

Outline of Accounts Settlement Ended March 2010



ROUND ONE Corporation

C.E.O and President Masahiko Sugino

Tokyo Stock Exchange First Section,

Code Number: 4680

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Summary of Consolidated Operating Results

		Unit	08.4-09.3 Act	09.4-10.3 Act	Differ
shops	Total shops	Shops	94	105	+11
	No of months total shops operation	Month	1,012	1,201	+189

Revenue & Expenditures					
	Bowling revenue	¥bn	28.3	30.7	+2.4
	Amusement revenue	¥bn	32.2	33.4	+1.1
	Karaoke revenue	¥bn	5.6	6.0	+0.3
	Spo-cha revenue	¥bn	9.2	8.9	(3.0)
	Other revenue	¥bn	2.4	2.9	+0.4
	Total sales	¥bn	77.9	82.1	+4.1
	Operating profit	¥bn	13.6	12.0	(1.5)
	Ordinary profit	¥bn	9.7	7.8	(1.9)
	<i>Ordinary income margin</i>	%	<i>12.6%</i>	<i>9.6%</i>	<i>(3.0)%</i>
Net income	¥bn	3.9	3.3	(0.5)	

Figures less than indicated measurement unit are ignored.

Consolidated plan for year ending March 2011

(1) New shops and P/L



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Figures less than indicated measurement unit are ignored.

		Unit	Term 2010.3 Previous term (ACT)	Term 2011.3 Current term (PLAN)	Differ
shops	New shops opened	Shop	11	2	(9)
	No. of total shops	Shop	105	107	+2
	No. of months total shops operating	Month	1,201	1,268	+67

Revenue & Expenditures		Unit	Term 2010.3	Term 2011.3	Differ
	Bowling	¥billion	30.7	32.8	+2.0
	Amusement	¥billion	33.4	35.4	+2.0
	Karaoke	¥billion	6.0	6.1	+0.0
	Spo-cha	¥billion	8.9	8.8	(0.1)
	Others	¥billion	2.9	2.9	(0.0)
	Total sales	¥billion	82.1	86.0	+3.8
	Operating income	¥billion	12.0	14.0	+1.9
	Ordinary income	¥billion	7.8	9.0	+1.1
	Ordinary income margin	¥billion	9.6%	10.5%	+0.9%
Net income	¥billion	3.3	2.5	(0.8)	

Note: The company posts extraordinary losses under the plan for the year ending March 31, 2011 as follows:

- 3.1 billion yen ... Asset retirement obligation expenses for previous fiscal years (due to the introduction of "Accounting Standards for Asset Retirement Obligations [ASBJ Statement No. 18]," which is applied to fiscal years beginning on or after April 1, 2010)
- 1.0 billion yen ... Impairment loss on shops (Although this matter has not yet been decided, the amount is calculated based on the results for the previous fiscal year.)
- 0.4 billion yen ... Disposal loss on kits (substrates) for amusement machines (This is posted every fiscal year. The amount is calculated based on the results for the previous fiscal year.)

Matsuyama Shop and Puente Hills Mall Shop (California, US) are planned to open in year ending March 2011.

Puente Hills Mall Shop is not included in the P/L plan because its profit and loss are expected to balance for the first fiscal year.

Consolidated plan for year ending March 2011

(2) Cash flow

		Unit	Term 2010.3 Previous term (ACT)	Term 2011.3 Current term (Plan)
cash	Net income	¥billion	3.3	2.5
	Dividend	¥billion	1.2	1.7
	Depreciation	¥billion	9.4	10.6
	Simplified cash flow	¥billion	14.1	14.8
	Investment on alleys	¥billion	35.7	8.0
	Simplified free cash flow	¥billion	(21.5)	6.8
	Cash reserve	¥billion	30.8	44.3
	Interest-bearing liabilities	¥billion	138.8	159.8
	Net interest-bearing liabilities	¥billion	108.0	115.5

Figures less than indicated measurement unit are ignored.

Breakdown of capital investment estimation for year ending March 2011

- Approx. 1.7 billion yen ··· Saitama-Konosu Shop (opened in March 2010, but investment occurred in April 2010)
- Approx. 1.1 billion yen ··· New shop (Matsuyama Shop) planned for year ending March 2011
- Approx. 0.7 billion yen ··· Puente Hills Mall Shop (California, U.S.A.)
- Approx. 4.5 billion yen ··· Existing shops (Substrates [kits] for amusement machines and others)

Number of shops, P/L status, and trend in sales for existing shops compared to previous year (consolidated)

Number of shops, P/L

	term 2006.3	term 2007.3	term 2008.3	term 2009.3	term 2010.3	term 2011.3 (Plan)
New shops opened	11	15	11	13	11	2
Existing shops closed	0	0	1	2	0	0
No. of total shops	58	73	83	94	105	107

Sales	¥50.2bn	¥65.8bn	¥77.9bn	¥77.9bn	¥82.1bn	¥86.0bn
Operating income	¥12.7bn	¥17.9bn	¥18.2bn	¥13.6bn	¥12.0bn	¥14.0bn
Ordinary income	¥13.4bn	¥16.3bn	¥15.9bn	¥9.7bn	¥7.8bn	¥9.0bn
Ordinary income margin	26.7%	24.9%	20.5%	12.6%	9.6%	10.5%
Net income	¥11.9bn	¥9.7bn	¥9.1bn	¥3.9bn	¥3.3bn	¥2.5bn

Note: Figures for the year ending March 2006 are non-consolidated because consolidated financial statements were not prepared at the time.

(For the year ending March 2007 and thereafter, all figures are consolidated.)

Sales for existing shops compared to previous year

	term 2006.3	term 2007.3	term 2008.3	term 2009.3	term 2010.3	term 2011.3 (Plan)
Bowling	+19.4%	+7.1%	+1.4%	(6.5)%	(4.0)%	+1.7%
Amusement	+11.5%	+0.1%	(6.8)%	(10.8)%	(9.8)%	+0.8%
Karaoke	(4.5)%	+4.0%	(1.2)%	(7.3)%	(13.1)%	(5.1)%
Spo-cha	-	-	(16.1)%	(9.8)%	(9.2)%	(4.6)%
Others	(11.3)%	(9.2)%	+13.2%	+11.4%	(3.9)%	(3.7)%
Total sales	+11.6%	+2.0%	(4.0)%	(8.5)%	(7.7)%	±0.0%

Loan refinancing and trend in assets, etc. (consolidated)

Loan refinancing

	Term 2009.3 (ACT)	Term 2010.3 (ACT)	Term 2011.3 (Plan)	Term 2012.3 (Plan)	Term 2013.3 (Plan)
Amount of loan refinancing during FY	About ¥11.0bn	About ¥12.8bn	About ¥17.7bn	About ¥29.2bn	About 10.5bn
Details	All outstanding loans refinanced	All outstanding loans refinanced	Under negotiation, mainly with existing lenders	Negotiation scheduled, mainly with existing lenders	Negotiation scheduled, mainly with existing lenders

Note: The amounts of loan refinancing described above are calculated on an entire-group basis (i.e., loans to consolidated subsidiaries are included).

Assets

	Term 2007.3 (ACT)	Term 2008.3 (ACT)	Term 2009.3 (ACT)	Term 2010.3 (ACT)	Term 2013.3 (Plan)
Total assets	¥166.3bn	¥176.3bn	¥216.0bn	¥251.2bn	¥287.2bn
Net assets	¥61.8bn	¥69.6bn	¥72.3bn	¥85.6bn	¥97.3bn
Net assets ratio	37.2%	39.5%	33.5%	34.1%	33.9%
Cash reserve	¥28.8bn	¥22.9bn	¥21.5bn	¥30.8bn	¥44.3bn
Interest-bearing liabilities	¥93.9bn	¥98.5bn	¥117.9bn	¥138.8bn	¥159.8bn
Net interest-bearing liabilities	¥65.1bn	¥75.5bn	¥96.3bn	¥108.0bn	¥115.5bn
Lease obligation	¥25.8bn	¥26.8bn	¥27.1bn	¥24.4bn	¥23.1bn
Guarantee debts	¥3.1bn	¥40.9bn	¥41.9bn	¥31.8bn	¥9.3bn

Note: Guaranteed debts . . . Loans made by consolidated subsidiaries during development periods for which ROUND ONE Corporation assumes joint and several liability. These loans will be repaid after shop openings, etc. and, therefore, guaranteed debts will be eliminated. However, such loans are classified as interest-bearing debt because they are switched to long-term loans.

Measures taken for existing shops (1)

Bowling

Network bowling match

- Number of cardholders: 2 million (approx.)
(The number is increasing by 70 to 80 thousand per month)
- An upgraded version with improved features is in the pipeline.

My Ball campaign

- My Ball for kids, improved ball cases

Variety of bowling competitions

Birthday bowling, bowling workshops, etc.



Measures taken for existing shops (2)

Amusement

Aggressive introduction of new types of amusement machines

- Fortune Trinity (KONAMI)
 - Large medal game machine that is extremely popular
 - … Introduced in all shops
- Super Million Jackpot
 - Event in which players can win up to 99,999 medals dispensed by a machine that is connected online with the same type of machines installed at 100 ROUND ONE shops.
 - Held randomly a few times each day.

Medal King

- Features a ranking system based on the number of medals that are deposited, won daily, or won during a certain period.
 - Players can also enjoy nurturing avatars or holding titles.
 - The ranking is announced via PC or cell phone.

Medal Point

- A system whereby players can climb the ladder of member names according to number of visits.

Member	Silver	Gold	Platinum
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 - Players with higher rankings can buy medals at the lower unit price.
- Accumulated points can be redeemed for various coupons:
 - Playing a bowling game for free/Enjoying a karaoke session with no time restriction until 8.00 p.m.
 - Enjoying various activities at Spo-cha for three hours, free of charge
 - /Playing a 100 yen game of their choice at Amusement, free of charge, etc.



Measures taken for existing shops (3)

Karaoke, Spo-cha

[Karaoke]

Aggressive introduction of the latest types of karaoke systems

- JOYSOUND CROSSO (XING Inc.)
- New systems to be released by other suppliers will also be introduced.

Redecoration of karaoke rooms

- Before the summer vacation season, 70 to 80 percent of the karaoke rooms will be redecorated to make them brighter in order to attract a wider range of age groups.
- Making smoke-free rooms available

Other

- Improvement of drink bars
- Higher sound quality (by setting central woofers)



[Spo-cha]

A wider variety of “free play” game machines

- Sequential relocation of such game machines from the Amusement area

Other

- Roller-skating workshops
- Floor renovation, etc.

Spo-cha
いろいろなスポーツやアミューズメントが時間内好きなだけ遊べる
ラウンドワンのスポッチャ！
3 on 3 やフットサルなどの屋外施設と
ビリヤードやロデオ、ローラースケートなどの
屋内施設が体験できる巨大スポーツエンターテイメント！

An illustration of a Native American man in traditional white and red headdress, holding various sports equipment like a tennis racket, a golf club, and a baseball bat. The background is blue with white text.

Measures taken for existing shops (4)

Sales promotion / Advertising

[Sales promotion]

Offering a cell phone strap featuring a popular character as a giveaway for anyone who visits us (for bowling, karaoke, or Spo-cha activities) in a party of four or more
Offering such items as prizes for Moon Light Strike Game

Email membership system: "Raupoke"

- By registering for this service, members qualify to receive various coupons and other giveaways.
- Members enjoy many other special benefits.
Number of actual registrants: Approx. 800 thousand as of the end of April 2010
(The number is increasing by 50 thousand per month)

[Advertising]

- Setting the annual advertising budget at 2.2 percent of overall sales.
- Shifting to TV commercials
- Instead of newspaper inserts and billboards along streets
- Selecting specific time slots for TV advertising so that it will reach our target groups effectively.
- Concentrating TV commercials during weekday prime time and Sunday lunchtime
(Fifteen or so 30-second ads a week)



Standard facilities and P/L by shop type

(Unit : ¥mn)

	Standard	Stadium
Ground area	Approx. 3,000 m ²	Approx. 6,000 m ²
Bowling business	36 lanes	38 lanes
Amusement business	208 machines	263 machines
Karaoke business	18 rooms	24 rooms
Spo-cha business	No floor	2 floors
Other business	Billiards, Darts, Batting Cage, etc.	Food & drink tenants, etc.
Bowling	320	300
Amusement	290	380
Karaoke	60	65
Spo-cha	-	200
Others (billiard, Darts)	40	25
Total sales	710	970
Lease payment (facilities and equipment)	170	200
Rent	120	180
Personnel expenses	130	170
Depreciation (Interior decoration, etc. Depreciation of lease assets is not included.)	50	65
Other	160	285
Total cost	630	900
Ordinary income	80	70
Ordinary income ratio	11.3%	7.2%
Net income (58% of ordinary income)	48	42
Cash flow (Net income plus depreciation)	98	107
Initial investment	1,200	2,500
ROIC (Cash flow divided by capital investment)	8.2%	4.3%

[Automatic reduction of lease payment]

The company leases bowling lanes, amusement machines, karaoke systems, etc.

The lease terms are about three years (that for bowling lanes alone is seven years). After the original leases expire, lease payment for extended terms is reduced to about one-twelfth.

Even taking into consideration additional leases for the introduction of new types of machines or for other purposes during the original lease terms, lease payments for the fourth year and thereafter are substantially reduced as described below. As a result, profit increases.

<Lease payment>

Standard	170 million yen	<u>90 million yen</u>
Stadium	200 million yen	<u>100 million yen</u>

<Ordinary income>

Standard	80 million yen	<u>160 million yen</u>
Stadium	70 million yen	<u>170 million yen</u>

After three years out from the opening of a shop, profit increases automatically.

New shops in the pipeline

Planned new shops for the year ending March 2011

Opening date	Shop name	Shop type
Slated to open in mid-July	Matsuyama Shop	Standard/Roadside
Slated to open in mid- to late August	Puente Hills Mall Shop (California, U.S.A.)	Standard/Roadside

Puente Hills Mall Shop, about 45 kilometers east of the L.A. downtown area, is located in a shopping mall that faces Route 60, one of the main highways in the U.S.A.

Planned new shops for the year ending March 2012 and thereafter

Planned location	Shop type
Namba (Sennichimae)	Standard/Downtown
Ikebukuro	Standard/Downtown
Umeda	Standard/Downtown

[Financing for shop openings in downtown areas]
 Bank loans using land/buildings of the shop as collateral
 Corporate bond issuance
 Other financing methods including equity finance
 The order of priority should be .

Note: If the planned opening is cancelled, there may be a capital loss or penalty payment.

Notes: • Opening dates and shop names may be subject to change for various reasons.

- New shop openings planned for the year ending March 2012 and thereafter may be cancelled without prior notice.
- In order to put the company on a firm financial footing, openings of new shops other than those described above will be suspended, in principle. However, if a developer bears most of the initial investment costs including those for interior decoration, a new shop may open, provided that it is located in a large-scale metropolitan area shopping mall.

Term 2011.3 Sales plan

All units

Figures less than indicated measurement unit are ignored.

	1Q	2Q	1Q-2Q	3Q	4Q	3Q-4Q	Term
Bowling	¥7.76bn	¥8.31bn	¥16.08bn	¥7.33bn	¥9.38bn	¥16.72bn	¥32.80bn
Amusement	¥8.50bn	¥9.14bn	¥17.65bn	¥8.76bn	¥8.98bn	¥17.75bn	¥35.40bn
Karaoke	¥1.48bn	¥1.55bn	¥3.04bn	¥1.46bn	¥1.59bn	¥3.06bn	¥6.10bn
Spo-cha	¥2.18bn	¥2.45bn	¥4.64bn	¥1.71bn	¥2.44bn	¥4.16bn	¥8.80bn
Others	¥0.72bn	¥0.76bn	¥1.49bn	¥0.66bn	¥0.74bn	¥1.41bn	¥2.90bn
Total sales	¥20.66bn	¥22.23bn	¥42.90bn	¥19.93bn	¥23.16bn	¥43.10bn	¥86.00bn

Existing units (VS previous year)

	1Q	2Q	1Q-2Q	3Q	4Q	3Q-4Q	Term
Bowling	(0.4)%	+0.2%	(0.1)%	+3.7%	+3.2%	+3.4%	+1.7%
Amusement	(1.8)%	(1.8)%	(1.8)%	+3.4%	+3.3%	+3.3%	+0.8%
Karaoke	(8.6)%	(7.8)%	(8.2)%	(2.6)%	(1.5)%	(2.0)%	(5.1)%
Spo-cha	(7.2)%	(7.1)%	(7.2)%	(2.3)%	(1.3)%	(1.7)%	(4.6)%
Others	(8.1)%	(3.9)%	(6.0)%	(2.1)%	(0.3)%	(1.2)%	(3.7)%
Total sales	(2.7)%	(2.2)%	(2.4)%	+2.3%	+2.3%	+2.3%	±0.0%

Statistical snapshot of shops (as of end of April 2010)

Trend in number of shops

	No. of shop openings	No. of shop closings	Total No. of shops at the end of the term	Breakdown of total number of shops at end of term			
				Standard		Stadium	
				Downtown	Roadside	Downtown	Roadside
- Year ending March 2004	45	4	41	7	34	-	-
Year ending March 2005	6	0	47	8	34	-	5
Year ending March 2006	11	0	58	8	34	-	16
Year ending March 2007	15	0	73	8	34	-	31
Year ending March 2008	11	1	83	8	34	-	41
Year ending March 2009	13	2	94	7	45	-	42
Year ending March 2010	11	0	105	7	55	-	43

Fuji Shop closed in the year ending March 2008, and reopened at the same location in the next fiscal year after undergoing complete reconstruction.

Number of shops by geographical area

Area	Hokkaido/ Tohoku	Hokuriku/ Koshinetsu	Kanto	Chubu/ Tokai	Kansai	Chugoku/ Shikoku	Kyushu/ Okinawa	Total
No. of shops	10	4	31	13	29	7	11	105
Share	9.5%	3.8%	29.5%	12.4%	27.6%	6.7%	10.5%	100.0%

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