

Term 2017.3 (Apr. 2016~Jun. 2016)
Outline of Accounts Settlement



Analysis of present states and future prospects



Grapevine Mills shop (Dallas, Texas)
May 20, 2016 open!

ROUND ONE Corporation

C.E.O. and President Masahiko Sugino

Tokyo Stock Exchange First Section

Code Number: 4680

August 8, 2016

Analysis of consolidated operating results ①

Apr. 2016~Jun. 2016 Actual [Year-on-year]



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

		Unit	Term 2016.3 Actual (2015.4~2015.6)	Term 2017.3 Actual (2016.4~2016.6)	Differ
Shops	Total shops	Shop	119	123	+4
	No. of months total shops operation	Month	355	368	+13
P / L	Bowling		5.20	5.35	+0.15
	Amusement		8.32	9.41	+1.08
	Karaoke		2.00	2.08	+0.08
	Spo-cha		2.61	2.67	+0.05
	Others		0.68	0.76	+0.07
	Total sales		18.83	20.28	+1.45
	Cost of sales		18.41	19.14	+0.73
	Gross margin		0.41	1.14	+0.72
	S.G.A. expenses		0.49	0.51	+0.02
	Operating income		(0.07)	0.63	+0.70
	Non-operating income & expenses		(0.14)	(0.45)	(0.31)
	Ordinary income ①		(0.21)	0.17	+0.38
Ordinary income margin		(1.1)%	0.9%	+2.0%	
Extraordinary income & loss ②		(0.09)	(0.24)	(0.14)	
Net income before tax		(0.31)	(0.07)	+0.24	
Corporate tax		0.26	0.02	(0.23)	
Net income		(0.58)	(0.10)	+0.48	

① [Ordinary income]

Term 2016.3 1st Q Actual	Ordinary income	¥(0.21)bn
[Japan]	Increase in sales	+¥0.82bn
	Foreign exchange loss (Non-operating exp.)	¥(0.36)bn
	Decrease in utility exp. (Switching electricity company, etc.)	+¥0.23bn
	Increase in personnel exp.	¥(0.18)bn
	Increase in rent exp.	¥(0.11)bn
	Increase in repairing exp. (Relaying carpet, etc.)	¥(0.10)bn
	Increase in communication exp. (Due to increase in Amusement sales)	¥(0.06)bn
	Others	+¥0.07bn
[The USA]	P/L (※Table below)	+¥0.07bn

Term 2017.3 1st Q Actual	Ordinary income	¥0.17bn
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※[The USA P/L status]

	Term 2016.3 1st Q Actual	Term 2017.3 1st Q Actual	Differ
Sales	¥0.82bn	¥1.45bn	¥0.63bn increase
Expenses	¥0.91bn	¥1.46bn	¥0.55bn increase
Ordinary income	¥(0.08)bn	¥(0.01)bn	¥0.07bn increase

② [Extraordinary income & loss breakdown]

Term 2016.3 Actual Extraordinary loss ¥(0.09)bn
 ↳ Loss on disposal of fixed assets ¥(0.09)bn

Term 2017.3 Actual Extraordinary loss ¥(0.24)bn
 ↳ Loss on shop closings ¥(0.16)bn (4 shops)
 (Including ¥(0.11)bn contained in 2nd Q plan)
 ↳ Loss on disaster ¥(0.06)bn (The Kumamoto Earthquake)
 ↳ Loss on disposal of fixed assets, etc. ¥(0.02)bn

Analysis of consolidated operating results ②

Apr. 2016~Jun. 2016 (Actual and plan)



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

		Unit	Term 2017.3 Plan (2016.4~2016.6)	Term 2017.3 Actual (2016.4~2016.6)	Differ
Shops	Total shops	Shop	123	123	—
	No. of months total shops operation	Month	368	368	—
P / L	Bowling		5.26	5.35	+0.09
	Amusement		9.02	9.41	+0.38
	Karaoke		2.01	2.08	+0.07
	Spo-cha		2.59	2.67	+0.08
	Others		0.72	0.76	+0.04
	Total sales		19.61	20.28	+0.67
	Cost of sales		19.18	19.14	(0.04)
	Gross margin		0.43	1.14	+0.71
	S.G.A. expenses		0.54	0.51	(0.03)
	Operating income		(0.11)	0.63	+0.74
	Non-operating income & expenses		(0.15)	(0.45)	(0.30)
	Ordinary income ①		(0.26)	0.17	+0.44
	Ordinary income margin		(1.4)%	0.9%	+2.2%
Extraordinary income & loss		(0.10)	② (0.24)	(0.14)	
Net income before tax		(0.36)	(0.07)	+0.29	
Corporate tax		(0.09)	0.02	+0.11	
Net income		(0.27)	(0.10)	+0.17	

① [Ordinary income]

Term 2017.3 1st Q Plan	Ordinary income	¥(0.26)bn
[Japan]	Increase in sales	+¥0.52bn
	Foreign exchange loss	¥(0.36)bn
	Decrease in utility exp. (Switching electricity company, etc.)	+¥0.23bn
	Others	±¥0.00bn
[The USA]	P/L (※Table below)	+¥0.04bn
Term 2017.3 1st Q Actual	Ordinary income	¥0.17bn

※[The USA P/L status]

The USA	Term 2017.3 1st Q Plan	Term 2017.3 1st Q Actual	Differ
Sales	¥1.30bn	¥1.45bn	+¥0.15bn increase
Expenses	¥1.36bn	¥1.46bn	+¥0.10bn increase
Ordinary income	¥(0.05)bn	¥(0.01)bn	+¥0.04bn increase

②[Extraordinary income & loss breakdown]

Loss on shop closings (4 shops) (Including ¥(0.11)bn contained in 2nd Q plan)	¥(0.16)bn
Loss on disaster (The Kumamoto Earthquake)	¥(0.06)bn
Loss on disposal of fixed assets (Amusement substrates, etc.)	¥(0.02)bn
Total	¥(0.24)bn

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



No change since announcement on May 9, 2016 has been made.

※figures are rounded down to the nearest 10 million

	Unit	Term 2016.3 Previous term Plan			Term 2017.3 Plan			Differ			
		Consolidated	Japan	The USA	Consolidated	Japan	The USA	Consolidated	Japan	The USA	
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 months total shops operation	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 the USA), 1 shop closing (1 shop in Japan)
Term 2017.3 Plan: 7 shop openings (2 shops in Japan, 5 shops in the USA), 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 (Actual and plan)



Japan sales Actual and plan

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

	Unit									Term
		1st Q			2nd Q	1st Q~2nd Q	3rd Q	4th Q	3rd Q~4th Q	
		Plan	Actual	Differ	Plan	Plan	Plan	Plan	Plan	
Bowling	¥bn	5.02	5.09	+0.06	5.57	10.60	4.87	6.42	11.30	21.90
Amusement	¥bn	8.23	8.49	+0.25	9.59	17.82	8.69	9.27	17.97	35.80
Karaoke	¥bn	1.77	1.84	+0.06	1.92	3.70	1.77	1.92	3.70	7.40
Spo-cha	¥bn	2.59	2.67	+0.08	3.27	5.87	2.46	3.51	5.98	11.85
Others	¥bn	0.68	0.72	+0.04	0.76	1.44	0.72	0.78	1.50	2.95
Total sales	¥bn	18.31	18.83	+0.52	21.12	39.44	18.53	21.92	40.46	79.90
No. total shops in Japan (at the end of every term)		113	113	—	112	112	112	108	108	108

Japan year-on-year existing shop sales Actual and plan

※figures are rounded to the nearest 1st decimal

	Unit									Term
		1st Q			2nd Q	1st Q~2nd Q	3rd Q	4th Q	3rd Q~4th Q	
		Plan	Actual	Differ	Plan	Plan	Plan	Plan	Plan	
Bowling	%	(1.7)	(0.1)	+1.5	(0.6)	(1.1)	+0.3	(1.9)	(1.0)	(1.0)
Amusement	%	+3.1	+5.7	+2.7	+5.6	+4.4	+6.2	+3.9	+5.0	+4.7
Karaoke	%	(5.9)	(2.4)	+3.5	(6.0)	(5.9)	(4.9)	(6.4)	(5.7)	(5.8)
Spo-cha	%	(3.1)	(0.5)	+2.6	(6.2)	(4.8)	(5.7)	(6.4)	(6.1)	(5.5)
Others	%	+1.6	+8.8	+7.1	(1.0)	+0.2	+1.1	+0.6	+0.8	+0.5
Total sales	%	(0.1)	+2.5	+2.6	+0.6	+0.3	+1.6	(0.7)	+0.3	+0.3
Number of Sat/Sun/Hol vs pre year	Days	±0	±0	—	±0	±0	+1	(2)	(1)	(1)
No. of existing shops in Japan (at the end of every term)		111	111	—	109	109	109	106	106	106

The USA Sales and Year-on-year existing shop sales (Actual and plan)



The USA sales Actual and plan

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

	Unit	1st Q			2nd Q	1st Q~2nd Q	3rd Q	4th Q	3rd Q~4th Q	Term
		Plan	Actual	Differ	Plan	Plan	Plan	Plan	Plan	Plan
Bowling	¥bn	0.23	0.26	+0.02	0.31	0.55	0.32	0.46	0.79	1.34
Amusement	¥bn	0.78	0.91	+0.12	1.10	1.89	0.98	1.55	2.54	4.43
Karaoke①	¥bn	0.24	0.24	+0.00	0.28	0.53	0.30	0.42	0.73	1.26
Others	¥bn	0.03	0.03	(0.00)	0.04	0.08	0.03	0.05	0.09	0.17
Total sales	¥bn	1.30	1.45	+0.14	1.74	3.05	1.64	2.50	4.15	7.20
No. total shops in the USA (at the end of every term)		10	10	—	11	11	11	14	14	14

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

The USA year-on-year existing shop sales Actual and plan

※figures are rounded to the nearest 1st decimal

	Unit	1st Q			2nd Q	1st Q~2nd Q	3rd Q	4th Q	3rd Q~4th Q	Term
		Plan	Actual	Differ	Plan	Plan	Plan	Plan	Plan	Plan
Bowling	%	±0.0	+12.2	+12.2	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0
Amusement	%	±0.0	+17.7	+17.7	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0
Karaoke①	%	±0.0	+12.3	+12.3	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0
Others	%	±0.0	+0.9	+0.9	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0
Total sales	%	±0.0	+15.2	+15.2	±0.0	±0.0	±0.0	±0.0	±0.0	±0.0
No. of existing shops in the USA (at the end of every term)		6	6	—	7	7	8	9	9	9

[Note] Year-on-year existing shops sales compared in \$. ① Karaoke sales is mostly food & beverage sales.

Term 2017.3 Quarterly consolidated Actual and plan



Plan announced on May 9, 2016

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

									Term
	1st Q			2nd Q	1st Q~2nd Q	3rd Q	4th Q	3rd Q~4th Q	
	Plan	Actual	Differ	Plan	Plan	Plan	Plan	Plan	
Total sales	19.61	20.28	+0.67	22.87	42.49	20.18	24.42	44.61	87.10
Cost of sales	19.18	19.14	(0.04)	20.11	39.30	19.43	20.20	39.64	78.94
Gross margin	0.43	1.14	+0.71	2.75	3.19	0.74	4.22	4.97	8.16
S.G.A. expenses	0.54	0.51	(0.03)	0.50	1.05	0.55	0.49	1.05	2.10
Operating income	(0.11)	0.63	+0.74	2.25	2.14	0.19	3.72	3.92	6.06
Non-operating income & expenses	(0.15)	(0.45)	(0.30)	(0.15)	(0.31)	(0.10)	(0.14)	(0.25)	(0.56)
Ordinary income	(0.26)	0.17	+0.44	2.09	1.83	0.09	3.57	3.67	5.50
Ordinary income margin	(1.4)%	0.9%	+2.2%	9.2%	4.3%	0.4%	14.7%	8.2%	6.3%
Extraordinary income & loss	(0.10)	(0.24)	(0.14)	(0.40)	(0.50)	(0.10)	(1.90)	(2.00)	(2.50)
Net income before tax	(0.36)	(0.07)	+0.29	1.69	1.33	(0.00)	1.67	1.67	3.00
Corporate tax	(0.09)	0.02	+0.11	0.52	0.43	0.08	0.99	1.07	1.50
Net income	(0.27)	(0.10)	+0.17	1.17	0.90	(0.08)	0.68	0.60	1.50

Term 2017.3 Consolidated plan Cash flow



No change since announcement on May 9, 2016 has been made.

※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 ① (provision / payment / refund / refund receivable in total)	¥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, the USA: 4 shops / ¥1.95bn)

◆Existing shops:¥2.35bn (Japan: ¥2.34bn, the USA: ¥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, the USA: 5 shops / ¥2.00bn)

◆ Existing shops:¥2.10bn (Japan: ¥2.08bn, the USA: ¥0.02bn) remodeling, etc.

Trend in P/L status

Trend in P / L (Consolidated)

No change since announcement on May 9, 2016 has been made.

(Figures below indicated are ignored)

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

Trend in P / L (Japan)

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

Trend in P / L (The USA)

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

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

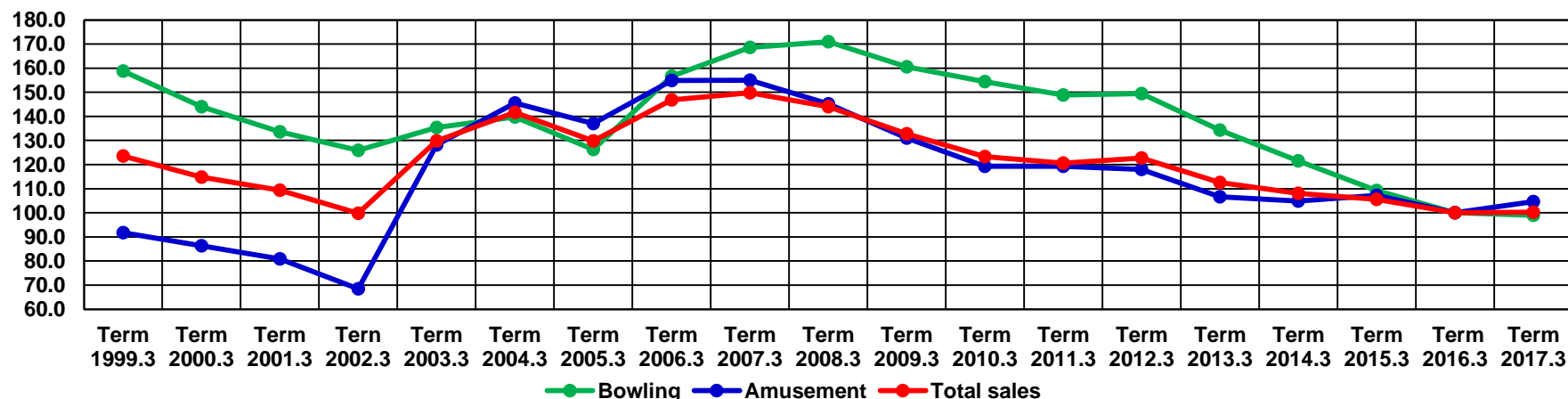
No change since announcement on May 9, 2016 has been made.

(Unit: %)

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

(Unit: %)

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



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

[Note] The USA shops are excluded.

Trend in assets, etc. (consolidated)



No change since announcement on May 9, 2016 has been made.

(Figures below indicated are ignored)

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

(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



◆ 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 3 million 370 thousands
(As of the end of July 2016)
- Number of application club members 1 million 150 thousands
(As of the end of July 2016)

◆ Installation of “ninebot by SEGWAY” in Spo-cha ◆

◆ “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 13 thousand bowlers)

◆ Installation of new amusement machines ◆

- In June, 2016 large size medal game machines “FISHING SPIRITS” were installed in Round One shops for exclusive use.
(BANDAI NAMCO Entertainment Inc.)



【FISHING SPIRITS】



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	May 2016 (opened)	The USA	Grapevine Mills / Dallas, Texas	Standard, Roadside (Within mega shopping center)	81,316sq.ft.
3	September 2016	The USA	Sunvalley / Concord, California	Standard, Roadside (Within mega shopping center)	47,295sq. ft.
4	Beginning of October 2016	Japan	LaLaport SHONAN HIRATSUKA / Hiratsuka, Kanagawa	Standard, Roadside (Within mega shopping center)	49,359sq. ft.
5	Beginning of the year 2017	The USA	Southwest Plaza / Littleton, Colorado	Standard, Roadside (Within mega shopping center)	66,085sq. ft.
6	Beginning of the year 2017	The USA	Stonecrest / Lithonia, Georgia	Standard, Roadside (Within mega shopping center)	50,533sq.ft.
7	Around March 2017	The USA	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.: 10 or more shop openings per year is a target)

	Opening date	Nation	Shop name / region	Shop type	Operating floor area
1	Spring 2017	The USA	Broadway / Hicksville, New York	Standard, Roadside (Within mega shopping center)	50,604sq. ft.
2	Spring 2017	The USA	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.

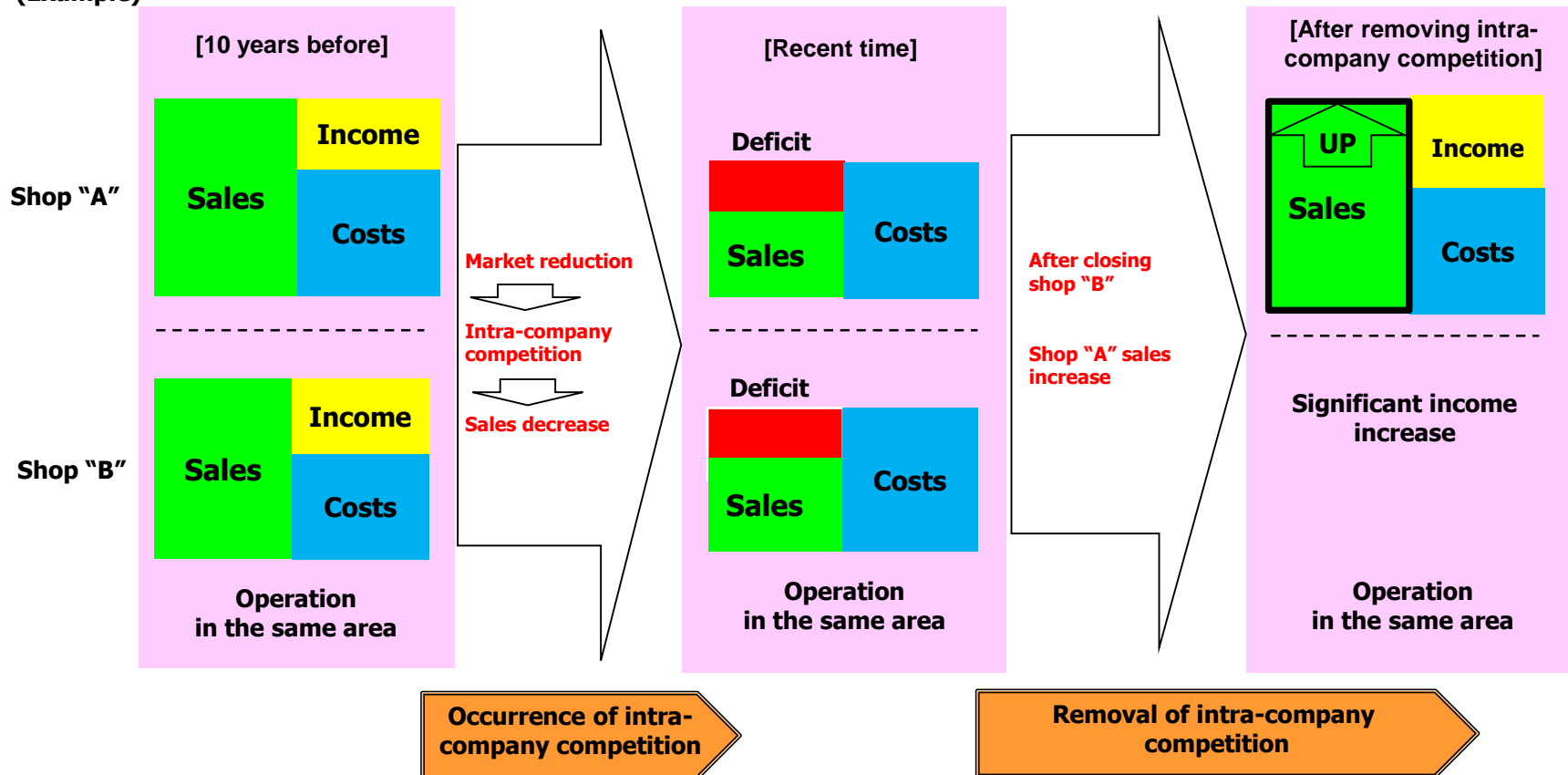
Term 2017.3 Reason for 7 shop closings in Japan

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

No change since announcement on May 9, 2016 has been made.

«Effect of closing shops with intra-company competition»

(Example)



Existing shops and principles of conditions for future shops openings in the USA



[Existing shops as of the end of June, 2016]

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.theparksatarlington.com/	64,911sq.ft.	Average profitability shop
6	May 2015	Mainplace / Santa Ana, California	Standard, Roadside (In Westfield Mainplace) http://www.shopmainplacemall.com/	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
10	May 2016	Grapevine Mills / Dallas, Texas	Standard Roadside (In Grapevine Mills) http://www.simon.com/mall/grapevine-mills	81,316sq.ft.	Average profitability shop

[Principles of conditions for future shops openings]

Expansion candidates	Opening in large shopping malls throughout the USA (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 2007.3	Term 2008.3	Term 2009.3	Term 2010.3	Term 2011.3	Term 2012.3	Term 2013.3	Term 2014.3	Term 2015.3	Term 2016.3	Term 2017.3 (Plan)
No. of shop openings*	77	11	② 13	11	3	1	3	–	2	1	2
No. of shop closings	① 4	② 1	① 2	–	–	–	① 1	–	–	① 1	③ 7
No. of shops at the end of term	73	83	94	105	108	109	111	111	113	113	108

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

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

(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, removing intra-company competition)

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

Shops by shop type				No. of shops at the end of term
Standard		Stadium		
Downtown	Roadside	Downtown	Roadside	
10	56	1	46	113

(Note) All the USA shops are standard roadside type, leased shops only.

Shops by ownership		No. of shops at the end of term
Leased shops	Own shops	
86	27	113

(Note) Own shops include 9 shops with owning right for land & building, and 18 shops with owning right for building with tenants.

Consolidated 123 shops (at the end of June 2016) Number of shops breakdown

Area	Japan								The USA	Total
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa	Total		
No. of shops	11	4	33	14	32	8	11	113	10	123
Share	8.9%	3.3%	26.9%	11.4%	26.0%	6.5%	8.9%	91.9%	8.1%	100.0%

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