.7 billion (25.9%)

**Upward
revision**

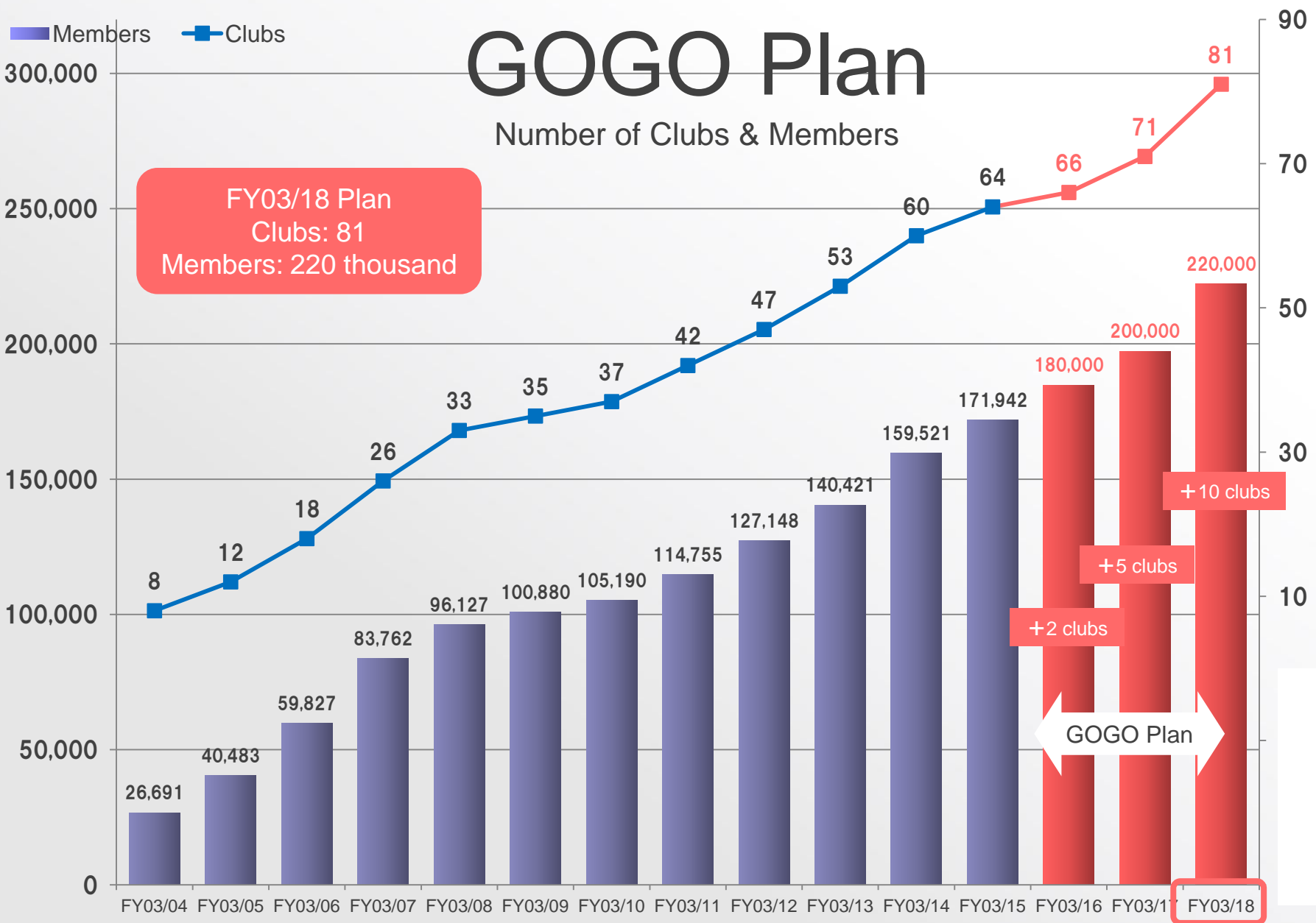
Initial plan was
already achieved

	FY03/16 (Result)	FY03/17 (Result)	FY03/18 (Plan)
Net sales	¥19.2 billion	¥21.3 billion	¥23.8 billion
Ordinary income (Ordinary income margin)	¥5.38 billion (28.0%)	¥6.0 billion (28.2%)	¥6.5 billion (27.3%)

Key management index targets for FY03/18 (final year of the mid-term plan)

Net sales	¥23.8 billion	(+¥1.8 billion to the initial plan)
Ordinary income	¥6.5 billion	(+ ¥800 million to the initial plan)
Ordinary income margin	27.3%	(+1.4pt to the initial plan)
EPS	¥208	(+¥41 to the initial plan)
ROE	18.5%	(+0.5pt to the initial plan)

	FY03/16 (Result)	FY03/17 (Plan)	FY03/18 (Plan)
Net sales	¥19.2 billion	¥21.3 billion	¥23.8 billion
Growth rate (YoY)	+13.8%	+11.1%	+11.5%
Ordinary income	¥5.38 billion	¥6.02 billion	¥6.50 billion
Growth rate (YoY)	+28.0%	+12.0%	+7.9%
Ordinary income margin	28.0%	28.2%	27.3%
EPS	¥164.79	¥194.54	¥208.83
ROE	17.9%	18.0%	18.5%
Planned capital expenditure	¥3.88 billion	¥4.78 billion	¥8.50 billion
Opening plan			
New sports clubs	2 clubs	5 clubs	10 clubs
New hotels	2 hotels	3 hotels	5 hotels
New rental apartments (Real estate business)	35 rooms (1 apartment)	60 rooms (3 apartments)	262 rooms (7 apartments)



Continued rapid growth in the facility service industry

5 Strategies for Holiday Sports Clubs

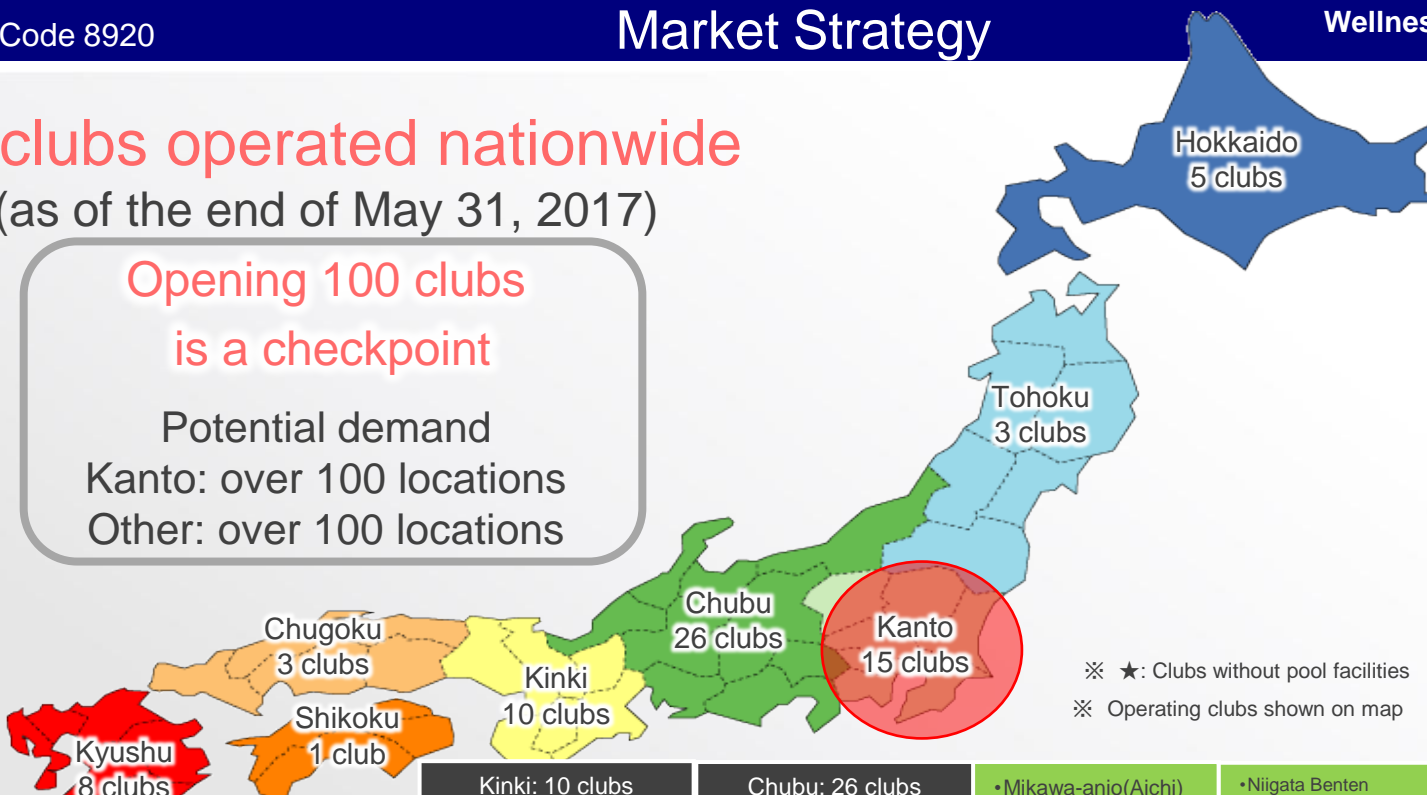
<p>1. Market</p>	<ul style="list-style-type: none"> •Market survey targeting 100,000-150,000 people Open stores in a location where business model can be adapted
<p>2. Development</p>	<ul style="list-style-type: none"> •Develop a new business model Respond to changes of times
<p>3. New products</p>	<ul style="list-style-type: none"> •Introduce new programs, new systems & new products Continue to release hot sellers by evolving products
<p>4. Sales</p>	<ul style="list-style-type: none"> •Flyers, web, word-of-mouth “Speedy member registration and contracts”
<p>5. Service</p>	<ul style="list-style-type: none"> •HR training, service etiquette, maintenance of facility & environment Offer " safety, peace-of-mind & comfort " with gratitude

71 clubs operated nationwide

(as of the end of May 31, 2017)

Opening 100 clubs
is a checkpoint

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



Hokkaido: 5 clubs	
•Hakodate	
•Asahikawa	
•Sapporo Kiyota	
•Sapporo Kita 24 Jo	
•Sapporo Hassamu plan	
•Higashisapporo plan	
•Tomakomai	
Tohoku: 3 clubs	
•Hirosaki (Aomori)	
•Akita (Akita)	
•Morioka (Iwate)	
Kanto: 15 clubs	
•Utsunomiya (Tochigi)	
•Isesaki (Gunma)	
•Takasaki (")	
•Maebashi (")	
•Ota (")	
•Funabashinichidai-mae (Chiba) ★	
•Ichihara Goi (") ★	
•Kisarazu (") plan	
•Chiba-chuo (") plan	
•Zamarkin (Kanagawa) ★	
•Ebina Kashiwadai (")	
•Sagamihara (")	
•Kodaira (Tokyo)	
•Nishiichinoe (Edogawa) ★ plan	
•Okegawa (Saitama) ★	
•Fukaya (")	
•Soka (")	

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

Kyushu: 8 clubs	Chugoku: 3 clubs	Kinki: 10 clubs	Chubu: 26 clubs	Kanto: 15 clubs
•Yahatanishi (Fukuoka)	•Fukuyama (Hiroshima)	•Suzuka (Mie)	•Kofu (Yamanashi)	•Mikawa-anjo (Aichi)
•Fukuoka Umebayashi (")	•Yonago (Tottori)	•Yokkaichi (")	•Matsumoto (Nagano)	•Kariya Chiryu (")
•Onojo (")	•Tottori (") plan	•Kusatsu (Shiga) ★	•Nagano (")	•Ichinomiya (")
•Omuta (")	•Izumo (Shimane)	•Nara (Nara)	•Ueda (")	•Toyohashi (")
•Koga (") plan	•Shiminozaki (Yamaguchi) plan	•Yamatotakada (") plan	•Numazu (Shizuoka)	•Toyota (")
•Kokura Minami (") plan		•Izumiotu (Osaka)	•Hamamatsu (")	•Nagoya Narumi (")
•Oita (Oita)	Shikoku: 1 club	•Higashi Osaka (")	•Shimizu (")	•Nisshin Nagakute (")
•Saga (Saga)	• Matsuyama (Ehime)	•Neyagawa (") ★	•Fuji (")	•Toyokawa (")
•Kumamoto Kita (Kumamoto)	• Kochi (Kochi) plan	•Osaka Hirano (")	•Fujinomiya (")	•Owariasahi (") plan
•Kumamoto Nagamine (")		•Himeji (Hyogo)	•Yaizu (") plan	•Okazaki (") plan
•Miyazaki (Miyazaki) plan		•Mukonosu (")		•Ogaki (Gifu)
		•Wakayama (Wakayama) plan		•Gifu (") plan

Holiday Sports Club

Sports Clubs Opening Plan (announced)

FY03/18

Holiday Sports Club Miyazaki (Miyazaki-shi , Miyazaki)	2017 Jun	
Holiday Sports Club Chiba Chuo (Chiba-shi , Chiba)	Jun	
Holiday Sports Club Yaizu (Yaizu-shi , Shizuoka)	Jul	
Holiday Sports Club Kisarazu (Chiba-shi , Chiba)	Aug	
Holiday Sports Club Yamatotakada (Yamatotakada-shi , Nara)	Sep	
Holiday Sports Club Wakayama (Wakayama-shi, Wakayama)	Oct	
Holiday Sports Club Gifu (Gifu-shi, Gifu)	2018 Jun	
Holiday Sports Club Koga (Koga-shi, Fukuoka)	Jun	
Holiday Sports Club Sapporo Hassamu (Sapporo-shi , Hokkaido)	Sep	
Holiday Sports Club Okazaki (Okazaki-shi , Aichi)	Mar	

FY03/19

Holiday Sports Club Higashi-Sapporo (Higashi-Sapporo-shi, Hokkaido)	Apr	
Holiday Sports Club Kochi (Kochi-shi, Kochi)	Jun	
Holiday Sports Club Kokura Minami (Kita-Kyushu-shi, Fukuoka)	Sep	
Holiday Sports Club Shimonoseki (Shimonoseki-shi, Yamaguchi)	Oct	
Holiday Sports Club Tottori (Tottori-shi, Tottori)		

ホリデイは初心者対象!



“Hot Studio”



General Eco 2500 Model (with Hot Studio)		
Investment amount (building ownership)	450 million yen	
Net sales (thousand yen)	216,000	100%
Ordinary income	75,600	35%
Expenses	140,400	65%

Location	Close to town center & station
Site area	Around 1,800 tsubo (around 5,950m ²)
Total floor space	Around 550 tsubo (around 1819m ²)
Parking	220 cars
Assumed No. of members	2,500
Avg. fee	¥7,200
Market population	100,000 within 3km

ジム



美ボディエリア 軽い負荷から始められる

横腹ひねって
くびれる
曲線美



後ろへ蹴り上げ
ヒップを
引き締め

脚を閉じて
内もも
キュット



筋トレエリア 狙った部位を効率よく引き締めよう



腕を伸ばして
胸板を
厚く



ひじを曲げて
男らしい
腕に



フリーウエイトもあります

セルフウエイトエリア

可動域を自由に設定できて
負荷を調節できる



腰まわり
引き締め



お腹
引き締め

POOL



HOLIDAY
SPORTS CLUB



泳がなくても楽しめる
温水プール

水の抵抗で効果アップ! プールプログラム



水中ダンベル



水中シェイプ



かんたんアクア



ミットアクア



ミットアクア



水中ダンベル

リラックス



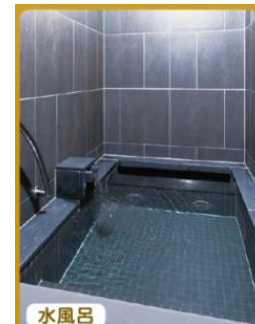
テレビ付サウナ



洗い場



シャワーブース



水風呂

サウナの後におすすめ



マッサージチェア



くつろぎラウンジ

ターゲットABS「プレス」

うまく踊れなくてもOK!

泳ぐだけじゃない!

狙いは
お腹!!

TARGET ABS

ターゲットアブス プレス

PRESS



最大限の効果を引き出す
ABSメソッド

5つのキーワード

- 腹圧呼吸
- 立位腹筋
- 意識集中
- 大声発声
- 継続参加



女性専用

ビューティーQueen「バックシルエット」

ビューティ
Queen BACK SILHOUETTE

バックシルエット



ココのお肉
なんとかしたい!!

くびれ
作りたーい!!

後ろ姿がキレイ。
って言われてみたい

猫背にさよなら*

キョッキョと小尻
今年こそ!!



ホリデイスポーツクラブは
「YOSAKOIソーラン祭り」公認企業です

ホット
スタジオ

女性専用の
リラックス空間!



HOT STUDIO

初めての人にココがイイ

- 色彩の効果でカラダと心を癒す
1670万色のカラーライティング
- 天井と床からのW温熱効果
遠赤外線天井パネルヒーターと床暖房でじんわり温まる
- 発汗作用が促進されるホット空間
室温 36~38℃ 湿度 50~70%

スタイルスタジオ

参加するだけで
なりたい
スタイルに!

運動メニューを
考えなくてもOK!

くびれが欲しい、ヒップアップしたいなど、
それぞれの目的を達成させるための
動きのみでプログラムを構成。
事前に予約して継続参加しよう!

5つのエリアで、
狙った部位を刺激!

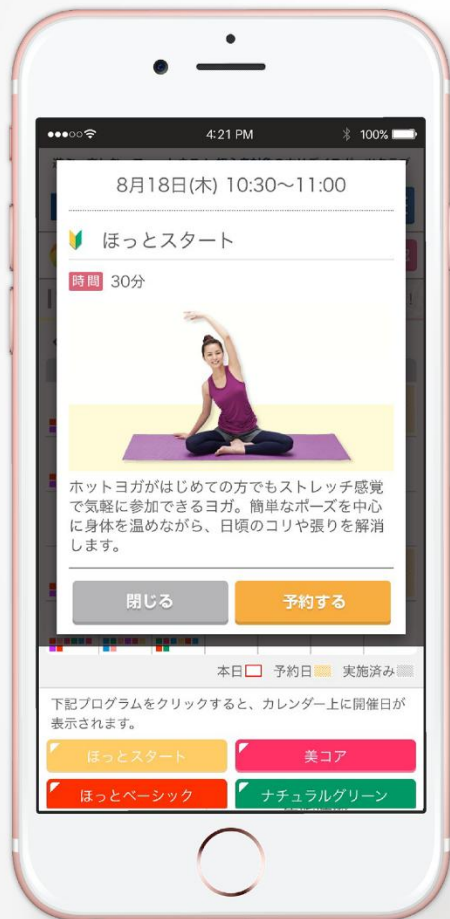
グループで5つのエリアを移動しながら、
なりたいカラダを目指す! プログラム内容は、
定期的に動きや運動アイテムが変わるので
飽きずに続けられます!

心拍数をリアルタイム
計測し脂肪燃焼効果UP!

ナビゲーターが正しい使い方や効果的な
フォームをしっかりサポート。手首に活動量計を
装着し心拍数を管理しながら、その人に
合わせて効率よく脂肪燃焼させていきます。



スマートフォンやパソコンから いつでも予約可能



遊ぶ、楽しむ、フィットネス！ 初心者対象のホリデイスポーツクラブ



プログラム予約 ご希望の日程をクリック！

2016 8

月	火	水	木	金	土	日
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

本日 予約日 実施済み

下記プログラムをクリックすると、カレンダー上に開催日が表示されます。



遊ぶ、楽しむ、フィットネス！ 初心者対象のホリデイスポーツクラブ



予約内容確認

8月18日 (木) 10:30 ~ 11:00
ほっとスタート キャンセル

8月28日 (日) 14:45 ~ 15:15
美コア キャンセル

キャンセル待ち

8月07日 (日) 13:15 ~ 14:00 3人目
オーシャンブルー キャンセル

予約キャンセルはプログラム開始2時間前まで可能です

受講履歴確認

ラファ予約システム 2015年9月導入

全国71店舗

ホリデイ スポーツクラブ

HOLIDAY

カラダ
新生活
スタート

憧れのファッションを
着てみたい!



スリムな
二の腕

Speedy member
registration via

- Flyer
- Web
- Member introduction

カンタンWEB入会 ホリデイ 海老名

WEB入会のメリット 申し込んだその日から始められる!

- ① 24時間いつでも受付! 休館日でもOK!
- ② 事前登録だから入会手続きの時間が短縮!
- ③ お気に入りの写真で会員証が作れる! (WEBで登録時のみ)

ホリデイスポーツクラブ
カンタンまるわかりスライドショー
WEB見学ツアー

※店舗により設備が異なります。

START

ホリデイの
施設を
チェック!

このコンテンツには音声が含まれております
サウンドオンにてお楽しみください。

HOLIDAY
SPORTS CLUB

最後まで見てくれて
ありがとうございました!

WEB入会はこちら **もう一度見学する**

SOUND ON

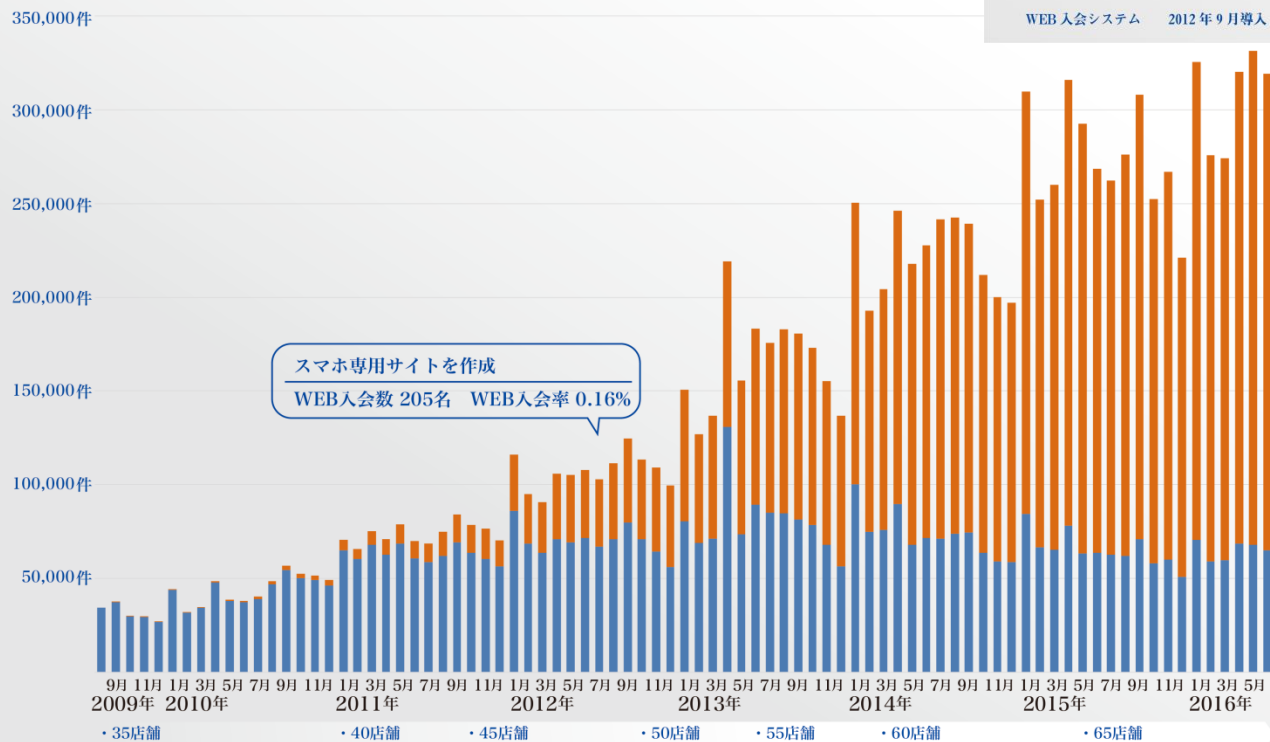
50% of members are joined via website

WEB入会



WEB サイト アクセス数&入会数

アクセス数 ■ スマホアクセス数 ■ PCアクセス数





Training examples



Targeted at all staff
Full-time, part-time, temporary & external
instructors

HR training

New product development

Maintenance training

Customer Satisfaction !

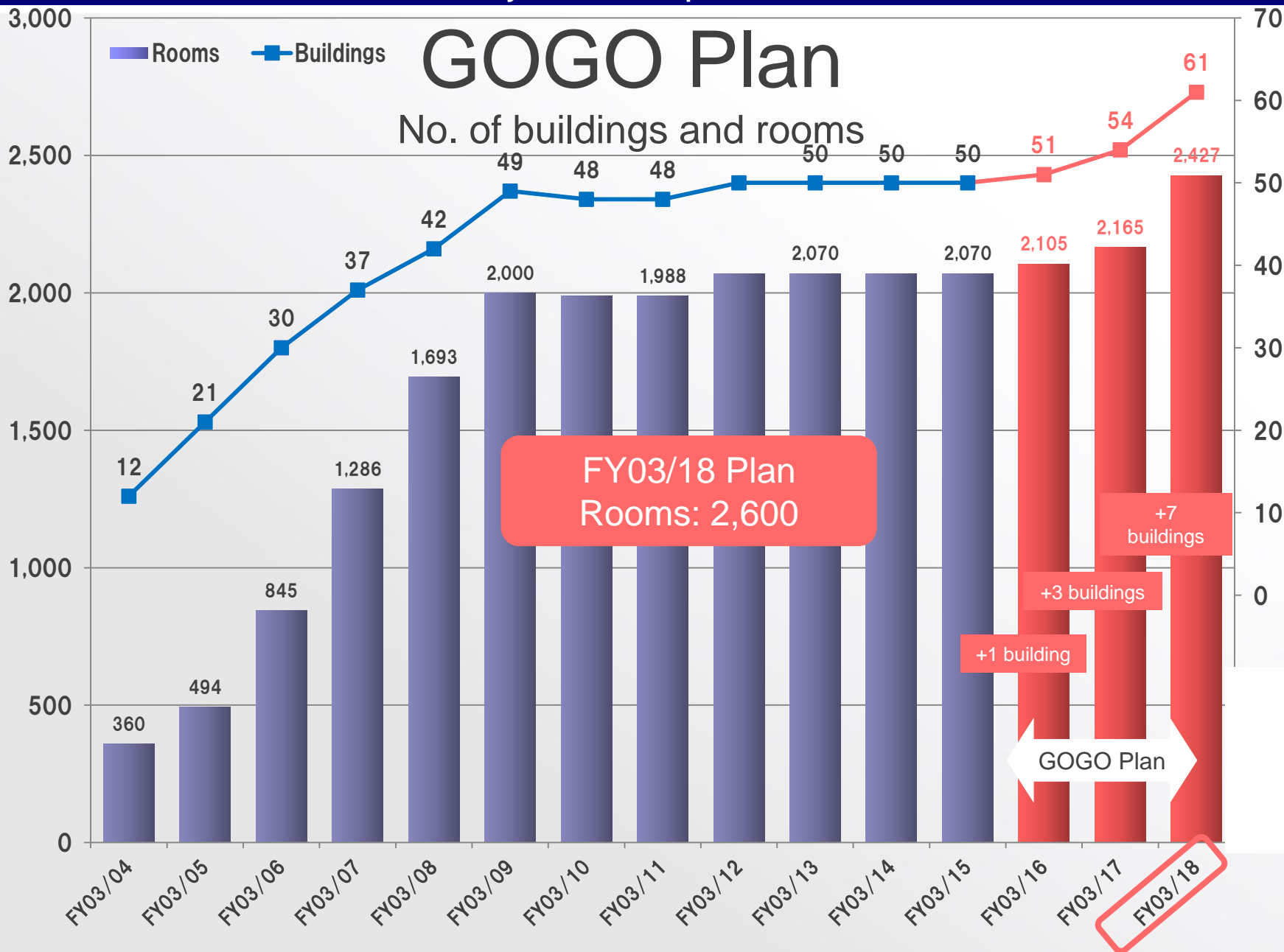
- Instructor practical training
- Operational management training
- Customer service training

No. 1 Choice !

Develop new programs

No. 1 in Safety !

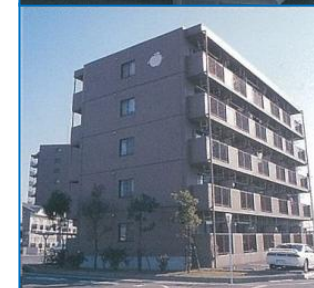
- Machine maintenance
- Equipment maintenance
- Building maintenance



Priority development area Nagoya city

Existing apartments
54 buildings, 2,165 rooms
(as of May 31, 2017)

To be completed
in 2017
262 rooms



A·City

東祥の賃貸マンション

Enhanced safety and security measures

- entrance with automatic door lock
- security cameras
- video intercom

Develop rental apartments for single people from young to elder generation

Mainly develop studio apartments



Rental apartment of A·City

Room layout: one room+ kitchen 26m2

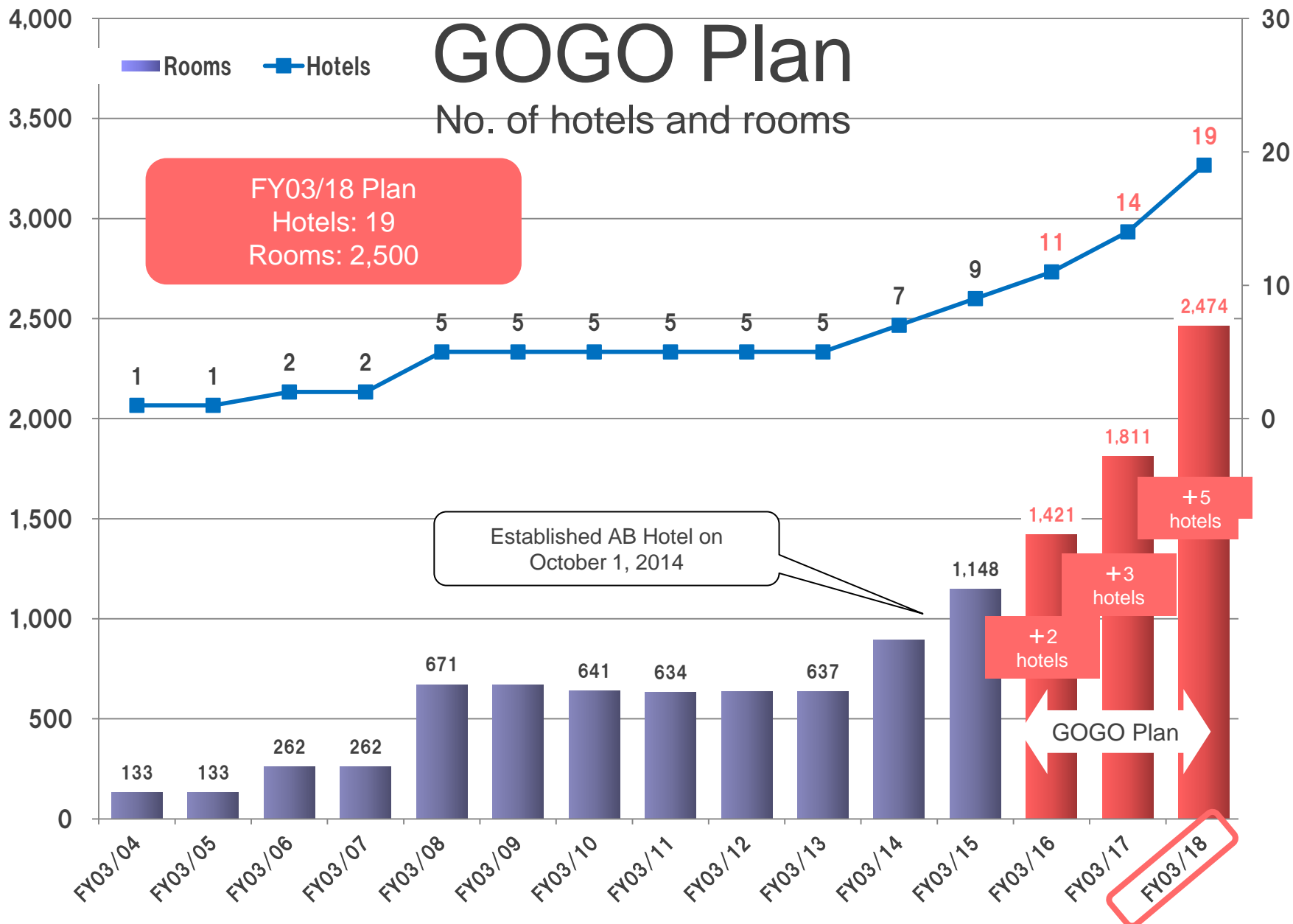
Foundation for growth

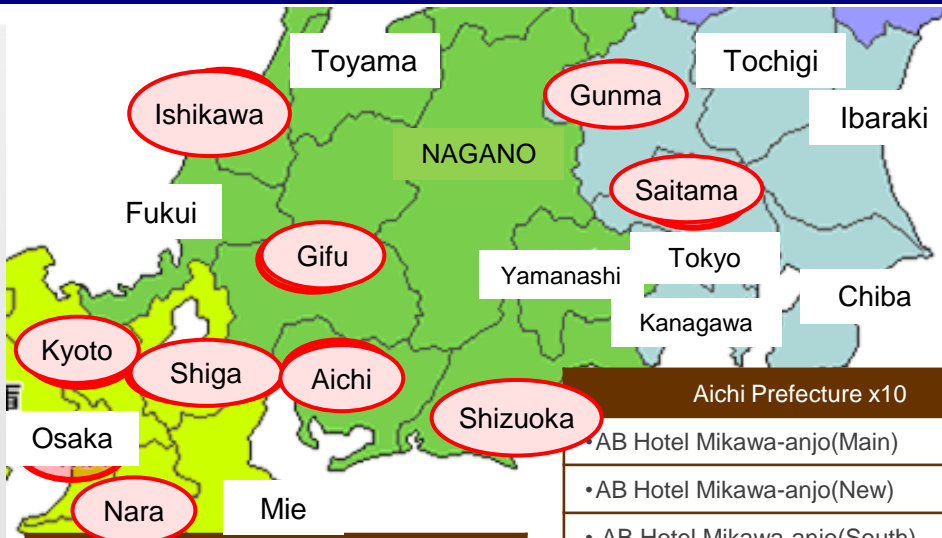
1. Nationwide development of “City Hotels” specializing in guest accommodations
2. Nationwide operation with 100 hotels
3. Priorities on good sleep, good food and overall comfort
4. Above 80% of occupancy rate
5. 30% of Ordinary income margin (store profit: 35%)

心地よい眠りで

客室

爽やかな目覚め





15 hotels operated in Japan

(as of May 31, 2016)

The 15th hotel AB Hotel Gifu opened on April 7
5-minute walk from JR Gifu Station

Aichi Prefecture x10	
	•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
	•AB Hotel Tokai Otagawa FY18
	•AB Hotel Tahara FY18
Shizuoka Prefecture	
	•AB Hotel Fuji FY17
	•AB Hotel Iwata FY17
Gifu Prefecture	
	•AB Hotel Kakamigahara FY17
	•AB Hotel Gifu
Shiga Prefecture	
	•AB Hotel Omi Hachiman FY18
Nara Prefecture	
	•AB Hotel Nara
Kyoto Prefecture	
	•AB Hotel Kyoto Shijo Omiya FY17
Osaka Prefecture	
	•AB Hotel Osaka Sakaisuji-Hommachi FY19
Saitama Prefecture	
	•AB Hotel Fukaya
Gunma Prefecture	
	•AB Hotel Isesaki
Ishikawa Prefecture	
	•AB Hotel Kanazawa
Yamaguchi Prefecture	
	•AB Hotel Ube-Shinkawa FY18



AB Hotel

Hotel Opening Plan (announced)		
FY03/18		
AB Hotel Gifu (Gifu-shi, Gifu)	2017 Apr	Opened
AB Hotel Kakamigahara (Kakamigahara-shi, Gifu)	Jun	
AB Hotel Iwata (Iwata-shi, Shizuoka)	Jun	
AB Hotel Fuji (Fuji-shi, Shizuoka)	2018 Jan	
AB Hotel Kyoto Shijo Horikawa (Kyoto-shi, Kyoto)	Mar	
FY03/19		
AB Hotel Omihachiman (Omihachiman-shi, Shiga)	Jun	
AB Hotel Tokai Otagawa (Tokai-shi, Shizuoka)	Aug	
AB Hotel Ube-Shinkawa (Ube-shi, Yamaguchi)	Sep	
AB Hotel Tahara (Tahara-shi, Aichi)	Nov	
FY03/20		
AB Hotel Osaka Sakaisuji-Hommachi (Osaka-shi, Osaka)	2019 Jun	

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

Creating hotels that can satisfy the demand of guests



Business model "130"

Investment amount (building ownership)	¥540 million	
Net sales (thousand yen)	227,760	100%
Ordinary income	79,716	35%
Expenses	148,044	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	Business people, families, women

Amenity & Bright

- Comfortable rooms perfect for business people and families
- Free breakfast — Japanese and European buffet
- Free Wi-Fi available in entire building
- A duvet style bed

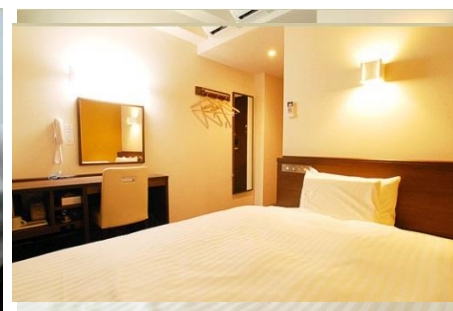
Deluxe twin with family use



Duvet style bed



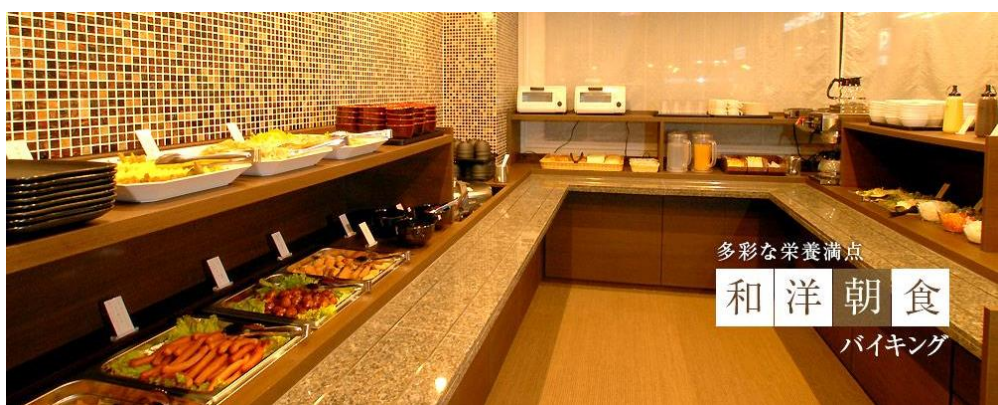
Single room



Large public bath



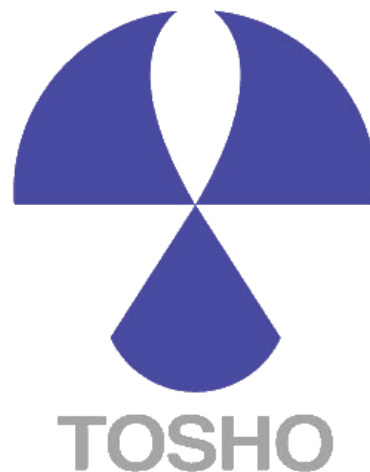
Individual air-conditioning



Japanese and European breakfast



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



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.