

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



# Analysis of present states and future prospects



LaLaport SHONAN HIRATSUKA shop  
(Hiratsuka, Kanagawa)  
October 6, 2016 open!

# ROUND ONE Corporation

**C.E.O. and President Masahiko Sugino**

**Stock Exchange First Section**

**Code Number: 4680**

**November 10, 2016**

Sunvalley shop  
(Concord, California)  
August 27, 2016 open!



# Analysis of consolidated operating results ①

## Apr. 2016~Sep. 2016 Actual [Year-on-year]



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

		Unit	Term 2016.3 Actual (2015.4~2015.9)	Term 2017.3 Actual (2016.4~2016.9)	Differ
Shops	Total shops at the end of the quarter	Shop	121	120	① (1)
	No. of months total shops operation at the end of the quarter	Month	714	734	+20

### ① [Differ]

Japan: 2 shop openings (Sapporo Susukino, Ario Kashiwa),  
6 shop closings (Kanto 1 shop, Kansai 3 shops, Chubu 2 shops)

The USA: 3 shop openings (Silver City, Grapevine Mills, Sunvalley)

### ② [Ordinary income]

Term 2016.3 2nd Q Actual	Ordinary income	
		+¥1.82bn
[Japan]	Increase in sales	+¥0.99bn
	Decrease in utility exp. (Due to fuel adjustment cost decrease)	+¥0.45bn
	Foreign exchange loss (Non-operating exp.)	¥(0.33)bn
	Increase in personnel exp.	¥(0.28)bn
	Increase in rent exp.	¥(0.25)bn
	Increase in lease exp. (Due to additional amusement machines implementation)	¥(0.19)bn
	Increase in communication exp. (Due to increase in Amusement sales)	¥(0.18)bn
	Others	¥(0.07)bn
[The USA]	P/L (※Table below)	+¥0.10bn

Term 2017.3 2nd Q Actual	Ordinary income	
		+¥2.06bn

### ※[The USA P/L status]

	Term 2016.3 2nd Q Actual	Term 2017.3 2nd Q Actual	Differ
Sales	¥2.13bn	¥3.04bn	+¥0.90bn increase
Expenses	¥2.16bn	¥2.95bn	+¥0.79bn increase
Ordinary income	¥(0.02)bn	¥0.08bn	+¥0.10bn increase

③ [Extraordinary loss]  
Please refer to page 2

P / L	Bowling	10.98	10.90	(0.07)
	Amusement	18.06	20.02	+1.96
	Karaoke	4.23	4.35	+0.12
	Spo-cha	6.01	5.83	(0.17)
	Others	1.47	1.54	+0.06
	<b>Total sales</b>	<b>40.77</b>	<b>42.67</b>	<b>+1.89</b>
	<b>Cost of sales</b>	<b>37.57</b>	<b>38.90</b>	<b>+1.32</b>
	<b>Gross margin</b>	<b>3.20</b>	<b>3.77</b>	<b>+0.56</b>
	S.G.A. expenses	0.98	1.07	+0.09
	<b>Operating income</b>	<b>2.22</b>	<b>2.69</b>	<b>+0.47</b>
	Non-operating income & expenses	(0.39)	(0.63)	(0.23)
	<b>Ordinary income ②</b>	<b>1.82</b>	<b>2.06</b>	<b>+0.23</b>
	<b>Ordinary income margin</b>	<b>4.5%</b>	<b>4.8%</b>	<b>+0.4%</b>
	Extraordinary income & loss	(0.48)	③ (0.52)	(0.04)
	Net income before tax	1.34	1.53	+0.19
Corporate tax	0.74	0.56	(0.17)	
<b>Net income</b>	<b>0.59</b>	<b>0.96</b>	<b>+0.37</b>	

# Analysis of consolidated operating results ②

## Apr. 2016~Sep. 2016 (Actual and plan)



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

		Unit	Term 2017.3 Original Plan (2016.4~2016.9)	Term 2017.3 Actual (2016.4~2016.9)	Differ
Shops	Total shops at the end of the quarter	Shop	123	120	① (3)
	No. of months total shops operation at the end of the quarter	Month	737	734	(3)

P / L	Bowling	11.15	10.90	(0.24)
	Amusement	19.71	20.02	+0.31
	Karaoke	4.23	4.35	+0.12
	Spo-cha	5.87	5.83	(0.03)
	Others	1.52	1.54	+0.01
	Total sales	42.49	42.67	+0.18
	Cost of sales	39.30	38.90	(0.39)
	Gross margin	3.19	3.77	+0.58
	S.G.A. expenses	1.05	1.07	+0.02
	Operating income	2.14	2.69	+0.55
	Non-operating income & expenses	(0.31)	(0.63)	(0.32)
	Ordinary income ①	1.83	2.06	+0.23
	Ordinary income margin	4.3%	4.8%	+0.5%
	Extraordinary income & loss	(0.50)	③ (0.52)	(0.02)
Net income before tax	1.33	1.53	+0.20	
Corporate tax	0.43	0.56	+0.13	
Net income	0.90	0.96	+0.06	

### ① [Differ]

Japan: 3 shop closings (Kansai 2 shops, Chubu 1 shop)

### ② [Ordinary income]

Term 2017.3 2nd Q Plan	Ordinary income	+¥1.83bn
[Japan] Increase in sales		+¥0.18bn
Decrease in utility exp. (Due to fuel adjustment cost decrease)		+¥0.47bn
Foreign exchange loss (Non-operating exp.)		¥(0.40)bn
Decrease in promotion exp. Decrease in amusement merchandise exp.		+¥0.20bn
Increase in personnel exp.		¥(0.19)bn
Increase in repairing exp. (HVAC equipment replacement)		¥(0.16)bn
Others		+¥0.07bn
[The USA] P/L (※Table below)		+¥0.05bn

Term 2017.3 2nd Q Actual	Ordinary income	+¥2.06bn
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### ※[The USA P/L status]

The USA	Term 2017.3 2nd Q Plan	Term 2017.3 2nd Q Actual	Differ
Sales	¥3.05bn	¥3.04bn	¥(0.00)bn decrease
Expenses	¥3.02bn	¥2.95bn	¥(0.06)bn decrease
Ordinary income	¥0.03bn	¥0.08bn	+¥0.05bn increase

### ③[Extraordinary income & loss breakdown]

Loss on shop closings (8 shops) (Including 3 shops which loss (most part) contained in previous term)	¥(0.35)bn
Loss on disaster (The Kumamoto Earthquake)	¥(0.06)bn
Earthquake insurance receivables	+¥0.06bn
Loss on disposal of fixed assets (Amusement substrates, etc.)	¥(0.17)bn

Total

¥(0.52)bn

# 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 after revision			Differ			
		Consolidated	Japan	The USA	Consolidated	Japan	The USA	Consolidated	Japan	The USA	
Shops	Shop openings and closings <sup>①</sup> Please refer to pages 13, 15 and 16	Shop	4	–	4	–	(6)	6	+4	(6)	+2
	No. of total shops (at the end of term)	Shop	122	113	9	122	107	15	–	(6)	+6
	[Break down] Own shops (land & building and building structure)	Shop	28	28	–	24	24	–	(4)	(4)	–
	Leased shops (interior structure only)	Shop	94	85	9	98	83	15	+4	(2)	+6
	No. of months total shops operation	Month	1,443	1,356	87	1,454	1,322	132	+11	(34)	+45
P/L	Bowling	¥bn	23.03	22.06	0.96	22.41	21.25	1.16	(0.62)	(0.81)	+0.19
	Amusement	¥bn	36.58	33.39	3.18	39.90	35.80	4.10	+3.31	+2.40	+0.91
	Karaoke	¥bn	8.66	7.75	0.90	8.70	7.60	1.10	+0.03	(0.15)	+0.19
	Spo-cha	¥bn	12.19	12.19	–	12.10	12.10	–	(0.09)	(0.09)	–
	Others	¥bn	3.04	2.92	0.11	3.09	2.95	0.14	+0.04	+0.02	+0.02
	Total sales	¥bn	83.51	78.34	5.16	86.20	79.70	6.50	+2.68	+1.35	+1.33
	Operating income	¥bn	6.36	6.08	0.27	6.26	5.90	0.36	(0.10)	(0.18)	+0.08
	Ordinary income	¥bn	5.40	5.15	0.24	5.50	5.20	0.30	+0.09	+0.04	+0.05
	Ordinary income margin	%	6.5%	6.6%	4.7%	6.4%	6.5%	4.6%	(0.1)%	(0.1)%	(0.1)%
	Net income <sup>②</sup>	¥bn	0.44	0.21	0.23	1.50	1.22	0.28	+1.05	+1.00	+0.04

(Note) <sup>①</sup>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: 8 shop openings (2 shops in Japan, 6 shops in the USA), 8 shop closings (8 shops in Japan)

<sup>②</sup> 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 of 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 and 8 shop closings, loss (most part) for 3 of which contained in previous term.)

# Term 2017.3 Original plan and Plan after revision

## Japan · The USA · Consolidated



※figures are rounded down to the nearest 10 million

	Japan			The USA			Consolidated			
	Original Plan	Plan after revision	Differ	Original Plan	Plan after revision	Differ	Original Plan	Plan after revision	Differ	Percentage change
Bowling	21.90	21.25	(0.65)	1.34	1.16	(0.18)	23.24	22.41	(0.83)	(3.6)%
Amusement	35.80	35.80	±0.00	4.43	4.10	(0.33)	40.23	39.90	(0.33)	(0.8)%
Karaoke	7.40	7.60	+0.20	1.26	1.10	(0.16)	8.66	8.70	+0.04	+0.5%
Spo-cha	11.85	12.10	+0.25	—	—	—	11.85	12.10	+0.25	+2.1%
Others	2.95	2.95	±0.00	0.17	0.14	(0.03)	3.12	3.09	(0.03)	(1.0)%
<b>Total sales</b>	<b>79.90</b>	<b>79.70</b>	<b>①(0.20)</b>	<b>7.20</b>	<b>6.50</b>	<b>⑤(0.70)</b>	<b>87.10</b>	<b>86.20</b>	<b>(0.90)</b>	<b>(1.0)%</b>
Cost of sales	72.50	71.80	②(0.70)	6.44	5.99	⑥(0.45)	78.94	77.79	(1.15)	(1.5)%
Gross margin	7.40	7.90	+0.50	0.76	0.51	(0.25)	8.16	8.41	+0.25	+3.1%
S.G.A. expenses	1.80	2.00	③+0.20	0.30	0.15	(0.15)	2.10	2.15	+0.05	+2.4%
Operating income	5.60	5.90	+0.30	0.46	0.36	(0.10)	6.06	6.26	+0.20	+3.3%
Non-operating income & expenses	(0.50)	(0.70)	④(0.20)	(0.06)	(0.06)	±0.00	(0.56)	(0.76)	(0.20)	(35.7)%
Ordinary income	5.10	5.20	+0.10	0.40	0.30	(0.10)	5.50	5.50	±0.00	±0.0%
Ordinary income margin	6.4%	6.5%	+0.1%	5.6%	4.6%	(1.0)%	6.3%	6.4%	+0.1%	+1.6%
Extraordinary income & loss	(2.50)	(2.50)	±0.00	—	—	—	(2.50)	(2.50)	±0.00	±0.0%
Net income before tax	2.60	2.70	+0.10	0.40	0.30	(0.10)	3.00	3.00	±0.00	±0.0%
Corporate tax	1.48	1.48	±0.00	0.02	0.02	±0.00	1.50	1.50	±0.00	±0.0%
<b>Net income</b>	<b>1.12</b>	<b>1.22</b>	<b>+0.10</b>	<b>0.38</b>	<b>0.28</b>	<b>(0.10)</b>	<b>1.50</b>	<b>1.50</b>	<b>±0.00</b>	<b>±0.0%</b>

※Major factors for plan revision (vs Original plan) Revision principal: Revision based on Actual results for 1st Q~2nd Q

- ① Sales
- ② Cost of sales

- ③ S.G.A. expenses
- ④ Non-operating income & expenses

- ⑤ Sales
- ⑥ Cost of sales

※Shop closings ¥(0.75)bn ※Shop openings +¥0.40bn ※Existing shops +¥0.14bn

※Shop closings ¥(0.60)bn

※Utility exp. ¥(0.58)bn Repairing exp. +¥0.14bn Personnel exp. +¥0.22bn

※Enterprise tax: business size based tax due to taxation rate change +¥0.21bn

Foreign exchange loss ¥(0.40)bn Interest paid decrease +¥0.24bn

Exchange rate in Original plan \$1=¥110 Exchange rate in Plan after revision \$1=¥100

Exchange rate in Original plan \$1=¥110 Exchange rate in Plan after revision \$1=¥100

Shop opening expenses for 1 shop added to plan after revision (Fox Valley Mall, opening in the end of March, 2017)

# Japan Sales and Year-on-year existing shop sales (Actual and plan)



## Japan sales Actual and plan

Please refer to page 13 and 16 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
		Original plan	Actual	Differ	Original plan	Actual	Differ	Original plan	Actual	Differ	Plan after revision	Plan after revision	Plan after revision	Plan after revision
Bowling	¥bn	5.02	5.09	+0.06	5.57	5.28	(0.28)	10.60	10.37	(0.22)	4.73	6.13	10.87	21.25
Amusement	¥bn	8.23	8.49	+0.25	9.59	9.57	(0.01)	17.82	18.07	+0.24	8.52	9.19	17.72	35.80
Karaoke	¥bn	1.77	1.84	+0.06	1.92	2.01	+0.09	3.70	3.86	+0.16	1.80	1.93	3.73	7.60
Spo-cha	¥bn	2.59	2.67	+0.08	3.27	3.16	(0.11)	5.87	5.83	(0.03)	2.61	3.66	6.26	12.10
Others	¥bn	0.68	0.72	+0.04	0.76	0.74	(0.01)	1.44	1.47	+0.03	0.70	0.76	1.47	2.95
<b>Total sales</b>	¥bn	<b>18.31</b>	<b>18.83</b>	<b>+0.52</b>	<b>21.12</b>	<b>20.79</b>	<b>(0.33)</b>	<b>39.44</b>	<b>39.62</b>	<b>+0.18</b>	<b>18.38</b>	<b>21.68</b>	<b>40.07</b>	<b>79.70</b>
No. total shops in Japan (at the end of every term)		113	113	—	112	109	(3)	112	109	(3)	109	107	107	107

## Japan 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
		Original plan	Actual	Differ	Original plan	Actual	Differ	Original plan	Actual	Differ	Plan after revision	Plan after revision	Plan after revision	Plan after revision
Bowling	%	(1.7)	(0.1)	+1.5	(0.6)	(5.1)	(4.5)	(1.1)	(2.7)	(1.6)	(1.2)	(4.1)	(2.9)	(2.8)
Amusement	%	+3.1	+5.7	+2.7	+5.6	+5.3	(0.3)	+4.4	+5.5	+1.1	+3.2	+3.9	+3.6	+4.6
Karaoke	%	(5.9)	(2.4)	+3.5	(6.0)	(1.1)	+4.9	(5.9)	(1.7)	+4.2	(0.3)	(1.9)	(1.1)	(1.4)
Spo-cha	%	(3.1)	(0.5)	+2.6	(6.2)	(10.2)	(4.0)	(4.8)	(6.0)	(1.2)	(0.9)	(3.2)	(2.2)	(4.1)
Others	%	+1.6	+8.8	+7.1	(1.0)	(2.5)	(1.5)	+0.2	+2.8	+2.6	+0.5	+1.1	+0.8	+1.8
<b>Total sales</b>	%	<b>(0.1)</b>	<b>+2.5</b>	<b>+2.6</b>	<b>+0.6</b>	<b>(1.0)</b>	<b>(1.6)</b>	<b>+0.3</b>	<b>+0.6</b>	<b>+0.4</b>	<b>+1.0</b>	<b>(0.3)</b>	<b>+0.3</b>	<b>+0.4</b>
Number of Sat/Sun/Hol vs pre year	Days	±0	±0	—	±0	±0	—	±0	±0	—	+1	(2)	(1)	(1)
No. of existing shops in Japan (at the end of every term)		111	111	—	109	107	(2)	109	107	(2)	106	105	105	105

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



## The USA sales Actual and plan

Please refer to page 13, 15 and 16 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
		Original plan	Actual	Differ	Original plan	Actual	Differ	Original plan	Actual	Differ	Plan after revision	Plan after revision	Plan after revision	Plan after revision
		Bowling	¥bn	0.23	0.26	+0.02	0.31	0.26	(0.04)	0.55	0.52	(0.02)	0.27	0.36
Amusement	¥bn	0.78	0.91	+0.12	1.10	1.03	(0.06)	1.89	1.95	+0.06	0.90	1.24	2.14	4.10
Karaoke <sup>①</sup>	¥bn	0.24	0.24	+0.00	0.28	0.25	(0.03)	0.53	0.49	(0.03)	0.26	0.34	0.60	1.10
Others	¥bn	0.03	0.03	(0.00)	0.04	0.03	(0.00)	0.08	0.06	(0.01)	0.03	0.04	0.07	0.14
<b>Total sales</b>	¥bn	<b>1.30</b>	<b>1.45</b>	<b>+0.14</b>	<b>1.74</b>	<b>1.58</b>	<b>(0.15)</b>	<b>3.05</b>	<b>3.04</b>	<b>(0.00)</b>	<b>1.46</b>	<b>1.98</b>	<b>3.45</b>	<b>6.50</b>
No. total shops in the USA (at the end of every term)		10	10	—	11	11	—	11	11	—	13	15	15	15

[Note] Exchange rate used in calculation : in original plan \$1 = ¥110, in plan after revision \$1 = ¥100.

① Karaoke sales is mostly food & beverage sales.

② Difference in sales amount for 1st Q ¥(0.03)bn due to average exchange rate change is included in 2nd Q  
(Exchange rate: at the end of 1st Q \$1=¥108.1, at the end of 2nd Q \$1=¥105.2)

## 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
		Original plan	Actual	Differ	Original plan	Actual	Differ	Original plan	Actual	Differ	Plan after revision	Plan after revision	Plan after revision	Plan after revision
		Bowling	%	±0.0	+12.2	+12.2	±0.0	+2.0	+2.0	±0.0	+6.4	+6.4	±0.0	±0.0
Amusement	%	±0.0	+17.7	+17.7	±0.0	(1.9)	(1.9)	±0.0	+6.0	+6.0	±0.0	±0.0	±0.0	+2.4
Karaoke <sup>①</sup>	%	±0.0	+12.3	+12.3	±0.0	+3.2	+3.2	±0.0	+7.1	+7.1	±0.0	±0.0	±0.0	+2.6
Others	%	±0.0	+0.9	+0.9	±0.0	(6.7)	(6.7)	±0.0	(3.3)	(3.3)	±0.0	±0.0	±0.0	(1.4)
<b>Total sales</b>	%	<b>±0.0</b>	<b>+15.2</b>	<b>+15.2</b>	<b>±0.0</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>±0.0</b>	<b>+6.0</b>	<b>+6.0</b>	<b>±0.0</b>	<b>±0.0</b>	<b>±0.0</b>	<b>+2.3</b>
No. of existing shops in the USA (at the end of every term)		6	6	—	7	7	—	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



(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	
	Original plan	Actual	Differ	Original plan	Actual	Differ	Original plan	Actual	Differ	Plan after revision	Plan after revision	Plan after revision	
Total sales	19.61	20.28	+0.67	22.87	22.38	(0.48)	42.49	42.67	+0.18	19.85	23.67	43.52	86.20
Cost of sales	19.18	19.14	(0.04)	20.11	19.75	(0.35)	39.30	38.90	(0.39)	19.23	19.65	38.88	77.79
Gross margin	0.43	1.14	+0.71	2.75	2.62	(0.13)	3.19	3.77	+0.58	0.62	4.01	4.63	8.41
S.G.A. expenses	0.54	0.51	(0.03)	0.50	0.56	+0.06	1.05	1.07	+0.02	0.53	0.54	1.07	2.15
Operating income	(0.11)	0.63	+0.74	2.25	2.06	(0.19)	2.14	2.69	+0.55	0.09	3.47	3.56	6.26
Non-operating income & expenses	(0.15)	(0.45)	(0.30)	(0.15)	(0.17)	(0.01)	(0.31)	(0.63)	(0.32)	(0.07)	(0.05)	(0.12)	(0.76)
Ordinary income	(0.26)	0.17	+0.44	2.09	1.89	(0.20)	1.83	2.06	+0.23	0.02	3.41	3.43	5.50
Ordinary income margin	(1.4)%	0.9%	+2.2%	9.2%	8.4%	(0.7)%	4.3%	4.8%	+0.5%	0.1%	14.4%	7.9%	6.4%
Extraordinary income & loss	(0.10)	(0.24)	(0.14)	(0.40)	(0.28)	+0.11	(0.50)	(0.52)	(0.02)	(0.10)	(1.87)	(1.97)	(2.50)
Net income before tax	(0.36)	(0.07)	+0.29	1.69	1.60	(0.09)	1.33	1.53	+0.20	(0.07)	1.54	1.46	3.00
Corporate tax	(0.09)	0.02	+0.11	0.52	0.53	+0.01	0.43	0.56	+0.13	(0.02)	0.95	0.93	1.50
Net income	(0.27)	(0.10)	+0.17	1.17	1.06	(0.11)	0.90	0.96	+0.06	(0.05)	0.58	0.53	1.50



# 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 after revision
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	+2.41
	Dividend	¥bn	(1.90)	(1.90)
	Depreciation (excluded lease depreciation)	¥bn	+3.76	+3.89
	Simplified cash flow	¥bn	+6.93	+6.85
	Equipment investment (excluded finance lease) ②	¥bn	(4.81)	(5.30)
	Expenditure for security deposit	¥bn	+0.33	+0.45
	Increase in cash due to sale of existing shops	¥bn	—	③ +1.51
	Simplified free cash flow	¥bn	+2.45	+3.52
	Cash reserve	¥bn	23.19	20.33
	Interest-bearing liabilities	¥bn	22.82	16.44
	Net interest-bearing liabilities	¥bn	(0.37)	(3.89)

(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 ¥5.30bn

◆ New shops: ¥3.20bn (Japan:2 shops / ¥0.80bn, the USA: 6 shops / ¥2.40bn)

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

③ Sale-and-leaseback of 2 shops is scheduled in Term 2017.3.

# Trend in P/L status

## Trend in P / L (Consolidated)

(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 after revision
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	¥86.2bn
Operating income	¥18.2bn	¥13.6bn	¥12.0bn	¥11.4bn	¥16.0bn	¥11.5bn	¥10.0bn	¥6.6bn	¥6.3bn	¥6.2bn
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%	6.4%
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 after revision
No. of shops at the end of term	83	94	105	108	109	111	111	113	113	107
Total sales	¥77.9bn	¥77.9bn	¥82.1bn	¥83.9bn	¥89.0bn	¥85.1bn	¥82.9bn	¥81.9bn	¥78.3bn	¥79.7bn
Operating income	¥18.2bn	¥13.6bn	¥12.0bn	¥11.4bn	¥16.0bn	¥11.5bn	¥10.0bn	¥6.7bn	¥6.0bn	¥5.9bn
Ordinary income	¥15.9bn	¥9.7bn	¥7.8bn	¥7.0bn	¥11.4bn	¥8.2bn	¥7.8bn	¥6.2bn	¥5.1bn	¥5.2bn
Ordinary income margin	20.5%	12.6%	9.6%	8.3%	12.8%	9.7%	9.4%	7.6%	6.6%	6.5%
Net income	¥9.1bn	¥3.9bn	¥3.3bn	¥(12.5)bn	¥2.7bn	¥0.6bn	¥(19.6)bn	¥(4.4)bn	¥0.2bn	¥1.2bn

## 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 after revision
No. of shops at the end of term				1	1	2	3	5	9	15
Total sales				¥0.3bn	¥0.5bn	¥0.7bn	¥1.2bn	¥1.9bn	¥5.1bn	¥6.5bn
Operating income				¥(0.0)bn	¥0.0bn	¥0.0bn	¥(0.0)bn	¥(0.0)bn	¥0.2bn	¥0.3bn
Ordinary income				¥(0.0)bn	¥0.0bn	¥(0.0)bn	¥(0.0)bn	¥(0.0)bn	¥0.2bn	¥0.3bn
Ordinary income margin				—	2.6%	—	—	—	4.7%	4.6%
Net income				¥(0.0)bn	¥0.0bn	¥(0.0)bn	¥(0.0)bn	¥(0.0)bn	¥0.2bn	¥0.2bn

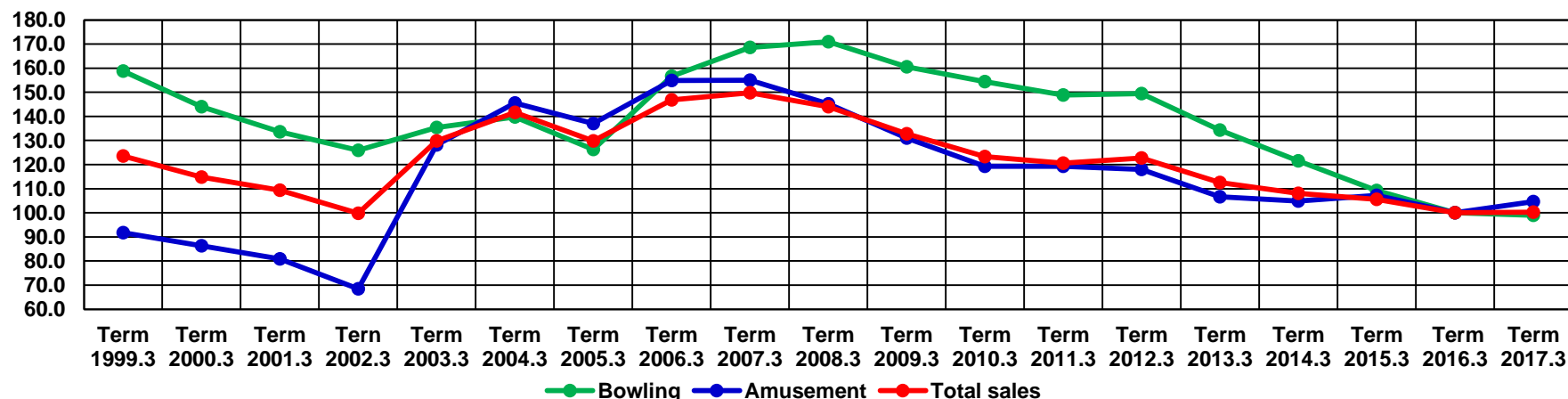
# Trend in year-on-year existing shop sales (Japan)

(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 after revision
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)	(2.8)
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)	+4.6
Karaoke	-	-	-	-	-	-	-	(4.5)	+4.0	(1.2)	(7.3)	(13.1)	+3.4	+15.8	(3.7)	(1.8)	+0.4	(7.4)	(1.4)
Spo-cha	-	-	-	-	-	-	-	-	-	(16.1)	(9.8)	(9.2)	(4.5)	+7.5	+0.2	+5.1	+3.7	+5.0	(4.1)
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	+1.8
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)	+0.4
No. of existing shops	6	10	19	25	38	39	40	46	57	69	79	89	104	106	108	111	111	112	105

(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)

(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 after revision
Total assets	¥176.3bn	¥216.0bn	¥251.2bn	¥252.1bn	¥228.2bn	¥206.2bn	¥127.1bn	¥111.5bn	¥104.5bn	¥101.8bn
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%	48.4%
Cash reserve	¥22.9bn	¥21.5bn	¥30.8bn	¥22.7bn	¥29.4bn	¥25.3bn	¥25.1bn	¥27.7bn	¥23.1bn	¥20.3bn
Interest-bearing liabilities	¥98.5bn	¥117.9bn	¥138.8bn	¥136.1bn	¥110.9bn	¥90.2bn	¥36.8bn	¥27.0bn	¥22.8bn	¥16.4bn
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	¥(3.8)bn
Lease liabilities	¥26.8bn	¥27.1bn	¥25.9bn	¥28.4bn	¥27.3bn	¥24.6bn	¥19.6bn	¥16.3bn	¥16.0bn	¥20.1bn
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	¥16.2bn
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)  
Bowling...2 events every month  
Karaoke...2 events with scoring every month  
Spo-cha...prizes given to customers visited shop in their birth month
- Exclusive 3-month event starting October,1  
Bowling & Karaoke...every elementary school age or under child accompanied by one fee-paying adult plays for free  
Bowling & Spo-cha...every elementary school age or under child accompanied by one fee-paying adult gets original Pokémon Calendar present



## ◆ 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 4 million 70 thousands (As of the end of October 2016)
- Number of application club members 1 million 540 thousands (As of the end of October 2016)



【SANGOKUSHI TAISEN】



【Magicians DEAD】

## ◆ "Bowling for Health" lessons (Bringing up 150 league bowlers in every shop) ◆

- 150 bowlers in every shop×104 shops=16 thousand bowlers is a target (At the present time 12 thousand bowlers)

## ◆ Installment of new amusement machines ◆

- "Sangokushi Taisen" communication card game (SEGA)
- "Magicians DEAD" fighting video game (BYKING)

## ◆ New Spo-sha items implementation ◆

- Implementation of "ninebot by SEGWAY" in October, 8
- Renewal of Spo-cha area and implementation of Balance Scooters and other items in 11 shops



【ninebot by SEGWAY】



【Balance Scooter】

# New shops scheduled



## New shop openings planned in term 2017.3

※Kids Spo-cha starts on October 18, 2016

	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	August 2016 (opened)	The USA	Sunvalley / Concord, California	Standard, Roadside (Within mega shopping center)	47,295sq. ft.
4	October 2016 (opened)	Japan	LaLaport SHONAN HIRATSUKA / Hiratsuka, Kanagawa	Standard, Roadside (Within mega shopping center)	49,359sq. ft.
5	Around the end of December 2016	The USA	Southwest Plaza / Littleton, Colorado	Standard, Roadside (Within mega shopping center)	66,085sq. ft.
6	Around the end of December 2016	The USA	Exton / Exton, Pennsylvania	Standard, Roadside (Within mega shopping center)	59,537sq.ft.
7	Late February 2017	The USA	Stonecrest / Lithonia, Georgia	Standard, Roadside (Within mega shopping center)	50,533sq.ft.
8	Late March 2017	The USA	Fox Valley Mall / Aurora, Illinois	Standard, Roadside (Within mega shopping center)	51,708sq.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	South Towne Center / Sandy, Utah	Standard, Roadside (Within mega shopping center)	47,900sq. ft.
2	Summer 2017	The USA	Broadway / Hicksville, New York	Standard, Roadside (Within mega shopping center)	50,604sq. ft.
3	Autumn 2017	Japan	(Tentative name) Kichijoji / Musashino, Tokyo	Standard, downtown	71,601sq. ft.
4	Autumn 2017	The USA	Great Lakes Crossings / Auburn Hills, Michigan	Standard, Roadside (Within mega shopping center)	51,743sq.ft.

## Shop closings planned in term 2017.3

Japan: 8 shop closings are planned (5 shops closed by September, 2016; 1 shop closed in October, 2016; 2 shop closings planned for January, 2017.

**[Note]** · Changing / cancellation of opening dates, changing of shop names may occur without a notice.

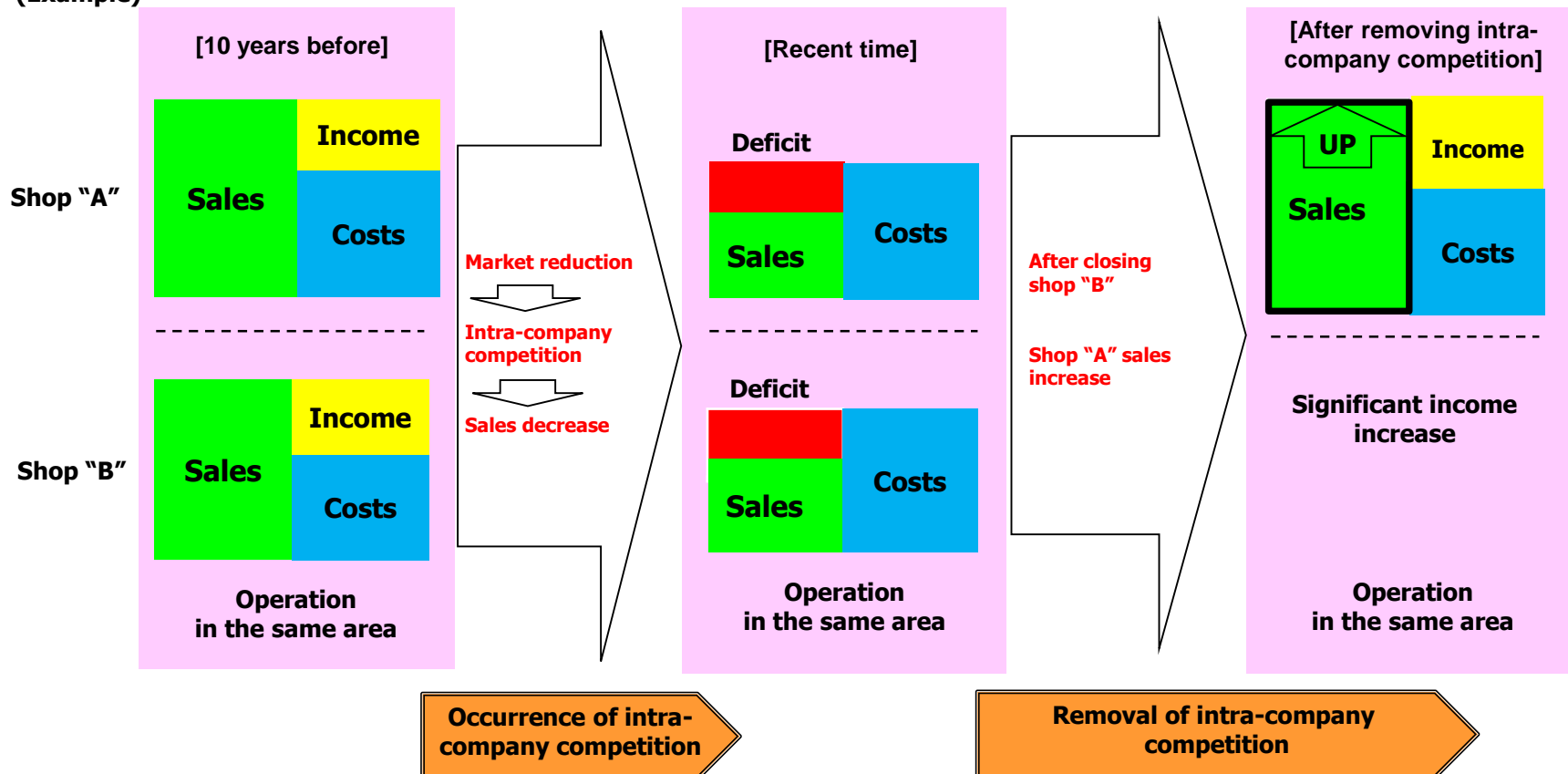
· All future shops are planned to be in mall.

# Term 2017.3 Reason for 8 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 the USA



## [Existing shops as of the end of September, 2016]

Classification by color refers to “High”, “Average” and “Low” profitability shop in lower right table. Classification by color is updated once a year.

	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) <a href="http://www.puentehills-mall.com/">http://www.puentehills-mall.com/</a>	60,000sq.ft.	High profitability shop
2	September 2012	Moreno Valley / Riverside, California	Standard, Roadside (In Moreno Valley Mall) <a href="http://www.morenovalleymall.com/">http://www.morenovalleymall.com/</a>	44,448sq.ft.	Low profitability shop
3	August 2013	Lakewood / Lakewood, California	Standard, Roadside (In Lakewood Center Mall) <a href="http://www.shoplakewoodcenter.com/">http://www.shoplakewoodcenter.com/</a>	43,523sq.ft.	Average profitability shop
4	October 2014	Stratford / Chicago, Illinois	Standard, Roadside (In Stratford Square Mall) <a href="http://www.stratfordmall.com/">http://www.stratfordmall.com/</a>	39,893sq.ft.	Low profitability shop
5	December 2014	Arlington Parks / Arlington, Texas	Standard, Roadside (In The Parks at Arlington) <a href="http://www.theparksatarlington.com/">http://www.theparksatarlington.com/</a>	64,911sq.ft.	Average profitability shop
6	May 2015	Mainplace / Santa Ana, California	Standard, Roadside (In Westfield Mainplace) <a href="http://www.shopmainplacemall.com/">http://www.shopmainplacemall.com/</a>	40,676sq.ft.	Average profitability shop
7	July 2015	Southcenter / Seattle, Washington	Standard Roadside (In Westfield Southcenter) <a href="http://www.westfield.com/southcenter/">http://www.westfield.com/southcenter/</a>	41,672sq.ft.	High profitability shop
8	September 2015	Eastridge / San Jose, California	Standard Roadside (In Eastridge Shopping Center) <a href="http://www.eastridgecenter.com/">http://www.eastridgecenter.com/</a>	52,064sq. ft.	High profitability shop
9	December 2015	Silver City / Taunton, Massachusetts	Standard Roadside (In Silver City Galleria) <a href="http://www.silvercitygalleria.com/">http://www.silvercitygalleria.com/</a>	64,697sq. ft.	Average profitability shop
10	May 2016	Grapevine Mills / Dallas, Texas	Standard Roadside (In Grapevine Mills) <a href="http://www.simon.com/mall/grapevine-mills/">http://www.simon.com/mall/grapevine-mills/</a>	81,316sq.ft.	Average profitability shop
11	August 2016	Sunvalley / Concord, California	Standard Roadside (In Sunvalley Shopping Center) <a href="http://www.shopsunvalley.com/">http://www.shopsunvalley.com/</a>	47,295sq. ft.	High 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 \$2.4 million, Amusement machines \$2.2 million, Other facilities (bowling) \$1.0 million, Opening expenses \$0,4 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 8
No. of shops at the end of term	73	83	94	105	108	109	111	111	113	113	107

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	6
No. of shop closings	—	—	—	—	—	—	—	—	—	—	—
No. of shops at the end of term	—	—	—	—	1	1	2	3	5	9	15

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 8 shops (expiration of contract periods, removing intra-company competition)

## Japan 109 shops (at the end of September 2016) Number of shops breakdown

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

Shops by shop type				No. of shops at the end of term
Standard		Stadium		
Downtown	Roadside	Downtown	Roadside	
10	52	1	46	109

Shops by ownership		No. of shops at the end of term
Leased shops	Own shops	
85	24	109

(Note) Own shops include 8 shops with owning right for land & building, and 16 shops with owning right for building with tenants.

## Consolidated 120 shops (at the end of September 2016) Number of shops breakdown

Area	Japan							The USA	Total
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa		
No. of shops	11	4	33	12	30	8	11	11	120
Share	9.2%	3.3%	27.5%	10.0%	25.0%	6.7%	9.2%	9.2%	100.0%

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