

Term 2016.3 (Apr. 2015~Mar.2016)
Outline of Accounts Settlement



Analysis of present states and future prospects



Ario Kashiwa (Kashiwa, Chiba)
April 25, 2016 open!



ROUND ONE Corporation

C.E.O. and President Masahiko Sugino

Tokyo Stock Exchange First Section

Code Number: 4680

May 9, 2016

Analysis of consolidated operating results ① (term 2015.3 actual and term 2016.3 actual)



(Unit ¥bn) ※figures are rounded down to the nearest 10 million

		Unit	Term 2015.3 Actual (2014.4~2015.3)	Term 2016.3 Actual (2015.4~2016.3)	Differ
Shops	Total shops	Shop	118	122	+4
	No. of months total shops operation	Month	1,386	1,443	+57
P / L	Bowling		24.52	23.03	(1.49)
	Amusement		36.52	36.58	+0.06
	Karaoke		8.64	8.66	+0.01
	Spo-cha		11.50	12.19	+0.69
	Others		2.70	3.04	+0.33
	Total sales		83.90	83.51	(0.38)
	Cost of sales		75.50	75.09	(0.41)
	Gross margin		8.39	8.42	+0.03
	S.G.A. expenses		1.75	2.05	+0.30
	Operating income		6.64	6.36	(0.27)
	Non-operating income & expenses		(0.49)	(0.96)	(0.47)
	Ordinary income ①		6.15	5.40	(0.74)
	Ordinary income margin		7.3%	6.5%	(0.9)%
Extraordinary income & loss ②		(5.02)	(3.50)	+1.51	
Net income before tax		1.12	1.89	+0.76	
Corporate tax ③		5.69	1.44	(4.24)	
Net income		(4.56)	0.44	+5.01	

①[Ordinary income]

(Term 2015.3 Actual)	Ordinary income	¥6.15bn
[Japan]	Decrease in sales	¥(3.57)bn
	Increase in rent exp.	¥(0.75)bn
	Foreign exchange loss	¥(0.33)bn
	Increase in tax exp. (change in business size based taxation rate)	¥(0.15)bn
	Decrease in lease exp. (decrease in new release)	+¥1.88bn
	Decrease in advertising exp.	+¥0.86bn
	Decrease in promotion exp. (charms, etc.)	+¥0.48bn
	Decrease in depreciation	+¥0.47bn
	Others	¥(0.01)bn
[U.S.A]	Increase in ordinary income (Term 2015.3 ¥(0.13)bn ⇒ Term 2016.3 +¥0.24bn)	+¥0.37bn

(Term 2016.3 Actual)	Ordinary income	¥5.40bn
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②[Extraordinary income & loss breakdown]

Term 2015.3 Actual	Extraordinary loss ¥(5.02)bn
↳ Impairment loss ¥(4.59)bn (22 shops)	
↳ Loss on disposal of fixed assets ¥(0.42)bn	
Term 2016.3 Actual	Extraordinary loss ¥(3.50)bn
↳ Impairment loss ¥(2.69)bn (15 shops)	
↳ Loss on shop closing ¥(0.35)bn (1 shop closed, 3 shop closings scheduled)	
↳ Loss on disposal of fixed assets ¥(0.45)bn	

③[Corporate tax breakdown]

Term 2015.3:	Major factor is reversal of deferred tax assets due to tax reform Change in deficit tax deduction rate and change in tax rate⇒¥5.40bn
Term 2016.3:	Major factor is reversal of deferred tax assets due to tax reform Change in deficit tax deduction rate and change in tax rate⇒¥0.77bn

Analysis of consolidated operating results ② (term 2016.3 plan and term 2016.3 actual)



(Unit ¥bn) ※figures are rounded down to the nearest 10 million

		Unit	Term 2016.3 Plan (2015.4~2016.3)	Term 2016.3 Actual (2015.4~2016.3)	Differ
Shops	Total shops①	Shop	124	122	(2)
	No. of months total shops operation	Month	1446	1,443	(3)
P / L	Bowling		23.30	23.03	(0.26)
	Amusement		36.20	36.58	+0.38
	Karaoke		8.80	8.66	(0.13)
	Spo-cha		12.50	12.19	(0.30)
	Others		2.90	3.04	+0.14
	Total sales		83.70	83.51	(0.18)
	Cost of sales		75.80	75.09	(0.70)
	Gross margin		7.90	8.42	+0.52
	S.G.A. expenses		2.10	2.05	(0.04)
	Operating income		5.80	6.36	+0.56
	Non-operating income & expenses		(0.70)	(0.96)	(0.26)
	Ordinary income ②		5.10	5.40	+0.30
	Ordinary income margin		6.1%	6.5%	+0.3%
	Extraordinary income & loss③		(3.50)	(3.50)	(0.00)
	Net income before tax		1.60	1.89	+0.29
Corporate tax④		1.30	1.44	(0.14)	
Net income		0.30	0.44	+0.14	

① [Total shops] Breakdown of differ of 2 shops
Change in opening date: 1 shop in U.S.A.
(opening in May, 2016)
Shop closing: 1 shop in Japan
(closed in January, 2016)

② [Ordinary income]

(Term 2016.3 plan) Ordinary income ¥5.10bn

■ [Japan]		
Decrease in sales		¥(0.35)bn
Foreign exchange loss		¥(0.26)bn
Increase in purchase of food & beverage and specialty goods		¥(0.16)bn
Increase in amusement merchandise exp.		¥(0.09)bn
Decrease in lease exp. (delay of release)		+¥0.65bn
Decrease in utility exp.		+¥0.24bn
Decrease in data communication exp. (amusement machines communication exp.)		+¥0.20bn
Others		¥(0.07)bn
■ [U.S.A.]		
Income & loss (Amount of income increase is due to booking of inventory)		+¥0.14bn
		Plan+¥0.10bn ⇒ Actual +¥0.24bn

(Term 2016.3 actual) Ordinary income ¥5.40bn

③ [Extraordinary income & loss breakdown]

Impairment loss (15 shops interior structure, etc.)	¥2.69bn
Loss on shop closing (4 shops)	¥0.35bn
1 shop closed, 3 shop closings scheduled in term 2017.3	
Loss on disposal of fixed assets (Amusement substrates, etc.)	¥0.45bn

④ [Corporate tax breakdown]

Reversal of deferred tax assets due to tax reform of	¥0.77bn
Corporate tax of	¥0.67bn due to tax payment

Term 2017.3 Consolidated plan Shop openings and closings, P / L



※figures are rounded down to the nearest 10 million

		Unit	Term 2016.3 Previous term actual			Term 2017.3 Plan			Differ		
			Shop	Consolidated	Japan	U.S.A.	Consolidated	Japan	U.S.A.	Consolidated	Japan
Shops	Shop openings and closings ^① Please refer to pages 12, 14 and 15	Shop	4	-	4	-	(5)	5	(4)	(5)	+1
	No. of total shops (at the end of term)	Shop	122	113	9	122	108	14	-	(5)	+5
	(Break down) Own shops (land & building and building structure)	Shop	28	28	-	28	28	-	-	-	-
	Leased shops (interior structure only)	Shop	94	85	9	94	80	14	-	(5)	+5
	No. of total shops operating	Month	1,443	1,356	87	1,484	1,349	135	+41	(7)	+48
P/L	Bowling	¥bn	23.03	22.06	0.96	23.24	21.90	1.34	+0.20	(0.16)	+0.37
	Amusement	¥bn	36.58	33.39	3.18	40.23	35.80	4.43	+3.64	+2.40	+1.24
	Karaoke	¥bn	8.66	7.75	0.90	8.66	7.40	1.26	(0.00)	(0.35)	+0.35
	Spo-cha	¥bn	12.19	12.19	-	11.85	11.85	-	(0.34)	(0.34)	-
	Others	¥bn	3.04	2.92	0.11	3.12	2.95	0.17	+0.07	+0.02	+0.05
	Total sales	¥bn	83.51	78.34	5.16	87.10	79.90	7.20	+3.58	+1.55	+2.03
	Operating income	¥bn	6.36	6.08	0.27	6.06	5.60	0.46	(0.30)	(0.48)	+0.18
	Ordinary income	¥bn	5.40	5.15	0.24	5.50	5.10	0.40	+0.09	(0.05)	+0.15
	Ordinary income margin	%	6.5%	6.6%	4.7%	6.3%	6.4%	5.6%	(0.2)%	(0.2)%	+0.8%
	Net income ^②	¥bn	0.44	0.21	0.23	1.50	1.12	0.38	+1.05	+0.90	+0.14

(Note) ① Term 2016.3 Actual: 5 shop openings (1 shop in Japan, 4 shops in U.S.A.), 1 shop closing (1 shop in Japan)
Term 2017.3 Plan: 7 shop openings (2 shops in Japan, 5 shops in U.S.A.), 7 shop closings (7 shops in Japan)

② Net income calculation formula:

[Term 2016.3 Actual] Ordinary income ¥5.40bn - Impairment loss ¥3.05bn※1 - Loss on disposal of amusement substrates, etc. ¥0.45bn - Corporate tax ¥1.44bn ※2 = Net income ¥0.44bn.
(※1: including impairment loss 15 shops, 4 shops closings) (※2: including reversal of deferred tax asset ¥0.77bn)

[Term 2017.3 Plan] Ordinary income ¥5.50bn - Impairment loss ¥2.10bn※1 - Loss on disposal of amusement substrates, etc. ¥0.40bn - Corporate tax ¥1.50bn = Net income ¥1.50bn.
(※1: including estimated impairment loss of 10 shops, estimated 4 shop closings)

※ As for plan, assumption that unconfirmed shop closings will occur in term 2017.3 is taken into account.

Japan Sales and Year-on-year existing shop sales (previous term actual and current term plan)



Term 2016.3 Actual Japan Sales and Year-on-year existing shop sales

Please refer to page 12 and 15 for number of shops
(Unit ¥bn) ※figures are rounded down to the nearest 10 million

	Unit		1st Q						2nd Q						Term	
			1st Q		2nd Q		1st~2nd Q		3rd Q		4th Q		3rd~4th Q		Term	
			Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year
Bowling	bn	%	5.04	(13.5)	5.54	(10.2)	10.59	(11.8)	4.88	(8.9)	6.59	(5.7)	11.47	(7.1)	22.06	(9.4)
Amusement	bn	%	7.82	(8.9)	8.90	(10.7)	16.72	(9.9)	7.99	(6.8)	8.68	(1.8)	16.67	(4.3)	33.39	(7.2)
Karaoke	bn	%	1.85	(7.6)	2.02	(10.7)	3.87	(9.2)	1.84	(5.6)	2.03	(5.3)	3.87	(5.5)	7.75	(7.4)
Spo-cha	bn	%	2.61	(0.7)	3.39	+9.4	6.01	+4.8	2.53	+5.4	3.65	+5.2	6.18	+5.3	12.19	+5.0
Others	bn	%	0.66	+6.0	0.76	+12.7	1.42	+9.5	0.71	+11.9	0.78	+8.7	1.49	+10.2	2.92	+9.9
Total sales	bn	%	18.01	(8.5)	20.62	(7.0)	38.63	(7.8)	17.97	(5.1)	21.74	(1.9)	39.71	(3.4)	78.34	(5.6)
No. of existing shops in Japan / No. of shops total (at the end of every term)			111/113		111/113		111/113		113/114		112/113		112/113		112/113	

Term 2017.3 Plan Japan Sales and Year-on-year existing shop sales

(Unit ¥bn) ※figures are rounded down to the nearest 10 million

	Unit		1st Q						2nd Q						Term	
			1st Q		2nd Q		1st~2nd Q		3rd Q		4th Q		3rd~4th Q		Term	
			Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year
Bowling	bn	%	5.02	(1.7)	5.57	(0.6)	10.60	(1.1)	4.87	+0.3	6.42	(1.9)	11.30	(1.0)	21.90	(1.0)
Amusement	bn	%	8.23	+3.1	9.59	+5.6	17.82	+4.4	8.69	+6.2	9.27	+3.9	17.97	+5.0	35.80	+4.7
Karaoke	bn	%	1.77	(5.9)	1.92	(6.0)	3.70	(5.9)	1.77	(4.9)	1.92	(6.4)	3.70	(5.7)	7.40	(5.8)
Spo-cha	bn	%	2.59	(3.1)	3.27	(6.2)	5.87	(4.8)	2.46	(5.7)	3.51	(6.4)	5.98	(6.1)	11.85	(5.5)
Others	bn	%	0.68	+1.6	0.76	(1.0)	1.44	+0.2	0.72	+1.1	0.78	+0.6	1.50	+0.8	2.95	+0.5
Total sales	bn	%	18.31	(0.1)	21.12	+0.6	39.44	+0.3	18.53	+1.6	21.92	(0.7)	40.46	+0.3	79.90	+0.3
Number of Sat/Sun/Hol vs pre year	Days		±0		±0		±0		+1		(2)		(1)		(1)	
No. of existing shops in Japan / No. of shops total (at the end of every term)			111/113		109/112		109/112		109/112		106/108		106/108		106/108	

U.S.A. Sales and Year-on-year existing shop sales (previous term actual and current term plan)



Term 2016.3 Actual U.S.A. Sales and Year-on-year existing shop sales

Please refer to page 12, 14 and 15 for number of shops
(Unit ¥bn) ※figures are rounded down to the nearest 10 million

	Unit		1st Q		2nd Q		1st~2nd Q		3rd Q		4th Q		3rd~4th Q		Term	
			Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year
			Bowling	bn	%	0.15	+17.0	0.23	+15.5	0.39	+16.3	0.25	+12.1	0.31	+11.3	0.56
Amusement	bn	%	0.49	+31.7	0.84	+32.2	1.34	+32.0	0.78	+20.4	1.05	+16.2	1.84	+17.6	3.18	+23.2
Karaoke①	bn	%	0.14	+27.8	0.21	+23.4	0.35	+25.6	0.24	+13.5	0.30	+8.2	0.55	+10.3	0.90	+16.4
Others	bn	%	0.02	+18.2	0.02	+15.8	0.05	+16.9	0.03	+3.4	0.03	(4.4)	0.06	(1.3)	0.11	+6.1
Total sales	bn	%	0.82	+27.3	1.31	+26.4	2.13	+26.8	1.32	+16.5	1.70	+13.1	3.02	14.4	5.16	+19.3
No. of existing shops in Japan / No. of shops total (at the end of every term)			3/6		3/8		3/8		4/9		5/9		5/9		5/9	

[Note] In calculation of sales average exchange rate \$1 = ¥120.14 is used.

Term 2017.3 Plan U.S.A. Sales and Year-on-year existing shop sales (Year-on-year figures compared in \$)

(Unit ¥bn)

※figures are rounded down to the nearest 10 million

	Unit		1st Q		2nd Q		1st~2nd Q		3rd Q		4th Q		3rd~4th Q		Term	
			Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year	Sales	Year-on-year
			Bowling	bn	%	0.23	±0.0	0.31	±0.0	0.55	±0.0	0.32	±0.0	0.46	±0.0	0.79
Amusement	bn	%	0.78	±0.0	1.10	±0.0	1.89	±0.0	0.98	±0.0	1.55	±0.0	2.54	±0.0	4.43	±0.0
Karaoke①	bn	%	0.24	±0.0	0.28	±0.0	0.53	±0.0	0.30	±0.0	0.42	±0.0	0.73	±0.0	1.26	±0.0
Others	bn	%	0.03	±0.0	0.04	±0.0	0.08	±0.0	0.03	±0.0	0.05	±0.0	0.09	±0.0	0.17	±0.0
Total sales	bn	%	1.30	±0.0	1.74	±0.0	3.05	±0.0	1.64	±0.0	2.50	±0.0	4.15	±0.0	7.20	±0.0
No. of existing shops in Japan / No. of shops total (at the end of every term)			6/10		7/11		7/11		8/11		9/14		9/14		9/14	

[Note] In calculation of sales exchange rate \$1 = ¥110 is used. ① Karaoke sales is mostly food & beverage sales.

Term 2017.3 plan Basis for planning



[Japan sales ¥1.55bn increase Major factors (compared to previous term)] (Unit ¥bn)
 ※figures are rounded down to the nearest 10 million

Year-on-year existing shop sales +0.3% per year	¥0.23bn increase	(Previous term actual ¥77.43bn⇒Current term plan ¥77.66bn)
Shop openings (No. of operation months below 12)	¥2.23bn increase	(Previous term actual (none)⇒ Current term plan ¥2.23bn)
Shop closings (No. of operation months decrease 23)	¥0.91bn decrease	(Previous term actual ¥0.91bn⇒ Current term plan (none))

[Japan income decrease due to costs of ¥2.04bn and income increase due to non-operating income of ¥0.42bn Major factors (compared to previous term)]

Income decrease factors		
◆Increase in advertising expenses (increase in TV commercial exp.)	Income decrease ¥0.20bn	(Previous term actual ¥1.35bn ⇒ Current term plan ¥1.55bn)
◆Increase in bowling and other promotion expenses (implementation of bowling and other promotion prizes)	Income decrease ¥0.21bn	(Previous term actual ¥0.42bn ⇒ Current term plan ¥0.64bn)
◆Increase in amusement promotion expenses (increase in amusement merchandise exp. due to increase in amusement sales)	Income decrease ¥0.27bn	(Previous term actual ¥5.46bn ⇒ Current term plan ¥5.74bn)
◆Increase in lease exp. (Increase in large size amusement machines installation: TSUNAGA Lotta, others)	Income decrease ¥0.50bn	(Previous term actual ¥7.98bn ⇒ Current term plan ¥8.49bn)
◆Increase in data communication exp. (Increase in amusement machines installation: KanColle, others)	Income decrease ¥0.25bn	(Previous term actual ¥3.03bn ⇒ Current term plan ¥3.28bn)
◆Increase in rent exp. (large sized shops Sapporo Susukino and Ario Kashiwa)	Income decrease ¥0.42bn	(Previous term actual ¥17.42bn ⇒ Current term plan ¥17.85bn)
Income increase factor		
◆Non-operating exp. (Foreign exchange loss and decrease interest exp.)	Income increase ¥0.35bn	(Previous term actual ¥1.13bn ⇒ Current term plan ¥0.78bn)

[Extraordinary income ¥1.00bn increase Major factors (compared to previous term)]

Major factors: estimated decrease in impairment loss ¥0.95bn

Previous term actual ¥3.05bn (impairment loss 15 shops and 4 shop closings)	⇒	Current term plan ¥2.10bn (impairment loss 10 shops and 4 shop closings)
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[U.S.A. income ¥0.15bn increase Major factors (compared to previous term)]

Sales ¥7.20bn (Year-on-year existing shop sales±0% assumed) Number of operating months 135

Ordinary income Previous term actual ¥0.24bn ⇒ Current term plan ¥0.40bn (5 shop openings: including opening exp. ¥0.2bn)

Term 2017.3 Consolidated plan Cash flow



※figures are rounded down to the nearest 10 million

		Unit	Term 2016.3 Actual	Term 2017.3 Plan
Cash	Net income	¥bn	+0.44	+1.50
	Income tax adjustment (provision / payment / refund / refund receivable in total) ①	¥bn	+1.11	+0.94
	Non-cash loss (impairment loss, etc.)	¥bn	+3.50	+2.50
	Dividend	¥bn	(1.90)	(1.90)
	Depreciation (excluded lease depreciation)	¥bn	+3.76	+3.60
	Simplified cash flow	¥bn	+6.93	+6.64
	Equipment investment (excluded finance lease) ②	¥bn	(4.81)	(4.90)
	Expenditure for security deposit	¥bn	+0.33	+0.35
	Increase in cash due to sale of existing shops	¥bn	—	—
	Simplified free cash flow	¥bn	+2.45	+2.09
	Cash reserve	¥bn	23.19	19.79
	Interest-bearing liabilities	¥bn	22.82	17.32
Net interest-bearing liabilities	¥bn	(0.37)	(2.47)	

(Note)

Term 2016.3 Actual:

① Breakdown of income tax adjustment ¥1.11bn

◆ Provision+¥1.44bn, payment ¥(0.33)bn

② Breakdown of equipment investment ¥4.81bn

◆ New shops: ¥2.46bn (Japan: 1 shop / ¥0.50bn, U.S.A.: 4 shops / ¥1.95bn)

◆ Existing shops: ¥2.35bn (Japan: ¥2.34bn, U.S.A.: ¥0.01bn) remodeling, etc.

Term 2017.3 Plan:

① Breakdown of income tax adjustment ¥0.94bn

◆ Provision+¥1.50bn, payment ¥(0.55)bn

② Breakdown of equipment investment ¥4.90bn

◆ New shops: ¥2.80bn (Japan: 2 shops / ¥0.80bn, U.S.A.: 5 shops / ¥2.00bn)

◆ Existing shops: ¥2.10bn (Japan: ¥2.08bn, U.S.A.: ¥0.02bn) remodeling, etc.

Trend in P/L status



Trend in P / L (Company-wide)

(Figures below indicated measurement unit are ignored)

Term	2017.3 Plan	2016.3	2015.3	2014.3	2013.3	2012.3	2011.3	2010.3	2009.3	2008.3
No. of shops at the end of term	122	122	118	114	113	110	109	105	94	83
Total sales	¥87.1bn	¥83.5bn	¥83.9bn	¥84.2bn	¥85.9bn	¥89.5bn	¥84.3bn	¥82.1bn	¥77.9bn	¥77.9bn
Operating income	¥6.0bn	¥6.3bn	¥6.6bn	¥10.0bn	¥11.5bn	¥16.0bn	¥11.4bn	¥12.0bn	¥13.6bn	¥18.2bn
Ordinary income	¥5.5bn	¥5.4bn	¥6.1bn	¥7.8bn	¥8.2bn	¥11.4bn	¥6.9bn	¥7.8bn	¥9.7bn	¥15.9bn
Ordinary income margin	6.3%	6.5%	7.3%	9.3%	9.6%	12.8%	8.2%	9.6%	12.6%	20.5%
Net income	¥1.5bn	¥0.4bn	¥(4.5)bn	¥(19.7)bn	¥0.6bn	¥2.7bn	¥(12.6)bn	¥3.3bn	¥3.9bn	¥9.1bn

Trend in P / L (Japan)

Term	2017.3 Plan	2016.3	2015.3	2014.3	2013.3	2012.3	2011.3	2010.3	2009.3	2008.3
No. of shops at the end of term	108	113	113	111	111	109	108	105	94	83
Total sales	¥79.9bn	¥78.3bn	¥81.9bn	¥82.9bn	¥85.1bn	¥89.0bn	¥83.9bn	¥82.1bn	¥77.9bn	¥77.9bn
Operating income	¥5.6bn	¥6.0bn	¥6.7bn	¥10.0bn	¥11.5bn	¥16.0bn	¥11.4bn	¥12.0bn	¥13.6bn	¥18.2bn
Ordinary income	¥5.1bn	¥5.1bn	¥6.2bn	¥7.8bn	¥8.2bn	¥11.4bn	¥7.0bn	¥7.8bn	¥9.7bn	¥15.9bn
Ordinary income margin	6.4%	6.6%	7.6%	9.4%	9.7%	12.8%	8.3%	9.6%	12.6%	20.5%
Net income	¥1.1bn	¥0.2bn	¥(4.4)bn	¥(19.6)bn	¥0.6bn	¥2.7bn	¥(12.5)bn	¥3.3bn	¥3.9bn	¥9.1bn

Trend in P / L (U.S.A.)

Term	2017.3 Plan	2016.3	2015.3	2014.3	2013.3	2012.3	2011.3	2010.3	2009.3	2008.3
No. of shops at the end of term	14	9	5	3	2	1	1			
Total sales	¥7.2bn	¥5.1bn	¥1.9bn	¥1.2bn	¥0.7bn	¥0.5bn	¥0.3bn			
Operating income	¥0.4bn	¥0.2bn	¥(0.0)bn	¥(0.0)bn	¥0.0bn	¥0.0bn	¥(0.0)bn			
Ordinary income	¥0.4bn	¥0.2bn	¥(0.0)bn	¥(0.0)bn	¥(0.0)bn	¥0.0bn	¥(0.0)bn			
Ordinary income margin	5.6%	4.7%	—	—	—	2.6%	—			
Net income	¥0.3bn	¥0.2bn	¥(0.0)bn	¥(0.0)bn	¥(0.0)bn	¥0.0bn	¥(0.0)bn			

Trend in year-on-year existing shop sales (Japan)

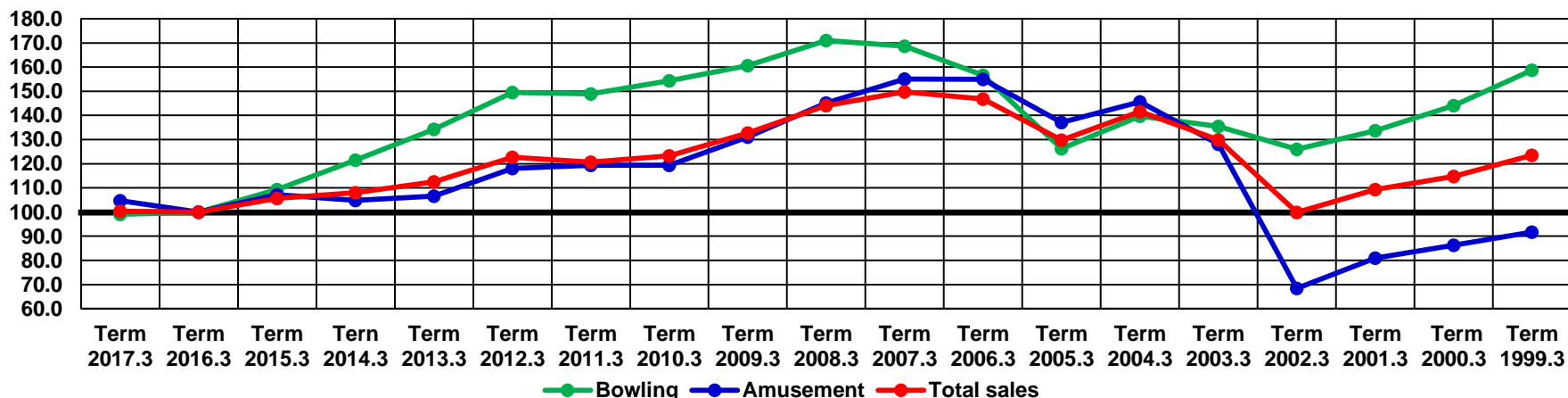


(Unit: %)

Term	2017.3 Plan	2016.3	2015.3	2014.3	2013.3	2012.3	2011.3	2010.3	2009.3	2008.3	2007.3	2006.3	2005.3	2004.3	2003.3	2002.3	2001.3	2000.3	1999.3
Bowling	(1.0)	(9.4)	(11.2)	(10.5)	(11.3)	+0.4	(3.7)	(4.0)	(6.5)	+1.4	+7.1	+19.4	(10.7)	+3.1	+7.0	(6.1)	(7.8)	(10.2)	(0.5)
Amusement	+4.7	(7.2)	+2.2	(1.7)	(10.7)	(1.1)	+0.0	(9.8)	(10.8)	(6.8)	+0.1	+11.5	(6.2)	+12.0	+46.6	(18.3)	(6.6)	(6.3)	(5.2)
Karaoke	(5.8)	(7.4)	+0.4	(1.8)	(3.7)	+15.8	+3.4	(13.1)	(7.3)	(1.2)	+4.0	(4.5)	-	-	-	-	-	-	-
Spo-cha	(5.5)	+5.0	+3.7	+5.1	+0.2	+7.5	(4.5)	(9.2)	(9.8)	(16.1)	-	-	-	-	-	-	-	-	-
Others	+0.5	+9.9	(1.8)	(9.9)	(6.6)	+1.3	(14.5)	(3.9)	+11.4	+13.2	(9.2)	(11.3)	(14.3)	+13.7	+21.5	+7.8	+37.3	+13.9	(2.5)
Total sales	+0.3	(5.6)	(2.3)	(4.2)	(9.0)	+1.7	(2.2)	(7.7)	(8.5)	(4.0)	+2.0	+11.6	(9.1)	+8.3	+23.1	(9.5)	(5.0)	(7.6)	(2.5)
No. of existing shops	106	112	111	111	108	106	104	89	79	69	57	46	40	39	38	25	19	10	6

Trend in year-on-year existing shop sales Japan (Term 2016.3 is 100 basis)

(Unit: %)



[Note] Karaoke sales for term 2001.3~2005.3 are included to "Others".

[Note] U.S.A. shops are excluded.

Trend in assets, etc. (consolidated)



(Figures below indicated measurement unit are ignored)

Term	2017.3 Plan	2016.3	2015.3	2014.3	2013.3	2012.3	2011.3	2010.3	2009.3	2008.3
Total assets	¥102.5bn	¥104.5bn	¥111.5bn	¥127.1bn	¥206.2bn	¥228.2bn	¥252.1bn	¥251.2bn	¥216.0bn	¥176.3bn
Net assets	¥49.3bn	¥49.7bn	¥51.6bn	¥57.5bn	¥78.7bn	¥79.8bn	¥79.0bn	¥85.6bn	¥72.3bn	¥69.6bn
Net assets ratio	48.1%	47.6%	46.3%	45.3%	38.2%	35.0%	31.3%	34.1%	33.5%	39.5%
Cash reserve	¥19.7bn	¥23.1bn	¥27.7bn	¥25.1bn	¥25.3bn	¥29.4bn	¥22.7bn	¥30.8bn	¥21.5bn	¥22.9bn
Interest-bearing liabilities	¥17.3bn	¥22.8bn	¥27.0bn	¥36.8bn	¥90.2bn	¥110.9bn	¥136.1bn	¥138.8bn	¥117.9bn	¥98.5bn
Guarantee debts ①	—	—	—	—	—	—	¥8.2bn	¥31.8bn	¥41.9bn	¥40.9bn
Net interest-bearing liabilities ②	¥(2.4)bn	¥(0.3)bn	¥(0.6)bn	¥11.6bn	¥64.9bn	¥81.4bn	¥121.6bn	¥139.8bn	¥138.3bn	¥116.5bn
Lease liabilities	¥19.9bn	¥16.0bn	¥16.3bn	¥19.6bn	¥24.6bn	¥27.3bn	¥28.4bn	¥25.9bn	¥27.1bn	¥26.8bn
Net interests-bearing liabilities including balance lease liabilities ③	¥17.4bn	¥15.6bn	¥15.6bn	¥31.2bn	¥89.5bn	¥108.8bn	¥150.1bn	¥165.8bn	¥165.4bn	¥143.3bn
New lease contract amount	¥11.4bn	¥8.8bn	¥7.1bn	¥8.1bn	¥9.1bn	¥10.6bn	¥13.7bn	¥12.2bn	¥14.5bn	¥15.9bn

(Note) ① Guarantee debts...loans made by subsidiaries during development periods for which ROUND ONE Corporation is jointly and severally liable. These loans will be repaid after shop openings, etc. and guarantee debts will eliminate. However, these loans are classified as interest-bearing liabilities because they are switched to long-term loans.

② "Net interest-bearing liabilities"...("Interest-bearing liabilities" + "Guarantee debts") - "Cash reserve".

③ "Net interest-bearing liabilities including balance lease liabilities"..."Net interest-bearing liabilities" + "Lease liabilities".

※ The lease above indicates finance lease for amusement machines and karaoke machines.

Measures taken for existing shops

◆Events implementation◆

“Little Glee Monster” prizes to be given to achievers

(“Little Glee Monster” is a popular among middle and high school students vocal group which vocalists are high school students)

«New goods for every event»

- Bowling···every month 2 events to be held
- Karaoke···every month 2 events with scoring to be held
- Spo-cha···prizes to be given to customers visited shop in their birth month



5月1日(日)~15日(日)
もふもふマスコットがもらえる!



◆Application◆

●Measures to improve “Minna-no-Compe”

In addition to bowling and karaoke application game contest is implemented

Number of ROUND ONE application downloads is 2 million 750 thousands

(At the end of April 2016)

●Number of application club members 700 thousands (At the end of April 2016)

◆“Bowling for Health” lessons (Bringing up 150 league bowlers in every shop) ◆

●150 bowlers in every shop×109 shops=16 thousand bowlers is a target

(At the present time 11 thousand bowlers)

◆Installment of new amusement machines◆

●Installation of large size medal game machines in June, 2016 in Round One shops for exclusive use is planned.

● Installation of “KanColle Arcade (SEGA)” communication card game from late April, 2016



[KanColle Arcade]
©SEGA

New shops scheduled



New shop openings planned in term 2017.3

	Opening date	Nation	Shop name / region	Shop type	Operating floor area
1	April 2016 (opened)	Japan	Ario Kashiwa / Kashiwa, Chiba	Stadium, Roadside (Within mega shopping center)	131,387sq.ft.
2	End of May 2016	U.S.A.	Grapevine Mills / Dallas, Texas	Standard, Roadside (Within mega shopping center)	81,316sq.ft.
3	July 2016	U.S.A.	Sunvalley / Concord, California	Standard, Roadside (Within mega shopping center)	47,295sq. ft
4	Autumn 2016	Japan	Kanto area	Standard, Roadside (Within mega shopping center)	49,359sq. ft
5	Beginning of the year 2017	U.S.A.	Southwest Plaza / Littleton, Colorado	Standard, Roadside (Within mega shopping center)	66,085sq. ft
6	Beginning of the year 2017	U.S.A.	Stonecrest / Lithonia, Georgia	Standard, Roadside (Within mega shopping center)	50,533sq.ft.
7	Beginning of the year 2017	U.S.A.	Exton / Exton, Pennsylvania	Standard, Roadside (Within mega shopping center)	59,537sq.ft.

New shop openings planned in term 2018.3 and after

(U.S.A.: 7~8 shop openings per year is a target)

	Opening date	Nation	Shop name / region	Shop type	Operating floor area
1	Spring 2017	U.S.A.	Broadway / Hicksville, New York	Standard, Roadside (Within mega shopping center)	50,604sq. ft
2	Spring 2017	U.S.A.	Fox Valley Mall / Aurora, Illinois	Standard, Roadside (Within mega shopping center)	51,708sq. ft
3	Autumn 2017	Japan	Kanto area	Standard, Roadside	66,832sq. ft

Shop closings planned in term 2017.3

Japan: 7 shop closings are planned (3 shop closings are decided in term 2016.3 and 4 shop closings are under consideration in term 2017.3)

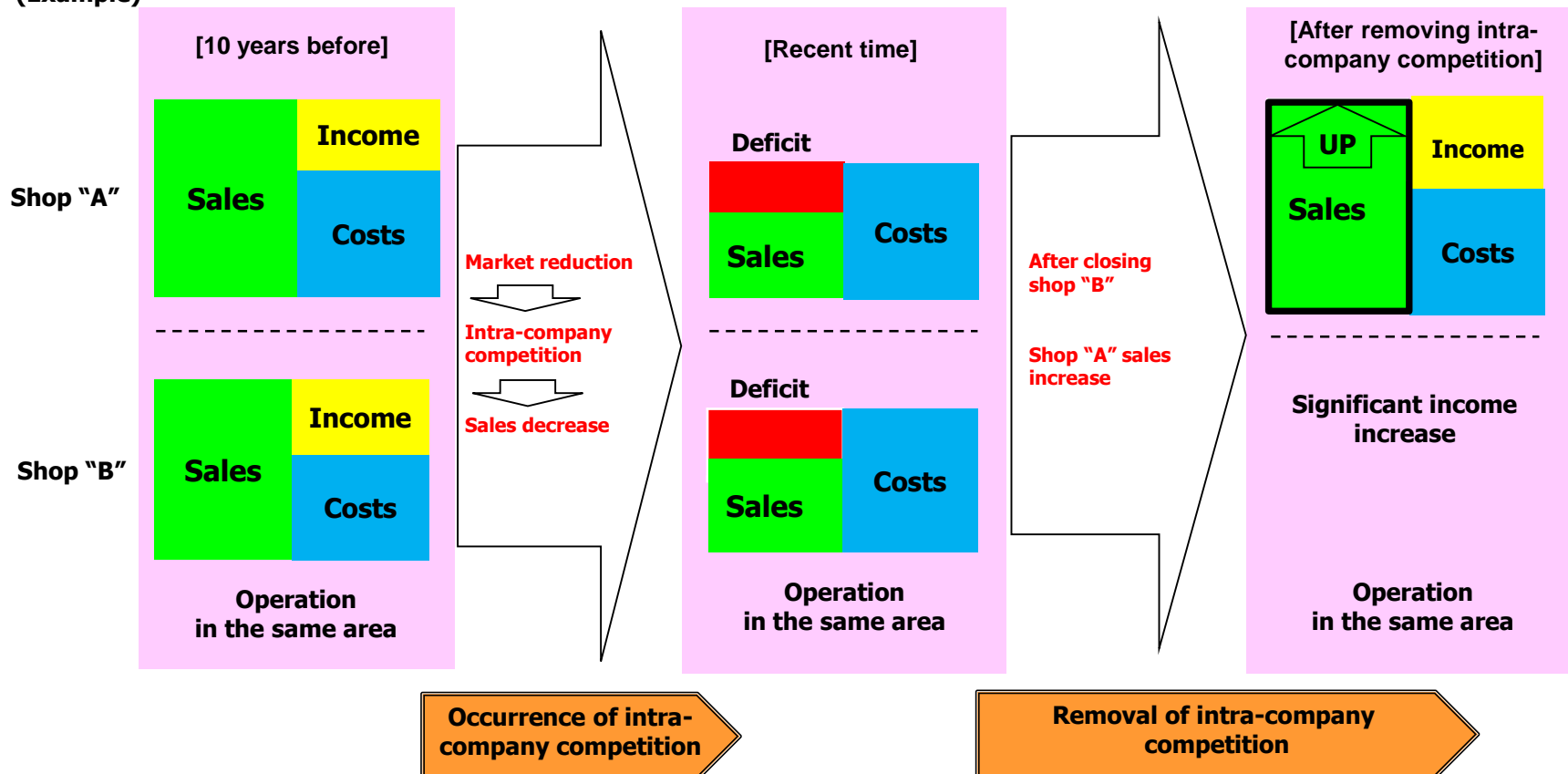
- [Note]
- Changing / cancellation of opening dates, changing of shop names may occur without a notice.
 - All future shops are planned to be in mall.

Term 2017.3 Reason for 7 shop closings in Japan

**[Intra-company competition]
In case where removing intra-company competition
leads to income increase shop closings are implemented**

«Effect of closing shops with intra-company competition»

(Example)



Existing shops and principles of conditions for future shops openings in U.S.A.



[Present state: existing shops] Classification by color refers to “High”, “Average” and “Low” profitability shop in lower right table

	Opening date	Shop name / region	Shop type	Operating floor area	Classification by profitability
1	August 2010	Puente Hills / Los Angeles, California	Standard, Roadside (In Puente Hills Mall) http://www.puentehills-mall.com/	60,000sq.ft.	High profitability shop
2	September 2012	Moreno Valley / Riverside, California	Standard, Roadside (In Moreno Valley Mall) http://www.morenovalleymall.com/	44,448sq.ft.	Low profitability shop
3	August 2013	Lakewood / Lakewood, California	Standard, Roadside (In Lakewood Center Mall) http://www.shoplakewoodcenter.com/	43,523sq.ft.	Average profitability shop
4	October 2014	Stratford / Chicago, Illinois	Standard, Roadside (In Stratford Square Mall) http://www.stratfordmall.com/	39,893sq.ft.	Low profitability shop
5	December 2014	Arlington Parks / Arlington, Texas	Standard, Roadside (In The Parks at Arlington) http://www.theparksat Arlington.com/	64,911sq.ft.	Average profitability shop
6	May 2015	Mainplace / Santa Ana, California	Standard, Roadside (In Westfield Mainplace) http://www.westfield.com/mainplace/	40,676sq.ft.	Average profitability shop
7	July 2015	Southcenter / Seattle, Washington	Standard Roadside (In Westfield Southcenter) http://www.westfield.com/southcenter/	41,672sq.ft.	High profitability shop
8	September 2015	Eastridge / San Jose, California	Standard Roadside (In Eastridge Shopping Center) http://www.eastridgecenter.com/	52,064sq. ft.	High profitability shop
9	December 2015	Silver City / Taunton, Massachusetts	Standard Roadside (In Silver City Galleria) http://www.silvercitygalleria.com/	64,697sq. ft.	Average profitability shop

[Principles of conditions for future shops openings]

Expansion candidates	Opening in large shopping malls throughout U.S.A. (There are approximately 900 malls that apply to our conditions)
Operating floor area	42,000sq.ft. ~ 64,000sq.ft.
Demographics	Over 150,000 within 5 miles, Over 400,000 within 10 miles
Target customers	Shopping mall customers (young adults at night, mainly college students) / Projected male – female rate is 50 - 50
Avg. spending / customer	About \$14
Sales share	Amusement 60%, Bowling 18%, Food & beverage 17%, Karaoke (excluding Food & Beverage) 2%, Other 3%
Investment amount	About \$6 million Breakdown: Facility related \$2.3 million, Amusement machines \$2.4 million, Other facilities (bowling) \$1.0 million, Opening expenses \$0,3 million
Lease fee conditions	Amusement machines depreciation in 3 years, Other facilities (Bowling) depreciation in 7 years ⇒ after 4th year lease fees become less which helps the profitability

[Present state: facility investment and budget for different operating floor area]

Classification by profitability		High profitability shop	Average profitability shop	Low profitability shop
Investment amount	Initial investment amount	\$6.00mn	\$6.00mn	\$5.50mn
Year budget	Total sales	\$7.00mn	\$5.50mn	\$3.30mn
	Operating income (1st year)	\$0.80mn	±\$0.20mn	\$(0.70)mn
	Operating income (2nd~3rd year)	\$1.30mn	\$0.55mn	\$(0.35)mn
	Operating income (4th year~)	\$1.75mn	\$1.00mn	\$0.10mn
	Operating income rate (4th year~)	25.0%	18.2%	3.0%

※Operating income includes opening expenses occurred in initial year.
Except head office expenses.

Statistical snapshot of shops

Trend in number of shops

Japan	Term 2017.3 (Plan)	Term 2016.3	Term 2015.3	Term 2014.3	Term 2013.3	Term 2012.3	Term 2011.3	Term 2010.3	Term 2009.3	Term 2008.3	~Term 2007.3
No. of shop openings	2	1	2	—	3	1	3	11	② 13	11	77
No. of shop closings	③ 7	① 1	—	—	① 1	—	—	—	① 2	② 1	① 4
No. of shops at the end of term	108	113	113	111	111	109	108	105	94	83	73

U.S.A.	Term 2017.3 (Plan)	Term 2016.3	Term 2015.3	Term 2014.3	Term 2013.3	Term 2012.3	Term 2011.3	Term 2010.3	Term 2009.3	Term 2008.3	~Term 2007.3
No. of shop openings	5	4	2	1	1	—	1	—	—	—	—
No. of shop closings	—	—	—	—	—	—	—	—	—	—	—
No. of shops at the end of term	14	9	5	3	2	1	1	—	—	—	—

Consolidate	Term 2017.3 (Plan)	Term 2016.3	Term 2015.3	Term 2014.3	Term 2013.3	Term 2012.3	Term 2011.3	Term 2010.3	Term 2009.3	Term 2008.3	~Term 2007.3
No. of shops at the end of term	122	122	118	114	113	110	109	105	94	83	73

(Note) ① Reason for closure of 8 shops (expiration of contract periods: 5 shops, construction of new large shops in the neighborhood: 2 shops, closure of trial shop (trial period about 2 years): 1 shop).

② Fuji shop closed in term 2008.3 and reopened at the same location in the next term after undergoing complete reconstruction.

③ Reason for closure of 7 shops (expiration of contract periods)

Japan 113 shops (at the end of March 2016) Number of shops breakdown

Shops by shop type				No. of shops at the end of term
Standard		Stadium		
Downtown	Roadside	Downtown	Roadside	
10	57	1	45	113

(Note) All U.S.A. shops are standard roadside type, leased shops only.

Shops by ownership		No. of shops at the end of term
Leased shops	Own shops	
85	28	113

(Note) Own shops include 10 shops with owning right for land & building, and 18 shops with owning right for building with tenants.

Company-wide 122 shops (at the end of March 2016) Number of shops breakdown

Area	Japan							U.S.A.	Total
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa		
No. of shops	11	4	32	14	33	8	11	9	122
Share	9.0%	3.3%	26.2%	11.5%	27.0%	6.6%	9.0%	7.4%	100.0%

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