

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



Analysis of present states and future prospects



Exton shop (Exton, Pennsylvania)
December 9, 2016 open!

ROUND ONE Corporation

C.E.O. and President Masahiko Sugino

Tokyo Stock Exchange First Section

Code Number: 4680

February 10, 2017

Analysis of consolidated operating results ①

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



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

		Unit	Term 2016.3 Actual (2015.4~2015.12)	Term 2017.3 Actual (2016.4~2016.12)	Differ
Shops	Total shops at the end of the quarter	Shop	123	121	① (2)
	No. of months total shops operation at the end of the quarter	Month	1,077	1093	+16
P / L	Bowling		16.12	15.96	(0.16)
	Amusement		26.84	29.51	+2.67
	Karaoke		6.33	6.49	+0.15
	Spo-cha		8.54	8.38	(0.15)
	Others		2.22	2.26	+0.03
	Total sales		60.06	62.62	+2.55
	Cost of sales		56.04	58.38	+2.33
	Gross margin		4.01	4.23	+0.21
	S.G.A. expenses		1.52	1.66	+0.13
	Operating income		2.49	2.57	+0.07
	Non-operating income & expenses		(0.53)	(0.72)	(0.18)
	Ordinary income ②		1.95	1.85	(0.10)
	Ordinary income margin		3.3%	3.0%	(0.3)%
	Extraordinary income & loss		(0.57)	③ (0.68)	(0.10)
Net income before tax		1.38	1.16	(0.21)	
Corporate tax		0.74	0.58	(0.15)	
Net income		0.63	0.58	(0.05)	

① [Differ]

Japan: 2 shop openings (Ario Kashiwa, LaLaport SHONAN HIRATSUKA),

7 shop closings (Kanto 2 shops, Kansai 3 shops, Chubu 2 shops)

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

② [Ordinary income]

Term 2016.3 3rd Q Actual	Ordinary income	
		+¥1.95bn
[Japan]	Increase in sales	+¥1.21bn
	Decrease in utility exp. (Due to fuel adjustment cost decrease)	+¥0.54bn
	Increase in personnel exp.	¥(0.45)bn
	Foreign exchange loss (Non-operating exp.)	¥(0.33)bn
	Increase in rent exp.	¥(0.28)bn
	Increase in communication exp. (Due to increase in Amusement sales)	¥(0.24)bn
	Increase in lease exp. (Due to additional amusement machines implementation)	¥(0.23)bn
	Increase in purchase (Free-drink system improvement, increase in specialty goods purchase)	¥(0.16)bn
	Others	¥(0.27)bn
[The USA]	P/L (※Table below)	+¥0.11bn

Term 2017.3 3rd Q Actual	Ordinary income	
		+¥1.85bn

※[The USA P/L status]

	Term 2016.3 3rd Q Actual	Term 2017.3 3rd Q Actual	Differ
Sales	¥3.45bn	¥4.80bn	¥1.34bn increase
Expenses	¥3.49bn	¥4.72bn	¥1.22bn increase
Ordinary income	¥(0.03)bn	¥0.07bn	¥0.11bn increase

③ [Extraordinary income & loss]
Please refer to page 2

Analysis of consolidated operating results ②

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



Plan announced on November 10, 2016

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

		Unit	Term 2017.3 Plan (2016.4~2016.12)	Term 2017.3 Actual (2016.4~2016.12)	Differ
Shops	Total shops at the end of the quarter	Shop	122	121	① (1)
	No. of months total shops operation at the end of the quarter	Month	1,093	1,093	±0
P / L	Bowling		15.91	15.96	+0.04
	Amusement		29.46	29.51	+0.05
	Karaoke		6.42	6.49	+0.06
	Spo-cha		8.43	8.38	(0.05)
	Others		2.28	2.26	(0.01)
	Total sales		62.52	62.62	+0.09
	Cost of sales		58.13	58.38	+0.25
	Gross margin		4.39	4.23	(0.16)
	S.G.A. expenses		1.60	1.66	+0.05
	Operating income		2.78	2.57	(0.21)
	Non-operating income & expenses		(0.70)	(0.72)	(0.02)
	Ordinary income ①		2.08	1.85	(0.23)
	Ordinary income margin		3.3%	3.0%	(0.4)%
	Extraordinary income & loss		(0.62)	③ (0.68)	(0.05)
Net income before tax		1.45	1.16	(0.29)	
Corporate tax		0.54	0.58	+0.04	
Net income		0.91	0.58	(0.33)	

① [Differ]

The USA: 1 month opening delay (Southwest Plaza planned opening Dec. 2016→actual opening Jan. 2017)

② [Ordinary income]

Term 2017.3 3rd Q Plan	Ordinary income	+¥2.08bn
[Japan]	Decrease in sales	¥(0.19)bn
	Increase in personnel exp.	¥(0.14)bn
	Increase in repairing exp. (HVAC equipment replacement, etc.)	¥(0.09)bn
	Decrease in promotion exp. (Decrease in amusement merchandise exp.)	+¥0.08bn
	Lease exp. (Delay in amusement machines sale, etc.)	+¥0.06bn
	Others	+¥0.06bn
[The USA]	P/L (※Table below)	¥(0.01)bn

Term 2017.3 3rd Q Actual	Ordinary income	+¥1.85bn
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※[The USA P/L status]

The USA	Term 2017.3 3rd Q Plan	Term 2017.3 3rd Q Actual	Differ
Sales	¥4.51bn	¥4.80bn	¥0.29bn increase
Expenses	¥4.41bn	¥4.72bn	¥0.30bn increase
Ordinary income	¥0.09bn	¥0.07bn	¥0.01bn decrease

③ [Extraordinary income & loss breakdown]

Loss on shop closings (8 shops) (Including 3 shops which loss (most part) contained in previous term)	¥(0.40)bn
Loss on disaster (The Kumamoto Earthquake)	¥(0.06)bn
Earthquake insurance receivables	+¥0.06bn
Loss on disposal of fixed assets (Amusement substrates, etc.)	¥(0.27)bn

Total ¥(0.68)bn

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



No change since announcement on November 10, 2016 has been made.

※figures are rounded down to the nearest 10 million

	Unit	Term 2016.3 Previous term Actual			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 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 ^②	¥bn	0.44	0.21	0.23	1.50	1.22	0.28	+1.05	+1.00	+0.04

(Note) ^①Term 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)

^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 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.)

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



Plan announced on November 10, 2016

Japan sales Actual and plan

Please refer to page 12 and 16 for the number of shops

※figures are rounded down to the nearest 10 million

	Unit	1st Q~2nd Q			3rd Q			4th Q	3rd Q~4th Q	Term
		1st Q	2nd Q	1st Q~2nd Q	3rd Q			4th Q	3rd Q~4th Q	Term
		Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	Plan
Bowling	¥bn	5.09	5.28	10.37	4.73	4.75	+0.01	6.13	10.87	21.25
Amusement	¥bn	8.49	9.57	18.07	8.52	8.38	(0.14)	9.19	17.72	35.80
Karaoke	¥bn	1.84	2.01	3.86	1.80	1.82	+0.01	1.93	3.73	7.60
Spo-cha	¥bn	2.67	3.16	5.83	2.61	2.54	(0.05)	3.66	6.26	12.10
Others	¥bn	0.72	0.74	1.47	0.70	0.68	(0.02)	0.76	1.47	2.95
Total sales	¥bn	18.83	20.79	39.62	18.38	18.18	(0.19)	21.68	40.07	79.70
No. total shops in Japan (at the end of every term)		113	109	109	109	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			3rd Q			4th Q	3rd Q~4th Q	Term
		1st Q	2nd Q	1st Q~2nd Q	3rd Q			4th Q	3rd Q~4th Q	Term
		Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	Plan
Bowling	%	(0.1)	(5.1)	(2.7)	(1.2)	(0.7)	+0.5	(4.1)	(2.9)	(2.8)
Amusement	%	+5.7	+5.3	+5.5	+3.2	+2.8	(0.4)	+3.9	+3.6	+4.6
Karaoke	%	(2.4)	(1.1)	(1.7)	(0.3)	+1.1	+1.4	(1.9)	(1.1)	(1.4)
Spo-cha	%	(0.5)	(10.2)	(6.0)	(0.9)	(2.7)	(1.8)	(3.2)	(2.2)	(4.1)
Others	%	+8.8	(2.5)	+2.8	+0.5	(2.8)	(3.3)	+1.1	+0.8	+1.8
Total sales	%	+2.5	(1.0)	+0.6	+1.0	+0.7	(0.3)	(0.3)	+0.3	+0.4
Number of Sat/Sun/Hol vs pre year	Days	±0	±0	±0	+1	+1	—	(2)	(1)	(1)
No. of existing shops in Japan (at the end of every term)		111	107	107	106	106	—	105	105	105

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



Plan announced on November 10, 2016

The USA sales Actual and plan

Please refer to page 12, 14 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
		Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	Plan	
Bowling	¥bn	0.26	0.26	0.52	0.27	0.29	+0.02	0.36	0.63	1.16	
Amusement	¥bn	0.91	1.03	1.95	0.90	1.10	+0.20	1.24	2.14	4.10	
Karaoke ^①	¥bn	0.24	0.25	0.49	0.26	0.30	+0.04	0.34	0.60	1.10	
Others	¥bn	0.03	0.03	0.06	0.03	0.04	+0.01	0.04	0.07	0.14	
Total sales	¥bn	1.45	1.58	3.04	1.46	1.75	+0.29	1.98	3.45	6.50	
No. total shops in the USA (at the end of every term)		10	11	11	13	12	(1)	15	15	15	

[Note] In calculation of sales plan exchange rate \$1 = ¥100 is used.

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)

③ Difference in sales amount for 1st Q~2nd Q period +¥0.04bn due to average exchange rate change is included in 3rd Q.
(Exchange rate: at the end of 2nd Q \$1=¥105.2, at the end of 3rd Q \$1=¥106.6)

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
		Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	Plan	
Bowling	%	+12.2	+2.0	+6.4	±0.0	(1.1)	(1.1)	±0.0	±0.0	+2.5	
Amusement	%	+17.7	(1.9)	+6.0	±0.0	+2.9	+2.9	±0.0	±0.0	+2.4	
Karaoke ^①	%	+12.3	+3.2	+7.1	±0.0	+2.3	+2.3	±0.0	±0.0	+2.6	
Others	%	+0.9	(6.7)	(3.3)	±0.0	+9.1	+9.1	±0.0	±0.0	(1.4)	
Total sales	%	+15.2	(0.5)	+6.0	±0.0	+2.2	+2.2	±0.0	±0.0	+2.3	
No. of existing shops in the USA (at the end of every term)		6	7	7	8	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 November 10, 2016

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

									Term Plan
	1st Q	2nd Q	1st Q~2nd Q	3rd Q			4th Q	3rd Q~4th Q	
	Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	
Total sales	20.28	22.38	42.67	19.85	19.94	+0.09	23.67	43.52	86.20
Cost of sales	19.14	19.75	38.90	19.23	19.48	+0.25	19.65	38.88	77.79
Gross margin	1.14	2.62	3.77	0.62	0.46	(0.16)	4.01	4.63	8.41
S.G.A. expenses	0.51	0.56	1.07	0.53	0.58	+0.05	0.54	1.07	2.15
Operating income	0.63	2.06	2.69	0.09	(0.12)	(0.21)	3.47	3.56	6.26
Non-operating income & expenses	(0.45)	(0.17)	(0.63)	(0.07)	(0.09)	(0.02)	(0.05)	(0.12)	(0.76)
Ordinary income	0.17	1.89	2.06	0.02	(0.21)	(0.23)	3.41	3.43	5.50
Ordinary income margin	0.9%	8.4%	4.8%	0.1%	(1.1)%	(1.2)%	14.4%	7.9%	6.4%
Extraordinary income & loss	(0.24)	(0.28)	(0.52)	(0.10)	(0.15)	(0.05)	(1.87)	(1.97)	(2.50)
Net income before tax	(0.07)	1.60	1.53	(0.07)	(0.37)	(0.29)	1.54	1.46	3.00
Corporate tax	0.02	0.53	0.56	(0.02)	0.01	+0.04	0.95	0.93	1.50
Net income	(0.10)	1.06	0.96	(0.05)	(0.38)	(0.33)	0.58	0.53	1.50

Term 2017.3 Consolidated plan Cash flow



No change since announcement on November 10, 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	+2.41
	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)

No change since announcement on November 10, 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	¥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
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
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)

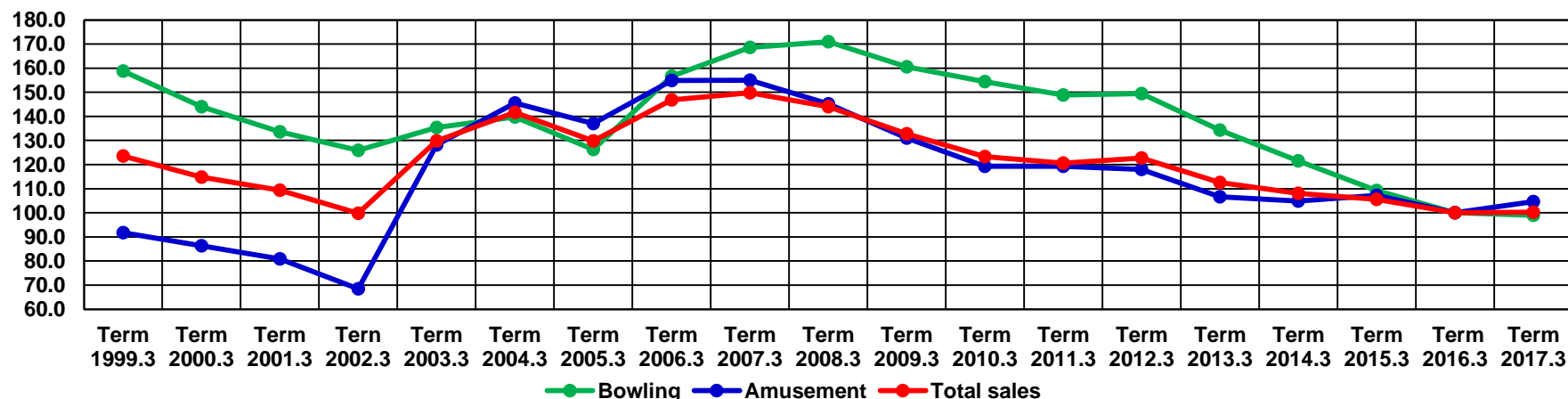
No change since announcement on November 10, 2016 has been made.

(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)	(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)



No change since announcement on November 10, 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	¥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 interest-bearing liabilities including balance lease liabilities③	¥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

- Campaign

Bowling & Karaoke・・・every elementary school age or under child accompanied by one fee-paying adult plays for free

Bowling & Karaoke・・・ every collaboration pack user gets original famous group collaborated prize



◆ Application ◆

- Measures to improve “Minna-no-Compe”

In addition to bowling and karaoke application game contest is implemented

Number of ROUND ONE application downloads 4 million 760 thousands

(As of the end of January 2017)

- Number of application club members 1 million 840 thousands

(As of the end of January 2017)

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

- 150 bowlers in every shop×102 shops= 15 thousand bowlers is a target

(At the present time 11 thousand bowlers)

◆ Installment of new amusement machines ◆

- Installment of new medal game machine in middle March (Machine name and distributing company information is unavailable)

- Installment of 【INITIAL D ARCADE STAGE Zero】 (SEGA) racing game machine in middle~late March

- Installment of 870 crane game machines 【DecaCre】 (KITA NIHON TSUSHIN KOGYO) by the end of March

◆ New Spo-cha items introduction ◆

- Introduction of 【Air Trampolines】 and 【Balance Scooters】 by spring



【INITIAL D ARCADE STAGE Zero】
(c) Shuichi Shigeno / Kodansha ·
2014 New Movie “Initial D”
ProductionCommittee
(c) SEGA



【DecaCre】



【Air Trampoline】



【Balance Scooter】

New shops scheduled



New shop openings planned in term 2017.3

※Kids Spo-cha starting 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	December 2016 (opened)	The USA	Exton / Exton, Pennsylvania	Standard, Roadside (Within mega shopping center)	59,537sq.ft.
6	January 2017 (opened)	The USA	Southwest Plaza / Littleton, Colorado	Standard, Roadside (Within mega shopping center)	66,085sq. 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 / Aurora, Illinois	Standard, Roadside (Within mega shopping center)	51,708sq.ft.

New shop openings planned in term 2018.3 and after

(The USA: 10 or more shop openings per year is a target)

	Opening date	Nation	Shop name / region	Shop type	Operating floor area
1	Summer 2017	The USA	(Tentative name) Broadway / Hicksville, New York	Standard, Roadside (Within mega shopping center)	50,604sq. ft.
2	Autumn 2017	Japan	(Tentative name) Kichijoji / Musashino, Tokyo	Standard, Downtown	71,601sq. ft.
3	Autumn 2017	The USA	(Tentative name) Great Lakes Crossings / Auburn Hills, Michigan	Standard, Roadside (Within mega shopping center)	51,743sq.ft.
4	Autumn 2017	The USA	(Tentative name) Crystal Run Galleria / Middletown, New York	Standard, Roadside (Within mega shopping center)	46,085sq.ft.
5	Winter 2017	The USA	(Tentative name) Four Seasons / Greensboro, North Carolina	Standard, Roadside (Within mega shopping center)	61,708sq.ft.
6	Spring 2018	The USA	(Tentative name) South Towne Center / Sandy, Utah	Standard, Roadside (Within mega shopping center)	47,900sq. ft.
7	Spring 2018	The USA	(Tentative name) Square One / Saugus, Massachusetts	Standard, Roadside (Within mega shopping center)	44,590sq.ft.
8	Spring 2018	The USA	(Tentative name) Northwoods / Peoria, Illinois	Standard, Roadside (Within mega shopping center)	58,825sq.ft.

Shop closings planned in term 2017.3

Japan: 8 shop closings were planned (6 shops closed by December, 2016; 2 shops closed in January, 2017).

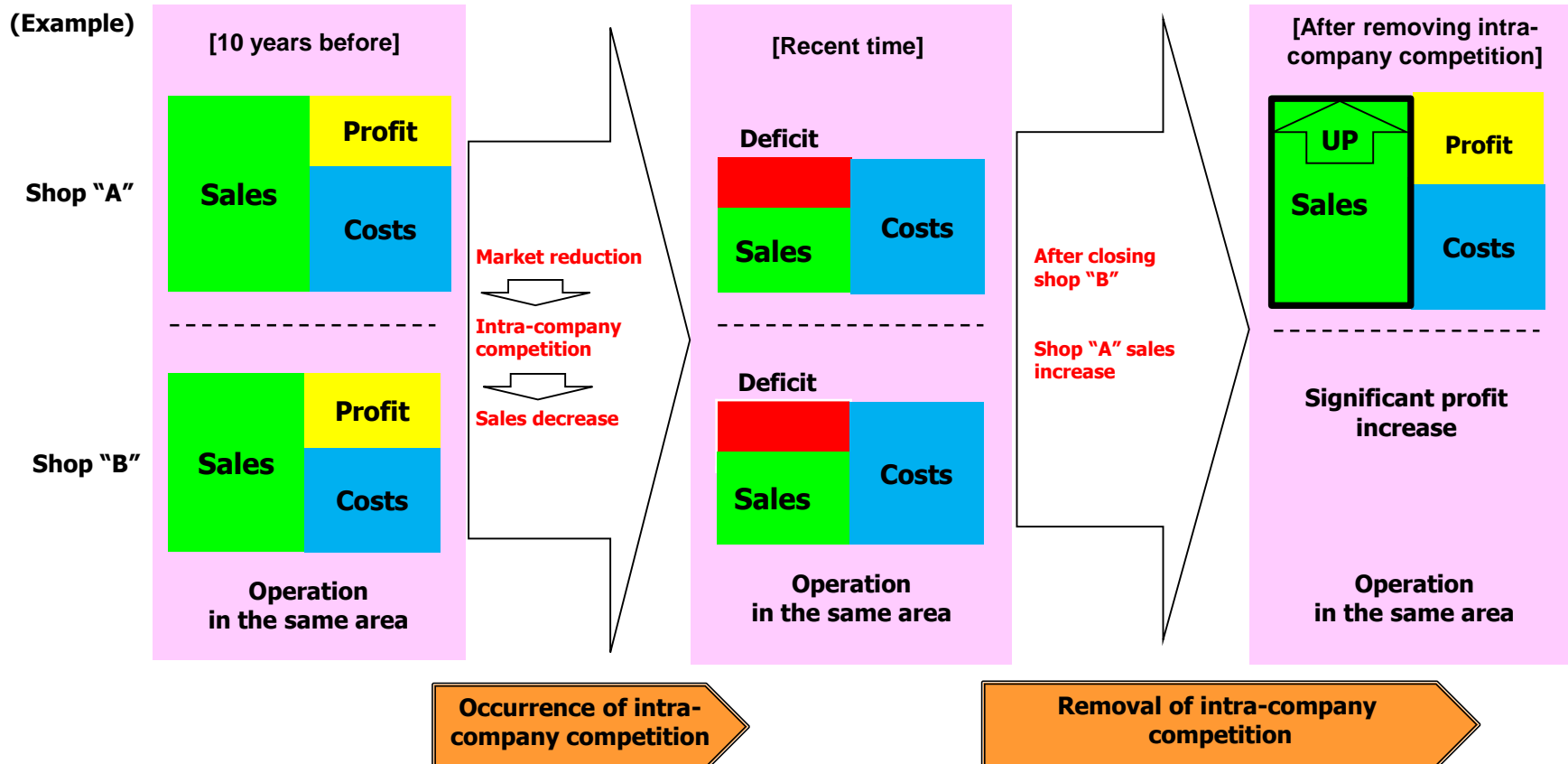
- [Note]**
- Changing / cancellation of opening dates, changing of shop names may occur without a notice.
 - All future shops are planned to be in mall.

Term 2017.3 Reason for 8 shop closings in Japan

No change since announcement on November 10, 2016 has been made.

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

«Effect of closing shops with intra-company competition»



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



[Existing shops as of the end of January, 2017]

	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
11	August 2016	Sunvalley / Concord, California	Standard Roadside (In Sunvalley Shopping Center) http://www.shopsunvalley.com/	47,295sq. ft.	High profitability shop
12	December 2016	Exton / Exton, Pennsylvania	Standard Roadside (In Exton Square Mall) https://www.extonsquare.com/	59,537sq.ft.	High profitability shop
13	January 2017	Southwest Plaza / Littleton, Colorado	Standard Roadside (In Southwest Plaza Mall) https://www.southwestplaza.com/	66,085sq. ft.	Average profitability shop

Classification by color in the table on the next page refers to “High”, “Average” and “Low” profitability shop. Classification by color is updated once a year during settlement of accounts.

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



[Principles of conditions for future shops openings]

No change since announcement on November 10, 2016 has been made.

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]

※Figures are updated once a year during settlement of accounts.

Classification by profitability		High profitability shop	Average profitability shop	Low profitability shop
Investment amount	Initial investment amount	\$6.00mn	\$6.00mn	\$5.50mn
	Total sales	\$7.00mn	\$5.50mn	\$3.30mn
Year budget	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 December 2016) Number of shops breakdown

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

(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	
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 121 shops (at the end of December 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	109	12	121
Share	9.1%	3.3%	27.3%	9.9%	24.8%	6.6%	9.1%	90.1%	9.9%	100.0%

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