

**Term 2017.3 (Apr. 2016~Mar. 2017)
Outline of Accounts Settlement**



Analysis of present states and future prospects



**Stonecrest shop (Lithonia, Georgia)
March 3, 2017 open!**

ROUND ONE Corporation

C.E.O. and President Masahiko Sugino

Tokyo Stock Exchange First Section

Code Number: 4680

May 9, 2017

Analysis of consolidated operating results ①

Apr. 2016~Mar. 2017 Actual [Year-on-year]



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

		Unit	Term 2016.3 Actual (2015.4~2016.3)	Term 2017.3 Actual (2016.4~2017.3)	Differ
Shops	Total shops at the end of the term	Shop	122	122	① —
	No. of months total shops operation at the end of the term	Month	1,443	1,452	+9
P / L	Bowling		23.03	22.91	(0.11)
	Amusement		36.58	40.53	+3.94
	Karaoke (including the USA shops other sales)		8.78	9.13	+0.34
	Spo-cha		12.19	12.27	+0.07
	Others		2.92	2.92	(0.00)
	Total sales		83.51	87.77	+4.25
	Cost of sales		75.09	78.84	+3.75
	Gross margin		8.42	8.93	+0.50
	S.G.A. expenses		2.05	2.25	+0.19
	Operating income		6.36	6.68	+0.31
	Non-operating income & expenses		(0.96)	(0.82)	+0.14
	Ordinary income ②		5.40	5.85	+0.45
	Ordinary income margin		6.5%	6.7%	+0.2%
Extraordinary income & loss		(3.50)	③ (2.27)	+1.23	
Net income before tax		1.89	3.58	+1.69	
Corporate tax		1.44	④ 0.85	(0.59)	
Net income		0.44	2.73	+2.28	

① [Differ]

Japan: 2 shop openings, 8 shop closings, the USA: 6 shop openings

② [Ordinary income]

Term 2016.3 Actual	Ordinary income	+¥5.40bn
[Japan]	Increase in sales	+¥2.17bn
	Decrease in utility exp. (Due to fuel adjustment cost decrease)	+¥0.59bn
	Increase in personnel exp. (Due to working hours and hourly rate increase)	¥(0.62)bn
	Increase in lease exp. (Due to additional amusement machines implementation)	¥(0.44)bn
	Increase in promotion exp. (Due to bowling goods exp. and card game sales increase)	¥(0.37)bn
	Increase in communication exp. (Due to increase in Amusement sales)	¥(0.28)bn
	Increase in purchase (Free-drink system improvement, specialty goods purchase increase)	¥(0.24)bn
	Increase in supplies exp. (Purchase of additional LED, etc.)	¥(0.21)bn
	Increase in repairing exp. (Relaying carpet, etc.)	¥(0.17)bn
	Others	¥(0.17)bn
[The USA]	P/L (※Table below)	+¥0.19bn
Term 2017.3 Actual	Ordinary income	+¥5.85bn

※[The USA P/L status]

	Term 2016.3 Actual	Term 2017.3 Actual	Differ
Sales	¥5.16bn	¥7.25bn	¥2.08bn increase
Expenses	¥4.92bn	¥6.80bn	¥1.88bn increase
Ordinary income	¥0.24bn	¥0.44bn	¥0.19bn increase

③ [Extraordinary income & loss ¥(2.27)bn breakdown]

- ※ Impairment loss ¥(1.48)bn (Japan 10 shops, the USA 1 shop)
- ※ Loss on shops closings (8 shops) ¥(0.42)bn
- ※ Loss on disaster (The Kumamoto Earthquake) ¥(0.06)bn
- ※ Earthquake insurance receivables +¥0.06bn
- ※ Loss on disposal of fixed assets (Amusement substrates, etc.) ¥(0.36)bn

④ [Corporate tax] Please refer to page 3

Analysis of consolidated operating results ②

Apr. 2016~Mar. 2017 Actual [Actual and Plan]



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

		Unit	Term 2017.3 Plan (2016.4~2017.3)	Term 2017.3 Actual (2016.4~2017.3)	Differ
Shops	Total shops at the end of the term	Shop	122	122	—
	No. of months total shops operation at the end of the term	Month	1,454	1,452	(2)
P / L	Bowling		22.41	22.91	+0.50
	Amusement		39.90	40.53	+0.63
	Karaoke (including the USA shops other sales)		8.84	9.13	+0.29
	Spo-cha		12.10	12.27	+0.17
	Others		2.95	2.92	(0.02)
	Total sales		86.20	87.77	+1.57
	Cost of sales		77.79	78.84	+1.05
	Gross margin		8.41	8.93	+0.52
	S.G.A. expenses		2.15	2.25	+0.10
	Operating income		6.26	6.68	+0.42
	Non-operating income & expenses		(0.76)	(0.82)	(0.06)
	Ordinary income ①		5.50	5.85	+0.35
	Ordinary income margin		6.4%	6.7%	+0.3%
	Extraordinary income & loss		(2.50)	② (2.27)	+0.22
Net income before tax		3.00	3.58	+0.58	
Corporate tax ③		1.50	0.85	(0.64)	
Net income		1.50	2.73	+1.23	

① [Differ]

Term 2017.3 Plan	Ordinary income	+¥5.50bn
[Japan] Increase in sales		+¥0.82bn
Decrease in lease exp. (Due to delay in amusement machines sale, etc.)		+¥0.14bn
Increase in personnel exp. (Due to working hours and hourly rate increase)		¥(0.30)bn
Increase in supplies exp. (Repair parts, etc. due to amusement sales increase)		¥(0.24)bn
Increase in repairing exp. (Relaying carpet, HVAC equipment repairing, etc.)		¥(0.19)bn
Increase in promotion exp. (Due to increase in amusement merchandise exp.)		¥(0.15)bn
Others		+¥0.13bn
[The USA] P/L (※Table below)		+¥0.14bn
Term 2017.3 Actual	Ordinary income	+¥5.85bn

※[The USA P/L status]

The USA	Term 2017.3 Plan	Term 2017.3 Actual	Differ
Sales	¥6.50bn	¥7.25bn	¥0.75bn increase
Expenses	¥6.20bn	¥6.80bn	¥0.60bn increase
Ordinary income	¥0.30bn	¥0.44bn	¥0.14bn increase

②[Extraordinary income & loss ¥(2.27)bn breakdown]

- ※ Impairment loss (Japan 10 shops, the USA 1 shop) ¥(1.48)bn
- ※ Loss on shops closings (8 shops) ¥(0.42)bn
- ※ Loss on disaster (The Kumamoto Earthquake) ¥(0.06)bn
- ※ Earthquake insurance receivables +¥0.06bn
- ※ Loss on disposal of fixed assets (Amusement substrates, etc.) ¥(0.36)bn

③[Corporate tax] Please refer to page 3

Term 2017.3 Corporate tax (Actual and Plan)

※figures are rounded down to the nearest 10 million

	Term 2017.3 Plan	Term 2017.3 Actual	Differ
Japan	¥1.48bn	¥0.60bn	¥(0.87)bn
The USA	¥0.02bn	¥0.25bn	+¥0.23bn
Consolidated	¥1.50bn	¥0.85bn	¥(0.64)bn

※Negative operating income is a negative taxable income.

Term 2017.3 Major factors for differ

«Japan»

※Effect of negative operating income on tax amount reduction ¥(0.51)bn.

(Differs from final estimated loss due to 8 shops closings in term 2017.3 plan)

※Effect of negative operating income on deferred tax asset ¥(0.36)bn ⇒ Total ¥0.87bn reduction.

«The USA»

※Effect of tax effect accounting implementation +¥0.20bn (Based on discussion with an auditor)

※Others (State tax, etc.) +¥0.03bn ⇒ Total ¥0.23bn increase

Term 2018.3 Consolidated plan Shop openings and closings, P / L



※figures are rounded down to the nearest 10 million

	Unit	Term 2017.3 Actual			Term 2018.3 Plan			Differ			
		Consolidated	Japan	The USA	Consolidated	Japan	The USA	Consolidated	Japan	The USA	
Shops	Shop openings and closings ^① Please refer to pages 14, 15 and 17	Shop	±0	(6)	+6	+10	+1	+9	+10	+7	+3
	No. of total shops (at the end of term)	Shop	122	107	15	132	108	24	+10	+1	+9
	[Break down] Own shops (land & building and building structure)	Shop	24	24	—	24	24	—	—	—	—
	Leased shops (interior structure only)	Shop	98	83	15	108	84	24	+10	+1	+9
	No. of months total shops operation	Month	1,452	1,322	130	1,498	1,289	209	+46	(33)	+79
P/L	Bowling	¥bn	22.91	21.68	1.22	23.72	21.85	1.87	+0.80	+0.16	+0.64
	Amusement	¥bn	40.53	35.90	4.62	43.41	36.00	7.41	+2.87	+0.09	+2.78
	Karaoke (including the USA shops other sales)	¥bn	9.13	7.73	1.39	9.77	7.65	2.12	+0.63	(0.08)	+0.72
	Spo-cha	¥bn	12.27	12.27	—	12.40	12.40	—	+0.12	+0.12	—
	Others	¥bn	2.92	2.92	—	2.90	2.90	—	(0.02)	(0.02)	—
	Total sales	¥bn	87.77	80.52	7.25	92.20	80.80	11.40	+4.42	+0.27	+4.14
	Operating income	¥bn	6.68	6.18	0.49	7.17	6.40	0.77	+0.48	+0.21	+0.27
	Ordinary income	¥bn	5.85	5.41	0.44	6.70	6.00	0.70	+0.84	+0.58	+0.25
	Ordinary income margin	%	6.7%	6.7%	6.1%	7.3%	7.4%	6.1%	+0.6%	+0.7%	+0.0%
Net income ^②	¥bn	2.73	2.85	(0.11)	3.60	3.47	0.13	+0.86	+0.61	+0.24	

(Note)^①Term 2017.3 Actual: Shop openings (2 shops in Japan, 6 shops in the USA), shop closings (8 shops in Japan)
Term 2018.3 Plan: Shop openings (1 shop in Japan, 9 shops in the USA)

^② Net income calculation formula:

[Term 2017.3 Actual] Ordinary income ¥5.85bn — Impairment loss ¥1.90bn※1 — Loss on disposal of amusement substrates, etc. ¥0.36bn — Corporate tax ¥0.85bn = Net income ¥2.73bn.

※1: including impairment loss of 11 shops, (10 shops in Japan ¥1.59bn, 1 shop in the USA ¥0.3bn), loss on shops closings (8 shops in Japan ¥0.42bn)

[Term 2018.3 Plan] Ordinary income ¥6.70bn — Impairment loss ¥1.30bn※2 — Loss on disposal of amusement substrates, etc. ¥0.40bn — Corporate tax ¥1.40bn = Net income ¥3.60bn.

※2: including estimated impairment loss of 8 shops (7 shops in Japan ¥0.9bn, 1 shop in the USA ¥0.4bn)

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



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

Please refer to page 14 and 17 for the number of shops

※Sales figures are rounded down to the nearest 10 million
Percentage figures are rounded to the nearest 1st decimal

	Unit		1st Q						2nd Q						Term	
			1st Q		2nd Q		1st~2nd Q		3rd Q		4th Q		3rd~4th Q			
			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	%	5.09	(0.1)	5.28	(5.1)	10.37	(2.7)	4.75	(0.7)	6.55	+2.6	11.30	+1.2	21.68	(0.7)
Amusement	¥bn	%	8.49	+5.7	9.57	+5.3	18.07	+5.5	8.38	+2.8	9.44	+8.2	17.83	+5.6	35.90	+5.5
Karaoke	¥bn	%	1.84	(2.4)	2.01	(1.1)	3.86	(1.7)	1.82	+1.1	2.04	+4.6	3.87	+2.9	7.73	+0.6
Spo-cha	¥bn	%	2.67	(0.5)	3.16	(10.2)	5.83	(6.0)	2.54	(2.7)	3.89	+3.3	6.43	+0.9	12.27	(2.5)
Others	¥bn	%	0.72	+8.8	0.74	(2.5)	1.47	+2.8	0.68	(2.8)	0.76	+2.0	1.44	(0.3)	2.92	+1.2
Total sales	¥bn	%	18.83	+2.5	20.79	(1.0)	39.62	+0.6	18.18	+0.7	22.70	+5.1	40.89	+3.1	80.52	+1.9
No. of total shops / No. of existing shops (at the end of every term)			113/111		109/107		109/107		109/106		107/105		107/105		107/105	

Term 2018.3 Plan Japan Sales and Year-on-year existing shop sales

※Sales figures are rounded down to the nearest 10 million
Percentage figures are rounded to the nearest 1st decimal

	Unit		1st Q						2nd Q						Term	
			1st Q		2nd Q		1st~2nd Q		3rd Q		4th Q		3rd~4th Q			
			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	%	5.08	+4.0	5.26	+2.8	10.35	+3.4	4.74	(0.5)	6.75	+1.5	11.50	+0.7	21.85	+1.9
Amusement	¥bn	%	8.59	+2.2	9.50	(0.3)	18.10	+0.9	8.25	(1.3)	9.64	+1.2	17.90	+0.1	36.00	+0.5
Karaoke	¥bn	%	1.77	+1.1	1.97	+1.9	3.75	+1.5	1.80	(0.6)	2.09	+0.5	3.90	+0.0	7.65	+0.7
Spo-cha	¥bn	%	2.74	+1.6	3.20	+1.4	5.95	+1.5	2.51	(1.3)	3.93	+1.2	6.45	+0.2	12.40	+0.8
Others	¥bn	%	0.71	+2.2	0.73	+1.7	1.45	+2.0	0.67	(0.3)	0.77	+0.2	1.45	+0.0	2.90	+1.0
Total sales	¥bn	%	18.91	+2.5	20.68	+1.0	39.60	+1.7	17.99	(1.0)	23.20	+1.2	41.20	+0.2	80.80	+1.0
Number of Sat/Sun/Hol vs pre year			Days		(1)		±0		(1)		+1		±0		(1)	
No. of total shops / No. of existing shops (at the end of every term)			107/106		107/106		107/106		108/107		108/107		108/107		108/107	

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



Term 2017.3 Actual The USA Sales and Year-on-year existing shop sales (Year-on-year figures compared in \$)

Please refer to page 14, 15 and 17 for the number of shops
 ※Sales figures are rounded down to the nearest 10 million
 Percentage figures are rounded to the nearest 1st decimal

	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	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	%	0.26	+12.2	0.26	+2.0	0.52	+6.4	0.29	(1.1)	0.39	(7.1)	0.69	(4.5)	1.22	(0.3)								
Amusement	¥bn	%	0.91	+17.7	1.03	(1.9)	1.95	+6.0	1.10	+2.9	1.56	+0.3	2.67	+1.4	4.62	+3.2								
Karaoke, etc.※	¥bn	%	0.27	+10.7	0.28	+1.9	0.56	+5.7	0.35	+3.1	0.47	+1.4	0.83	+2.1	1.39	+3.5								
Total sales	¥bn	%	1.45	+15.2	1.58	(0.5)	3.04	+6.0	1.75	+2.2	2.44	(0.8)	4.20	+0.4	7.25	+2.6								
No. of total shops / No. of existing shops (at the end of every term)			10/6		11/7		11/7		12/8		15/9		15/9		15/9									
\$ exchange rate			¥		108.1		105.2		105.2		106.6		108.3		108.3									

Term 2018.3 Plan The USA Sales and Year-on-year existing shop sales (Year-on-year figures compared in \$)

※Sales figures are rounded down to the nearest 10 million
 Percentage figures are rounded to the nearest 1st decimal

	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	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	%	0.39	(0.8)	0.41	(1.4)	0.81	(1.1)	0.44	(2.0)	0.61	(1.1)	1.06	(1.5)	1.87	(1.3)								
Amusement	¥bn	%	1.55	(2.0)	1.67	(3.6)	3.23	(2.9)	1.62	(4.4)	2.55	(0.8)	4.18	(2.3)	7.41	(2.6)								
Karaoke, etc.※	¥bn	%	0.45	+3.8	0.45	+6.3	0.91	+5.1	0.51	+2.5	0.69	+1.4	1.21	+1.9	2.12	+3.2								
Total sales	¥bn	%	2.40	(0.7)	2.54	(1.5)	4.95	(1.1)	2.58	(2.6)	3.86	(0.4)	6.45	(1.3)	11.40	(1.2)								
No. of total shops / No. of existing shops (at the end of every term)			15/10		16/11		16/11		18/11		24/13		24/13		24/13									

[Note] In calculation of sales plan exchange rate \$1 = ¥110 is used.

※ Karaoke sales is mostly food & beverage sales.

Term 2018.3 plan Basis for planning



※figures are rounded down to the nearest 10 million

[Japan sales ¥0.27bn increase Major factors (compared to previous term)]

Year-on-year existing shop sales +1.0% per year	¥0.75bn increase	(Previous term actual ¥79.10bn ⇒ Current term plan ¥79.85bn)
Shop openings (No. of operation months below 12)	¥0.82bn increase	(Previous term actual (none) ⇒ Current term plan ¥0.82bn)
Shop closings (8 shops, 46 operation months decrease)	¥1.30bn decrease	(Previous term actual ¥1.30bn ⇒ Current term plan (none))

[Japan income decrease due to costs of ¥0.07bn and income increase due to non-operating income and expenses of ¥0.37bn Major factors (compared to previous term)]

Income decrease factors		
◆Increase in personnel exp. (Due to working hours and hourly rate increase)	Income decrease ¥0.50bn	(Previous term actual ¥19.45bn ⇒ Current term plan ¥19.96bn)
◆Increase in lease exp. (Increase in amusement machines implementation)	Income decrease ¥0.57bn	(Previous term actual ¥8.25bn ⇒ Current term plan ¥8.83bn)
◆Increase in rent exp. (Due to LaLaport SHONAN HIRATSUKA, Kichijoji, etc. shop openings)	Income decrease ¥0.33bn	(Previous term actual ¥14.60bn ⇒ Current term plan ¥14.93bn)
◆Increase in advertising expenses (Increase in TV commercial and TV personality casting exp.)	Income decrease ¥0.19bn	(Previous term actual ¥1.42bn ⇒ Current term plan ¥1.62bn)
◆Decrease in exp. due to shop closings (8 shops)	Income increase ¥1.62bn	(Previous term actual ¥1.62bn ⇒ Current term plan (none))
Income increase factor		
◆Non-operating exp. (Foreign exchange loss and interest exp. decrease)	Income increase ¥0.40bn	(Previous term actual ¥0.89bn ⇒ Current term plan ¥0.49bn)

[Extraordinary income ¥0.57bn increase Major factors (compared to previous term)]

Major factors: estimated decrease in impairment loss ¥0.54bn

Previous term actual ¥1.84bn
(Impairment loss 11 shops and 8 shop closings)



Current term plan ¥1.30bn
(Impairment loss 8 shops)

[The USA income ¥0.25bn increase Major factors (compared to previous term)]

Sales ¥11.40bn (Year-on-year existing shop sales (1.2)% assumed) Number of operating months 209

Ordinary income Previous term actual ¥0.44bn ⇒ Current term plan ¥0.70bn (9 shop openings: including opening exp. ¥0.45bn)

Term 2018.3 Consolidated plan Cash flow



※figures are rounded down to the nearest 10 million

		Unit	Term 2017.3 Actual	Term 2018.3 Plan
Cash	Net income	¥bn	2.73	3.60
	Income tax adjustment ① (provision / payment / refund / refund receivable in total)	¥bn	+1.19	+1.56
	Non-cash loss (impairment loss, etc.)	¥bn	+2.27	+1.70
	Dividend	¥bn	(1.90)	(1.90)
	Depreciation (excluded lease depreciation) ②	¥bn	+3.76	+4.13
	Simplified cash flow	¥bn	+8.05	+9.09
	Equipment investment (excluded finance lease)③	¥bn	(5.12)	(6.70)
	Expenditure for security deposit	¥bn	+0.52	+0.20
	Increase in cash due to sale of existing shops④	¥bn	+1.46	—
	Simplified free cash flow	¥bn	+4.91	+2.59
	Cash reserve	¥bn	20.19	19.79
	Interest-bearing liabilities	¥bn	16.44	13.44
Net interest-bearing liabilities	¥bn	(3.75)	(6.35)	

(Note) Term 2017.3 Actual:

- ① Breakdown of income tax adjustment +¥1.19bn
◆ Provision+¥0.85bn, refund +¥0.34bn
- ② Breakdown of depreciation···Japan: ¥2.87bn / The USA: ¥0.88bn
- ③ Breakdown of equipment investment +¥5.12bn
◆ New shops: ¥3.82bn (Japan: 2 shops / ¥0.65bn, the USA: 6 shops / ¥3.16bn)
◆ Existing shops: ¥1.30bn (Japan: ¥1.24bn, the USA: ¥0.06bn) remodeling, etc.
- ④ Sale-and-leaseback of 2 shops is implemented in Term 2017.3.

Term 2018.3 Plan:

- ① Breakdown of income tax adjustment +¥1.56bn
◆ Provision+¥1.40bn, payment +¥0.16bn
- ② Breakdown of depreciation···Japan: ¥2.70bn / The USA: ¥1.43bn
- ③ Breakdown of equipment investment +¥6.70bn
◆ New shops: ¥4.70bn (Japan: 1 shop / ¥0.40bn, the USA: 9 shops / ¥4.30bn)
◆ Existing shops: ¥2.00bn (Japan: ¥1.95bn, the USA: ¥0.05bn) remodeling, etc.

Trend in P/L status



Trend in P / L (Consolidated)

(Figures below indicated are ignored)

Term	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3 Plan
No. of shops at the end of term	94	105	109	110	113	114	118	122	122	132
Total sales	¥77.9bn	¥82.1bn	¥84.3bn	¥89.5bn	¥85.9bn	¥84.2bn	¥83.9bn	¥83.5bn	¥87.7bn	¥92.2bn
Operating income	¥13.6bn	¥12.0bn	¥11.4bn	¥16.0bn	¥11.5bn	¥10.0bn	¥6.6bn	¥6.3bn	¥6.6bn	¥7.1bn
Ordinary income	¥9.7bn	¥7.8bn	¥6.9bn	¥11.4bn	¥8.2bn	¥7.8bn	¥6.1bn	¥5.4bn	¥5.8bn	¥6.7bn
Ordinary income margin	12.6%	9.6%	8.2%	12.8%	9.6%	9.3%	7.3%	6.5%	6.7%	7.3%
Net income	¥3.9bn	¥3.3bn	¥(12.6)bn	¥2.7bn	¥0.6bn	¥(19.7)bn	¥(4.5)bn	¥0.4bn	¥2.7bn	¥3.6bn

Trend in P / L (Japan)

Term	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3 Plan
No. of shops at the end of term	94	105	108	109	111	111	113	113	107	108
Total sales	¥77.9bn	¥82.1bn	¥83.9bn	¥89.0bn	¥85.1bn	¥82.9bn	¥81.9bn	¥78.3bn	¥80.5bn	¥80.8bn
Operating income	¥13.6bn	¥12.0bn	¥11.4bn	¥16.0bn	¥11.5bn	¥10.0bn	¥6.7bn	¥6.0bn	¥6.1bn	¥6.4bn
Ordinary income	¥9.7bn	¥7.8bn	¥7.0bn	¥11.4bn	¥8.2bn	¥7.8bn	¥6.2bn	¥5.1bn	¥5.4bn	¥6.0bn
Ordinary income margin	12.6%	9.6%	8.3%	12.8%	9.7%	9.4%	7.6%	6.6%	6.7%	7.4%
Net income	¥3.9bn	¥3.3bn	¥(12.5)bn	¥2.7bn	¥0.6bn	¥(19.6)bn	¥(4.4)bn	¥0.2bn	¥2.8bn	¥3.4bn

Trend in P / L (The USA)

Term	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3 Plan
No. of shops at the end of term			1	1	2	3	5	9	15	24
Total sales			¥0.3bn	¥0.5bn	¥0.7bn	¥1.2bn	¥1.9bn	¥5.1bn	¥7.2bn	¥11.4bn
Operating income			¥(0.0)bn	¥0.0bn	¥0.0bn	¥(0.0)bn	¥(0.0)bn	¥0.2bn	¥0.4bn	¥0.7bn
Ordinary income			¥(0.0)bn	¥0.0bn	¥(0.0)bn	¥(0.0)bn	¥(0.0)bn	¥0.2bn	¥0.4bn	¥0.7bn
Ordinary income margin			—	2.6%	—	—	—	4.7%	6.1%	6.1%
Net income			¥(0.0)bn	¥0.0bn	¥(0.0)bn	¥(0.0)bn	¥(0.0)bn	¥0.2bn	¥(0.1)bn	¥0.1bn

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

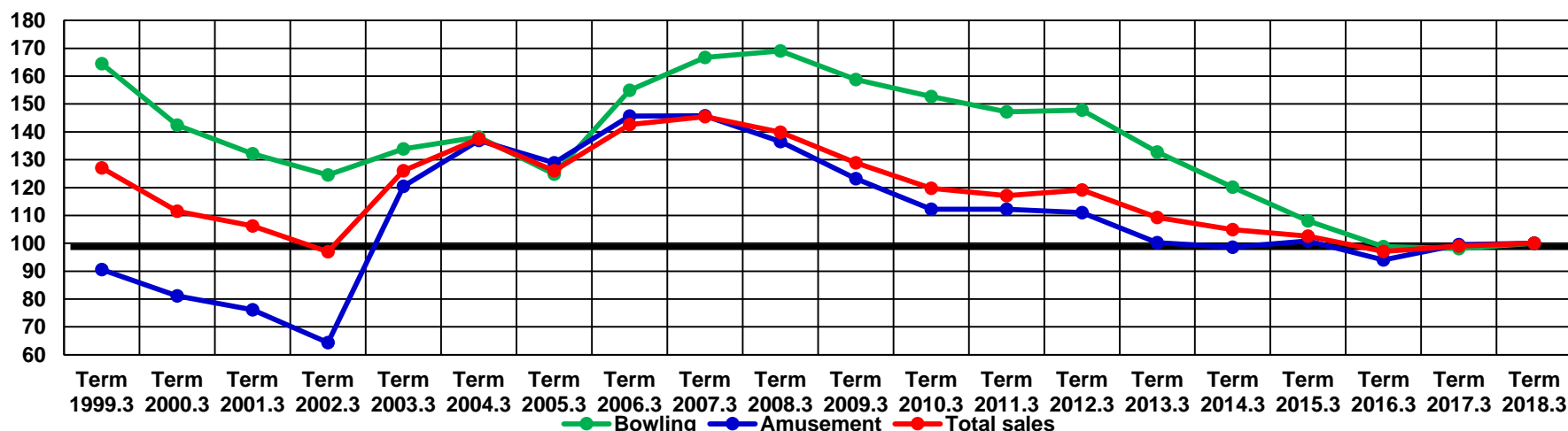


(Unit: %)

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	2018.3 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)	(0.7)	+1.9
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)	+5.5	+0.5
Karaoke	-	-	-	-	-	-	-	(4.5)	+4.0	(1.2)	(7.3)	(13.1)	+3.4	+15.8	(3.7)	(1.8)	+0.4	(7.4)	+0.6	+0.7
Spo-cha	-	-	-	-	-	-	-	-	-	(16.1)	(9.8)	(9.2)	(4.5)	+7.5	+0.2	+5.1	+3.7	+5.0	(2.5)	+0.8
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	+1.2	+1.0
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)	+1.9	+1.0
No. of existing shops	6	10	19	25	38	39	40	46	57	69	79	89	104	106	108	111	111	112	105	107

(Unit: %)

Trend in year-on-year existing shop sales Japan (Term 2018.3 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 measurement unit are ignored)

Term	2009.3	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3 Plan
Total assets	¥216.0bn	¥251.2bn	¥252.1bn	¥228.2bn	¥206.2bn	¥127.1bn	¥111.5bn	¥104.5bn	¥101.7bn	¥101.6bn
Net assets	¥72.3bn	¥85.6bn	¥79.0bn	¥79.8bn	¥78.7bn	¥57.5bn	¥51.6bn	¥49.7bn	¥50.8bn	¥52.5bn
Net assets ratio	33.5%	34.1%	31.3%	35.0%	38.2%	45.3%	46.3%	47.6%	50.0%	51.7%
Cash reserve	¥21.5bn	¥30.8bn	¥22.7bn	¥29.4bn	¥25.3bn	¥25.1bn	¥27.7bn	¥23.1bn	¥20.1bn	¥19.7bn
Interest-bearing liabilities	¥117.9bn	¥138.8bn	¥136.1bn	¥110.9bn	¥90.2bn	¥36.8bn	¥27.0bn	¥22.8bn	¥16.4bn	¥13.4bn
Guarantee debts ①	¥41.9bn	¥31.8bn	¥8.2bn	—	—	—	—	—	—	—
Net interest-bearing liabilities ②	¥138.3bn	¥139.8bn	¥121.6bn	¥81.4bn	¥64.9bn	¥11.6bn	¥(0.6)bn	¥(0.3)bn	¥(3.7)bn	¥(6.3)bn
Lease liabilities	¥27.1bn	¥25.9bn	¥28.4bn	¥27.3bn	¥24.6bn	¥19.6bn	¥16.3bn	¥16.0bn	¥17.9bn	¥19.1bn
Net interests-bearing liabilities ③ including balance lease liabilities	¥165.4bn	¥165.8bn	¥150.1bn	¥108.8bn	¥89.5bn	¥31.2bn	¥15.6bn	¥15.6bn	¥14.2bn	¥12.8bn
New lease contract amount	¥14.5bn	¥12.2bn	¥13.7bn	¥10.6bn	¥9.1bn	¥8.1bn	¥7.1bn	¥8.8bn	¥10.9bn	¥10.5bn

(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

◆Price revision (price raise) implementation (starting May 1, 2017)◆

Please refer to page 13

- Bowling: 2 Games package fee ¥50 raise, All you can bowl fee ¥90 raise
- Karaoke: Room fee ¥30 raise, Free time fee ¥60 raise
- Spo-cha: all fees ¥100 raise
(May differ according to shop, member rank, age and time zone)

◆Events implementation◆

- Online advertisement with popular "Golden Bomber" (Visual kei "air" band)
- Cash-back to event achievers (¥1,000)
Bowling: Red pin challenge, Perfect score 300 challenge
Karaoke: Match score digits challenge
- Free campaign
Bowling & Karaoke: every elementary school age or under child accompanied by one fee-paying adult plays for free

◆"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 13 thousand bowlers)

◆Installment of new amusement machines◆

- [MAGICAL SHOOTER] (KONAMI) first installed in ROUND ONE in March
- [UFO CATCHER TRIPLE] (SEGA) planned to be installed after the end of May

◆Larger screen monitors installement in karaoke rooms◆

- About 40% of room monitors are replaced (42 inches ⇒ 65 inches)

◆New Spo-sha items introduction◆

- Introduction of [Balance Scooters] in shops with Spo-cha
- Introduction of [EZ Roll] roller skates (safe roller skates for elementary school age or under children) in shops with Spo-cha (44 shops)

SPORTS ENTERTAINMENT
ROUND 1



【UFO CATCHER TRIPLE】



【MAGICAL SHOOTER】



【EZ Roll】

Price revision (price raise) details (From May 1, 2017)

Major Bowling prices revision (price raise)

- ◆ 2 Games package...¥50 raise ¥1,190 (before revision) ⇒ ¥1,240 (after revision) Percent markup: 4.2%
- ◆ All you can bowl ...¥90 raise ¥1,850 (before revision) ⇒ ¥1,940 (after revision) Percent markup: 4.9%

Major Karaoke prices revision (price raise)

- ◆ Regular price (30 min)...¥30 raise ¥350 (before revision) ⇒ ¥380 (after revision) Percent markup: 8.6%
- ◆ Free time ...¥60 raise ¥1,710 (before revision) ⇒ ¥1,780 (after revision) Percent markup: 4.1%

Major Spo-cha prices revision (price raise)

- ◆ 3 hours package...¥100 raise ¥2,090 (before revision) ⇒ ¥2,190 (after revision) Percentage markup: 4.8%
- ◆ 90 min package...¥100 raise ¥1,720 (before revision) ⇒ ¥1,820 (after revision) Percentage markup: 5.8%
- ◆ Free time...¥100 raise ¥2,340 (before revision) ⇒ ¥2,440 (after revision) Percentage markup: 4.3%

Prices may differ according to shop, member rank, age, time zone

※As for Amusement, which sales accounting for 44,6% of Japan total sales, price revision will not apply.
As for Bowling, Karaoke, Spo-cha, revised prices above are partially implemented,
spending per customer increase of 2~3% is estimated.

New shops scheduled



New shop openings planned in term 2018.3

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

	Opening date	Nation	Shop name / region	Shop type	Operating floor area
1	July 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	October 2017	The USA	(Tentative name) Crystal Run Galleria / Middletown, New York	Standard, Roadside (Within mega shopping center)	46,085sq.ft.
4	November 2017	The USA	(Tentative name) Great Lakes Crossings / Auburn Hills, Michigan	Standard, Roadside (Within mega shopping center)	51,743sq.ft.
5	January 2018	The USA	(Tentative name) Four Seasons / Greensboro, North Carolina	Standard, Roadside (Within mega shopping center)	61,708sq.ft.
6	January 2018	The USA	(Tentative name) Northwoods / Peoria, Illinois	Standard, Roadside (Within mega shopping center)	58,825sq.ft.
7	Spring 2018	The USA	(Tentative name) South Towne Center / Sandy, Utah	Standard, Roadside (Within mega shopping center)	47,900sq. ft.
8	Spring 2018	The USA	(Tentative name) Square One / Saugus, Massachusetts	Standard, Roadside (Within mega shopping center)	44,590sq.ft.
9	Spring 2018	The USA	23rd shop (lease agreement being negotiated)	Standard, Roadside (Within mega shopping center)	—
10	Spring 2018	The USA	24th shop (lease agreement being negotiated)	Standard, Roadside (Within mega shopping center)	—

New shop openings planned in term 2019.3 and after

	Opening date	Nation	Shop name / region	Shop type	Operating floor area
1	Summer 2018	The USA	(Tentative name) North Riverside / North Riverside, Illinois	Standard, Roadside (Within mega shopping center)	45,836sq.ft.

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



[Operating 15 shops as of the end of March, 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.	Average profitability shop
3	August 2013	Lakewood / Lakewood, California	Standard, Roadside (In Lakewood Center Mall) http://www.shoplakewoodcenter.com/	43,523sq.ft.	High 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.	High profitability shop
7	July 2015	Southcenter / Seattle, Washington	Standard Roadside (In Westfield Southcenter) http://www.westfield.com/southcenter/	41,672sq.ft.	Average profitability shop
8	September 2015	Eastridge / San Jose, California	Standard Roadside (In Eastridge Shopping Center) http://www.eastridgecenter.com/	52,064sq. ft.	Average profitability shop
9	December 2015	Silver City / Taunton, Massachusetts ✖	Standard Roadside (In Silver City Galleria) http://www.silvercitygalleria.com/	64,697sq. ft.	Low 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.	Average 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
14	March 2017	Stonecrest / Lithonia, Georgia	Standard Roadside (In The Mall At Stonecrest) http://www.mallatstonecrest.com/	50,533sq.ft.	High profitability shop
15	March 2017	Fox Valley / Aurora, Illinois	Standard Roadside (In Fox Valley Mall) http://www.shopfoxvalleymall.com/	51,708sq.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.

✖ Kids Play Zone is operated. Opened in Grapevine Mills in October, 2016 and in Silver City in March, 2017.

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



[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, etc.) \$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] (Note 1)

Classification by profitability		High profitability shop	Average profitability shop (Note2)	Low profitability shop
Investment amount	Initial investment amount	\$6.00mn	\$6.00mn	\$5.50mn
Year budget	Total sales	\$7.30mn	\$5.95mn	\$3.60mn
	Operating income (1st year)	\$1.10mn	\$0.20mn	\$(0.70)mn
	Operating income (2nd~3rd year)	\$1.50mn	\$0.55mn	\$(0.35)mn
	Operating income (4th year~)	\$2.00mn	\$1.00mn	\$0.10mn
	Operating income rate (4th year~)	27.4%	16.8%	2.8%

(Note 1) Operating income includes opening expenses occurred in initial year. Except head office expenses.

(Note 2) Average profitability shop figures are average of all shops.

Statistical snapshot of shops

Trend in number of shops

Japan	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	Term 2018.3
No. of shop openings	88	13	11	3	1	3	—	2	1	2	1
No. of shop closings	※ 5	※ 2	—	—	—	※ 1	—	—	※ 1	※ 8	—
No. of shops at the end of term	83	94	105	108	109	111	111	113	113	107	108

The USA	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	Term 2018.3
No. of shop openings	—	—	—	1	—	1	1	2	4	6	9
No. of shop closings	—	—	—	—	—	—	—	—	—	—	—
No. of shops at the end of term	—	—	—	1	1	2	3	5	9	15	24

Consolidated	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	Term 2018.3
No. of shops at the end of term	83	94	105	109	110	113	114	118	122	122	132

(Note) ※ Reason for closure of 17 shops (expiration of contract periods: 7 shops, removing intra-company competition: 6 shops, construction of new large shops in the neighborhood: 2 shops, reconstruction: 1 shop, closure of trial shop (trial period about 2 years): 1 shop).

Japan 107 shops (at the end of March 2017) Number of shops breakdown

Shops by shop type				No. of shops at the end of term
Standard		Stadium		
Downtown	Roadside	Downtown	Roadside	
10	50	1	46	107

(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	
83	24	107

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

Consolidated 122 shops (at the end of March 2017) Number of shops breakdown

Area	Japan							The USA	Total
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa		
店舗数	11	4	32	12	29	8	11	107	122
シェア	9.0%	3.3%	26.2%	9.8%	23.8%	6.6%	9.0%	87.7%	100.0%

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