

**Term 2019.3 (Apr. 2018~Sep. 2018)
Outline of Financial Results**



Analysis of present states and future prospects



**Millcreek Mall (Erie, Pennsylvania)
September 1, 2018 open!**

ROUND ONE Corporation

C.E.O. and President Masahiko Sugino

Tokyo Stock Exchange First Section

Code Number: 4680

November 9, 2018

Analysis of consolidated operating results ①

Apr. 2018~Sep. 2018 Actual [Year-on-year]



※(Unit ¥bn) ※Figures below ¥10 million have been truncated. Percentage is rounded off to one decimal place.

		Unit	Term 2018.3 Actual (2017.4~2017.9)	Term 2019.3 Actual (2018.4~2018.9)	Differ(%)
Stores	Total stores at the end of the term ①	Store	125	131	+4.8
	No. of months total stores operation	Month	735	768	+4.5
P / L	Bowling		11.58	11.59	+0.2
	Amusement		22.12	23.99	+8.4
	Karaoke (including other sales of the USA)		4.66	5.14	+10.4
	Spo-cha		6.41	6.67	+4.1
	Others		1.45	1.44	(0.8)
	Total sales		46.24	48.86	+5.7
	Cost of sales		40.84	42.73	+4.6
	Gross profit		5.39	6.13	+13.7
	S.G.A. expenses		1.12	1.47	+30.7
	Operating income		4.26	4.66	+9.2
	Non-operating income & expenses		(0.19)	(0.14)	+23.8
	Ordinary income ②		4.07	4.51	+10.7
	Ordinary income margin		8.8%	9.2%	—
	Extraordinary income & loss ③		(0.26)	(0.31)	(21.7)
Net income before tax		3.81	4.19	+10.0	
Corporate tax		1.35	④ 1.19	(12.1)	
Net income		2.45	3.00	+22.2	

① [Differ in number of stores]

Japan (106 stores): 1 store opening, 3 store closings

The USA (25 stores): 8 store openings

② [Ordinary income]

Term 2018.3 2nd Q Actual Ordinary income	¥4.07bn
Japan Ordinary income & loss	+¥0.28bn
[Breakdown] Increase in sales	+¥0.50bn
Decrease in repairing exp.	+¥0.26bn
Decrease in lease fee	+¥0.21bn
Increase in promotion exp. (Due to amusement merchandise exp. increase)	¥(0.43)bn
Increase in rent exp.	¥(0.11)bn
Increase in advertising exp.	¥(0.10)bn
Increase in supplies exp.	¥(0.10)bn
Others	+¥0.05bn
The USA Ordinary income & loss (※Table below)	+¥0.16bn
Term 2019.3 2nd Q Actual Ordinary income	¥4.51bn

※[The USA P/L status]

	Term 2018.3 2nd Q Actual	Term 2019.3 2nd Q Actual	Differ
Sales	¥5.10bn	¥7.22bn	¥2.12bn increase
Expenses	¥4.80bn	¥6.76bn	¥1.95bn increase
Ordinary income	¥0.29bn	¥0.45bn	¥0.16bn increase

※ Please refer to next page for the USA P/L details

③ [Extraordinary income & loss breakdown]

Term 2018.03 2nd Q Actual Extraordinary loss ¥(0.26)bn
 • Loss on disposal of fixed assets ¥(0.26)bn

Term 2019.03 2nd Q Actual Extraordinary loss ¥(0.31)bn
 • Loss on sale of fixed assets ¥(0.07)bn
 • Loss on disposal of fixed assets ¥(0.24)bn

④ Please refer to next page for corporate tax details

Analysis of consolidated operating results ②

Apr. 2018~Sep. 2018 Actual [Year-on-year]



◆Major factors in the USA ordinary income difference◆

Previous term 2018.3 2nd Q Actual	Ordinary income	¥0.29bn
	Sales increase due to increase in number of months of total stores operation (93 months ⇒ 134 months)	+¥2.12bn
	Expenses increase due to increase in number of months of total stores operation (93 months ⇒ 134 months)	¥(1.87)bn
	Increase in initial investment cost	¥(0.33)bn···①
	Decrease in leased asset depreciation exp.	+¥0.34bn···②
	Increase in advertisement exp. (Increase in web, radio and other advertising exp.)	¥(0.06)bn
	Increase in specialist staff payroll exp.	¥(0.01)bn
	Others	¥(0.03)bn
Current term 2019.3 2nd Q Actual	Ordinary income	¥0.45bn

① Increase in initial investment cost of new stores (pre-open)

Term 2018.3 2nd Q Actual ¥0.11bn / Term 2019.3 2nd Q Actual ¥0.44bn

[Major factors] · Accrual of rent for construction period ※ (Term 2018.3 2nd Q Actual none / Term 2019.3 2nd Q Actual ¥0.23bn)

· Other opening expenses (Term 2018.3 2nd Q Actual ¥0.11bn / Term 2019.3 2nd Q Actual ¥0.20bn)

② Decrease in leased asset depreciation exp.

Term 2018.3 2nd Q Actual ¥0.62bn / Term 2019.3 2nd Q Actual ¥0.28bn

[Major factors] · Decrease due to change in service life of leased machines from 3 to 7 years, etc. ※

※ Effect of change in accounting method for the USA subsidiary in term 2018.3

◆Concerning consolidated corporate tax accrual amount◆

Major factors for accrual of corporate tax ¥1.19bn compared to net income before tax ¥4.19bn (tax rate 28%): 30% of asset of potentially closing 2 stores (due to expiration of contract period) ¥0.55bn, that was impaired during past years, was accrued as deferred tax asset, hence corporate tax was reduced by ¥0.16bn.

Analysis of consolidated operating results ③

Apr. 2018~Sep. 2018 Actual [Actual and Plan]



※(Unit ¥bn) ※Figures below ¥10 million have been truncated. Percentage is rounded off to one decimal place.

		Unit	Term 2019.3 Plan (2018.4~2018.9)	Term 2019.3 Actual (2018.4~2018.9)	Differ(%)
Stores	Total stores at the end of the term ①	Store	132	131	(0.8)
	No. of months total stores operation ①	Month	771	768	(0.4)
P / L	Bowling		11.81	11.59	(1.9)
	Amusement		24.23	23.99	(1.0)
	Karaoke (including other sales of the USA)		4.99	5.14	+3.0
	Spo-cha		6.45	6.67	+3.6
	Others		1.44	1.44	+0.4
	Total sales		48.94	48.86	(0.1)
	Cost of sales		42.56	42.73	+0.4
	Gross profit		6.37	6.13	(3.9)
	S.G.A. expenses		1.37	1.47	+6.8
	Operating income		5.00	4.66	(6.8)
	Non-operating income & expenses		(0.27)	(0.14)	+45.0
	Ordinary income ②		4.73	4.51	(4.6)
	Ordinary income margin		9.7%	9.2%	—
	Extraordinary income & loss		(0.20)	③ (0.31)	(59.9)
	Net income before tax		4.53	4.19	(7.5)
Corporate tax		1.53	1.19	(22.2)	
Net income		3.00	3.00	+0.0	

① [Differ in number of stores]

Total stores at the end of the term (1)store
(due to change in opening date)

No. of months total stores operation (3)months
(due to change in opening date)

② [Ordinary income]

Term 2019.3 2nd Q Plan Ordinary income ¥4.73bn

Japan Ordinary income & loss ¥(0.02)bn

[Breakdown] Increase in sales +¥0.27bn

Decrease in repairing exp. +¥0.17bn

Increase in promotion exp.
(Due to amusement merchandise exp. increase) ¥(0.10)bn

Increase in personnel exp. ¥(0.09)bn

Increase in purchase ¥(0.08)bn

Increase in utility exp.
(Due to fuel adjustment cost increase) ¥(0.05)bn

Increase in advertising exp. ¥(0.04)bn

Others ¥(0.10)bn

The USA Ordinary income & loss ¥(0.20)bn

[Breakdown] Decrease in sales
(Mainly new store sales decrease) ¥(0.34)bn

Decrease in expenses
(Due to change in opening date) +¥0.23bn

Others ¥(0.09)bn

Term 2019.3 2nd Q Actual Ordinary income ¥4.51bn

③ [Extraordinary income & loss breakdown]

Term 2019.03 2nd Q Actual Extraordinary loss ¥(0.31)bn

• Loss on sale of fixed assets ¥(0.07)bn

• Loss on disposal of fixed assets ¥(0.24)bn

Term 2019.3 Consolidated plan store openings and closings, P / L



No change has been made since announcement on May 8, 2018.

※ Figures below ¥10 million have been truncated.
Percentage is rounded off to one decimal place.

		Unit	Term 2018.3			Term 2019.3					
			Consolidated	Japan	The USA	Consolidated		Japan		The USA ^③	
			Actual	Actual	Actual	Plan	Differ(%)	Plan	Differ(%)	Plan	Differ(%)
Stores ①	Store openings and closings	Store	+7	+1	+6	+9	+28.6	(2)	—	+11	+83.3
	No. of total stores (at the end of term)	Store	129	108	21	138	+7.0	106	(1.9)	32	+52.4
	(Break down) Own stores (land & building and building structure)	Store	24	24	—	24	—	24	—	—	—
	Leased stores (interior structure only)	Store	105	84	21	114	+8.6	82	(2.4)	32	+52.4
	No. of months total stores operation	Month	1,496	1,290	206	1,575	+5.3	1,270	(1.6)	305	+48.1
P/L	Bowling	¥bn	24.52	22.72	1.79	24.90	+1.5	22.50	(1.0)	2.40	+33.7
	Amusement	¥bn	45.34	37.70	7.64	49.67	+9.6	38.23	+1.4	11.44	+49.8
	Karaoke (including other sales of the USA)	¥bn	9.84	7.70	2.13	10.61	+7.7	7.66	(0.6)	2.95	+38.0
	Spo-cha	¥bn	13.28	13.28	—	13.35	+0.5	13.35	+0.5	—	—
	Others	¥bn	2.90	2.90	—	2.86	(1.4)	2.86	(1.4)	—	—
	Total sales	¥bn	95.91	84.33	11.57	101.40	+5.7	84.60	+0.3	16.80	+45.1
	Operating income	¥bn	10.53	9.49	1.04	11.55	+9.6	9.63	+1.5	1.85	+77.4
	Ordinary income	¥bn	10.26	9.33	0.93	11.00	+7.1	9.42	+0.9	1.58	+69.4
	Ordinary income margin	%	10.7%	11.1%	8.1%	10.8%	—	11.1%	—	9.4%	—
	Extraordinary income & loss ②	¥bn	(1.09)	(1.09)	—	(1.31)	(19.2)	(0.94)	+13.8	(0.36)	—
Net income before tax	¥bn	9.16	8.23	0.93	9.69	+5.7	8.47	+2.9	1.21	+30.5	
Corporate tax	¥bn	0.75	0.72	0.03	3.37	+344.9	3.00	+314.5	0.36	—	
Net income	¥bn	8.41	7.51	0.89	6.32	(24.9)	5.47	(27.2)	0.85	(5.5)	

(Note) ① Term 2018.3 Actual: Openings (1 store in Japan, 6 stores in the USA), Term 2019.3 Plan: Openings (1 store in Japan, 11 stores in the USA), closings (3 stores in Japan)

② Breakdown of extraordinary income & loss:

[Term 2018.3 Actual] Impairment loss ¥(0.71)bn (11 stores in Japan), Loss on disposal of amusement substrates, etc. ¥(0.38)bn

[Term 2019.3 Plan] Impairment loss ¥(0.91)bn (6 stores in Japan ¥(0.54)bn, 1 store in the USA ¥(0.36)), Loss on disposal of amusement substrates, etc. ¥(0.40)bn

③ In calculation of the USA plan exchange rate \$1 = ¥109 is used.

※ Consolidated plan for Term 2019.3 is adjusted, hence total operating income for Japan and the USA does not match consolidated operating income.

Japan Sales and Year-on-year comparison of existing stores (Actual and plan)



Japan sales (Actual and plan)

Please refer to page 15 and 18 for the number of stores.
*Figures below ¥10 million have been truncated.

	Unit	1st Q			2nd Q			1st half			3rd Q	4th Q	2nd half	Term
		Plan	Actual	Differ(%)	Plan	Actual	Differ(%)	Plan	Actual	Differ(%)	Plan	Plan	Plan	Plan
		Bowling	¥bn	5.12	5.05	(1.4)	5.58	5.55	(0.5)	10.71	10.60	(0.9)	4.96	6.82
Amusement	¥bn	8.34	8.60	+3.1	10.71	10.52	(1.7)	19.05	19.13	+0.4	9.40	9.76	19.17	38.23
Karaoke	¥bn	1.71	1.74	+1.7	1.99	2.03	+2.0	3.71	3.77	+1.8	1.84	2.10	3.95	7.66
Spo-cha	¥bn	2.97	3.03	+1.8	3.47	3.64	+5.1	6.45	6.67	+3.6	2.78	4.11	6.90	13.35
Others	¥bn	0.69	0.69	+0.5	0.74	0.74	+0.3	1.44	1.44	+0.4	0.67	0.74	1.42	2.86
Total sales	¥bn	18.85	19.13	+1.5	22.51	22.51	+0.0	41.36	41.64	+0.7	19.67	23.55	43.23	84.60
No. of total stores in Japan (at the end of every term)		105	105	—	106	106	—	106	106	—	106	106	106	106

Japan year-on-year comparison of existing stores (Actual and plan)

*Percentage is rounded off to one decimal place.

	Unit	1st Q			2nd Q			1st half			3rd Q	4th Q	2nd half	Term
		Plan	Actual	Differ	Plan	Actual	Differ	Plan	Actual	Differ	Plan	Plan	Plan	Plan
		Bowling	%	+0.1	(1.3)	(1.4)	(0.8)	(1.2)	(0.4)	(0.4)	(1.3)	(0.9)	(1.0)	+0.3
Amusement	%	(1.5)	+1.5	+3.0	+3.7	+2.0	(1.7)	+1.3	+1.8	+0.5	+2.2	+0.2	+1.2	+1.3
Karaoke	%	(1.2)	+0.5	+1.7	(2.6)	(0.3)	+2.3	(2.0)	+0.1	+2.1	(1.6)	+0.3	(0.6)	(1.3)
Spo-cha	%	+0.9	+2.7	+1.8	(1.2)	+2.9	+4.1	(0.2)	+2.8	+3.0	(2.5)	(0.8)	(1.5)	(0.9)
Others	%	(1.4)	(0.9)	+0.5	(1.0)	(0.5)	+0.5	(1.2)	(0.7)	+0.5	(1.8)	+1.2	(0.2)	(0.7)
Total sales	%	(0.7)	+0.8	+1.5	+1.1	+1.0	(0.1)	+0.3	+0.9	+0.6	+0.2	+0.1	+0.1	+0.2
Number of at/Sun/Hol vs pre year	Days	±0	±0	—	±0	±0	—	±0	±0	—	(1)	+1	±0	±0
No. of existing stores in Japan (at the end of every term)		104	104	—	104	104	—	104	104	—	105	105	105	105

The USA Sales and Year-on-year comparison of existing stores (Actual and plan)



The USA sales (Actual and plan)

Please refer to page 15, 16 and 18 for the number of stores.
 ※ Figures below ¥10 million have been truncated.

	Unit													Term
		1st Q			2nd Q			1st half			3rd Q	4th Q	2nd half	
		Plan	Actual	Differ(%)	Plan	Actual	Differ(%)	Plan	Actual	Differ(%)	Plan	Plan	Plan	
Bowling	¥bn	0.51	0.46	(9.5)	0.59	0.52	(11.7)	1.10	0.99	(10.7)	0.55	0.73	1.29	2.40
Amusement	¥bn	2.31	2.18	(5.8)	2.85	2.68	(6.2)	5.17	4.86	(6.0)	2.59	3.67	6.26	11.44
Karaoke, etc. ①,②	¥bn	0.59	0.62	+4.5	0.69	0.74	+8.0	1.28	1.36	+6.4	0.70	0.95	1.66	2.95
Total sales	¥bn	3.43	3.27	(4.6)	4.14	3.95	(4.6)	7.57	7.22	(4.6)	3.85	5.37	9.22	16.80
No. of total stores in the USA (at the end of every term)		23	23	—	26	25	(3.8)	26	25	(3.8)	30	32	32	32

※ In calculation of sales plan exchange rate \$1 = ¥109.00 is used, in calculation of sales actual exchange rate \$1 = ¥110.26 is used.

① Karaoke, etc. sales is mostly food & beverage sales.

② Actual sales for recently implemented "All Inclusive Party Plan" (all you can play and eat party plan) are included in Karaoke, etc.

The USA year-on-year comparison of existing stores (Actual and plan)

※ Percentage is rounded off to one decimal place.

	Unit													Term
		1st Q			2nd Q			1st half			3rd Q	4th Q	2nd half	
		Plan	Actual	Differ	Plan	Actual	Differ	Plan	Actual	Differ	Plan	Plan	Plan	
Bowling	%	(2.2)	(6.1)	(3.9)	(2.0)	(6.3)	(4.3)	(2.1)	(6.2)	(4.1)	(3.7)	+1.9	(0.6)	(1.3)
Amusement	%	(0.1)	(1.3)	(1.2)	(0.8)	(0.3)	+0.5	(0.5)	(0.8)	(0.3)	(2.6)	+1.3	(0.4)	(0.4)
Karaoke, etc. ①,②	%	(0.3)	+7.9	+8.2	+0.0	+16.0	+16.0	(0.1)	+12.1	+12.2	(2.0)	+3.9	+1.2	+0.6
Total sales	%	(0.5)	(0.4)	+0.1	(0.8)	+1.6	+2.4	(0.7)	+0.7	+1.4	(2.6)	+1.8	(0.1)	(0.4)
No. of existing stores in the USA (at the end of every term)		15	15	—	16	16	—	16	16	—	19	20	20	20

※ In year-on-year comparison of existing stores, figures for stores with operating period more than 12 month are compared in dollar.

※ Figures for stores with operating period more than 24 months are +2.3% in 1st Q, +4.1% in 2nd Q, +3.3% in 1st half

Term 2019.3 Quarterly consolidated Actual and plan



※(Unit ¥bn) ※Figures below ¥10 million have been truncated. Percentage is rounded off to one decimal place.

	1st Q			2nd Q			1st half			3rd Q	4th Q	2nd half	Term
	Plan	Actual	Differ(%)	Plan	Actual	Differ(%)	Plan	Actual	Differ(%)	Plan	Plan	Plan	Plan
	Total sales	22.28	22.40	+0.5	26.65	26.46	(0.7)	48.94	48.86	(0.1)	23.53	28.92	52.46
Cost of sales	20.18	20.54	+1.7	22.37	22.19	(0.8)	42.56	42.73	+0.4	21.58	22.93	44.51	87.07
Gross profit	2.09	1.86	(11.2)	4.28	4.26	(0.2)	6.37	6.13	(3.9)	1.94	5.99	7.94	14.32
S.G.A. expenses	0.69	0.66	(4.3)	0.68	0.80	+17.9	1.37	1.47	+6.8	0.67	0.71	1.39	2.77
Operating income	1.40	1.19	(14.7)	3.59	3.46	(3.7)	5.00	4.66	(6.8)	1.26	5.28	6.55	11.55
Non-operating income & expenses	(0.11)	(0.06)	+44.4	(0.15)	(0.08)	+45.4	(0.27)	(0.14)	+45.0	(0.13)	(0.14)	(0.28)	(0.55)
Ordinary income	1.28	1.13	(11.9)	3.44	3.37	(1.9)	4.73	4.51	(4.6)	1.12	5.14	6.27	11.00
Ordinary income margin	5.8%	5.1%	—	12.9%	12.8%	—	9.7%	9.2%	—	4.8%	17.8%	12.0%	10.8%
Extraordinary income & loss	(0.10)	(0.11)	(11.6)	(0.10)	(0.20)	(108.1)	(0.20)	(0.31)	(59.9)	(0.10)	(1.01)	(1.11)	(1.31)
Net income before tax	1.18	1.02	(13.9)	3.34	3.17	(5.2)	4.53	4.19	(7.5)	1.02	4.13	5.16	9.69
Corporate tax	0.39	0.23	(38.5)	1.14	0.95	(16.6)	1.53	1.19	(22.2)	0.34	1.49	1.84	3.37
Net income	0.79	0.78	(1.9)	2.20	2.21	+0.7	3.00	3.00	+0.0	0.68	2.63	3.32	6.32

Term 2019.3 Consolidated plan Cash flow



No change has been made since announcement on May 8, 2018.

※ Figures below ¥10 million have been truncated.

		Unit	Term 2018.3 Actual	Term 2019.3 Plan
Cash	Net income	¥bn	8.41	6.32
	Income tax adjustment (provision / payment / refund / refund receivable in total) ①	¥bn	+0.51	+0.94
	Non-cash loss (impairment loss, etc.)	¥bn	+1.72	+1.75
	Dividend	¥bn	(1.90)	(1.90)
	Depreciation (excluded lease) ②	¥bn	+4.02	+4.47
	Simplified cash flow	¥bn	+12.77	+11.58
	Equipment investment (excluded finance lease) ③	¥bn	(6.43)	(8.37)
	Simplified free cash flow	¥bn	+6.34	+3.21
	Cash reserve	¥bn	23.43	24.26
	Interest-bearing liabilities (excluded lease liabilities)	¥bn	13.71	11.32
Net interest-bearing liabilities	¥bn	(9.72)	(12.93)	

(Note) **Term 2018.3 Actual:**

- ① Breakdown of income tax adjustment +¥0.51bn
◆ Provision +¥0.75bn, refund +¥0.38bn, payment ¥(0.62)bn
- ② Breakdown of depreciation... Japan: ¥2.56bn / the USA: ¥1.46bn
- ③ Breakdown of equipment investment ¥(6.43)bn
◆ New stores: ¥3.98bn (Japan: 1 store / ¥0.67bn, the USA: 6 stores / ¥3.31bn)
◆ Existing stores: ¥2.44bn (Japan: ¥2.24bn, the USA: ¥0.20bn) remodeling, etc.

Term 2019.3 Plan:

- ① Breakdown of income tax adjustment +¥0.94bn
◆ Provision ¥3.37bn, payment ¥(2.42)bn
- ② Breakdown of depreciation... Japan: ¥2.45bn / the USA: ¥2.01bn
- ③ Breakdown of equipment investment ¥(8.37)bn
◆ New stores: ¥6.37bn (Japan: 1 store / ¥0.60bn, the USA: 11 stores / ¥5.77bn)
◆ Existing stores: ¥2.00bn (Japan: ¥1.95bn, the USA: ¥0.05bn) remodeling, etc.

Trend in P/L status

Trend in P / L (Consolidated)

No change has been made since announcement on May 8, 2018, except for adding ROE data.

※(Unit ¥bn) ※Figures below ¥10 million have been truncated. Percentage is rounded off to one decimal place.

Term	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3 Plan
No. of stores at the end of term	105	109	110	113	114	118	122	122	129	138
Total sales	82.1	84.3	89.5	85.9	84.2	83.9	83.5	87.7	95.9	101.4
Ordinary income	7.8	6.9	11.4	8.2	7.8	6.1	5.4	5.8	10.2	11.0
Ordinary income margin	9.6%	8.2%	12.8%	9.6%	9.3%	7.3%	6.5%	6.7%	10.7%	10.8%
Net income	3.3	(12.6)	2.7	0.6	(19.7)	(4.5)	0.4	2.7	8.4	6.3
ROI (Return on investment) ①	3.5%	2.9%	5.0%	4.0%	5.1%	5.9%	5.9%	6.8%	12.0%	12.3%
ROE (Return on equity) ②	4.3%	(15.4) %	3.5%	0.8%	(28.9) %	(8.4) %	0.9%	5.4%	15.6%	10.7%
ROA (Return on assets) ③	1.5%	(5.0) %	1.2%	0.3%	(11.8) %	(3.8) %	0.4%	2.7%	8.1%	5.7%

① ROI calculation: $\text{Ordinary income} \div [\{ (\text{Net assets at the beginning of term} + \text{Net assets at the end of term}) \div 2 \} + \{ (\text{Interest-bearing liabilities including lease liabilities at the beginning of term} + \text{Interest-bearing liabilities including lease liabilities at the end of term}) \div 2 \}]$

② ROE calculation: $\text{Net income} \div \{ (\text{Shareholder equity at the beginning of term} + \text{Shareholder equity at the end of term}) \div 2 \}$

③ ROA calculation: $\text{Net income} \div \{ (\text{Total assets at the beginning of term} + \text{Total assets at the end of term}) \div 2 \}$

Trend in P / L (Japan)

Term	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3 Plan
No. of stores at the end of term	105	108	109	111	111	113	113	107	108	106
Total sales	82.1	83.9	89.0	85.1	82.9	81.9	78.3	80.5	84.3	84.6
Ordinary income	7.8	7.0	11.4	8.2	7.8	6.2	5.1	5.4	9.3	9.4
Ordinary income margin	9.6%	8.3%	12.8%	9.7%	9.4%	7.6%	6.6%	6.7%	11.1%	11.1%
Net income	3.3	(12.5)	2.7	0.6	(19.6)	(4.4)	0.2	2.8	7.5	5.4

Trend in P / L (The USA)

Term	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3 Plan
No. of stores at the end of term		1	1	2	3	5	9	15	21	32
Total sales		0.3	0.5	0.7	1.2	1.9	5.1	7.2	11.5	16.8
Ordinary income		(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.2	0.4	0.9	1.5
Ordinary income margin		—	2.6%	—	—	—	4.7%	6.1%	8.1%	9.4%
Net income		(0.0)	0.0	(0.0)	(0.0)	(0.0)	0.2	(0.1)	0.8	0.8

Trend in year-on-year sales comparison of existing stores (Japan)



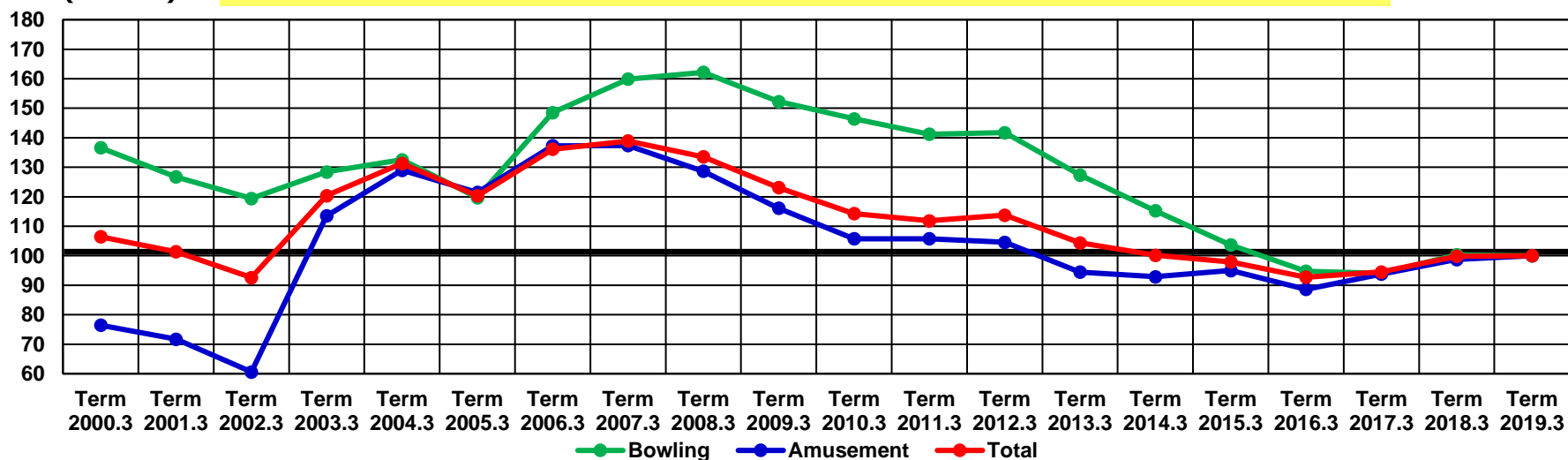
No change has been made since announcement on May 8, 2018.

(Unit: %)

Term	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	2019.3 Plan
Bowling	(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)	+6.2	(0.3)
Amusement	(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	+5.0	+1.3
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	+1.6	(1.3)
Spo-cha	-	-	-	-	-	-	-	-	(16.1)	(9.8)	(9.2)	(4.5)	+7.5	+0.2	+5.1	+3.7	+5.0	(2.5)	+8.1	(0.9)
Others	+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	+0.7	(0.7)
Total sales	(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	+5.3	+0.2
No. of existing stores	10	19	25	38	39	40	46	57	69	79	89	104	106	108	111	111	112	105	107	105

(Unit: %)

Trend in year-on-year sales comparison of existing stores in Japan (Term 2019.3 is 100 basis)



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

[Note] The USA stores are excluded.

Trend in assets (Consolidated)



No change has been made since announcement on May 8, 2018.

※ Figures below ¥10 million have been truncated.
Percentage is rounded off to one decimal place.

Term	2010.3	2011.3	2012.3	2013.3	2014.3	2015.3	2016.3	2017.3	2018.3	2019.3 Plan
Total assets	¥251.2bn	¥252.1bn	¥228.2bn	¥206.2bn	¥127.1bn	¥111.5bn	¥104.5bn	¥101.7bn	¥106.8bn	¥114.4bn
Net assets	¥85.6bn	¥79.0bn	¥79.8bn	¥78.7bn	¥57.5bn	¥51.6bn	¥49.7bn	¥50.8bn	¥56.7bn	¥61.1bn
Equity ratio	34.1%	31.3%	35.0%	38.2%	45.3%	46.3%	47.6%	50.0%	53.0%	53.4%
Cash reserve	¥30.8bn	¥22.7bn	¥29.4bn	¥25.3bn	¥25.1bn	¥27.7bn	¥23.1bn	¥20.1bn	¥23.4bn	¥24.2bn
Interest-bearing liabilities	¥138.8bn	¥136.1bn	¥110.9bn	¥90.2bn	¥36.8bn	¥27.0bn	¥22.8bn	¥16.4bn	¥13.7bn	¥11.3bn
Guarantee debts ①	¥31.8bn	¥8.2bn	—	—	—	—	—	—	—	—
Net interest-bearing liabilities ②	¥139.8bn	¥121.6bn	¥81.4bn	¥64.9bn	¥11.6bn	¥(0.6)bn	¥(0.3)bn	¥(3.7)bn	¥(9.7)bn	¥(12.9)bn
Lease liabilities	¥25.9bn	¥28.4bn	¥27.3bn	¥24.6bn	¥19.6bn	¥16.3bn	¥16.0bn	¥17.9bn	¥15.5bn	¥21.0bn
Net interest-bearing liabilities ③ including balance lease liabilities	¥165.8bn	¥150.1bn	¥108.8bn	¥89.5bn	¥31.2bn	¥15.6bn	¥15.6bn	¥14.2bn	¥5.8bn	¥8.1bn
New lease contract amount	¥12.2bn	¥13.7bn	¥10.6bn	¥9.1bn	¥8.1bn	¥7.1bn	¥8.8bn	¥10.9bn	¥8.0bn	¥15.5bn

(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 store openings, etc. and guarantee debts will be eliminated. 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 lease liabilities"... "Net interest-bearing liabilities" + "Lease liabilities".

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

Measures taken for existing stores



◆ Elementary, junior high school age free campaign ◆

- Campaign is continued for junior high school age or under in Bowling, Karaoke, Amusement (medals)

◆ Events implementation ◆

- Strap giveaway to groups of more than 5 people (※as for medal game users, group of 6 people with spending amount over ¥6,600)
Giveaway of collaboration of popular "BiSH" and "HELLO KITTY" themed straps, and "Golden Bomber" themed straps (the above straps replaced monthly)
- Giveaway of "BiSH" and "HELLO KITTY" collaboration mascot plush to MEGA pack users
- Cash-back to event achievers (¥1,000) (in bowling and karaoke)



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

- 150 bowlers in every store×102 stores=15 thousand bowlers

◆ Spo-cha items addition and replacement

- Installment of new item "SEGWAY DRIFT" (electric assisted roller skates) in stores with Spo-cha area (all 48 stores) is planned for middle~late December
- Addition of Airpolin in stores with Spo-cha area (12 stores) by December, 21 is planned
- Replacement of all Spo-cha area karaoke room monitors (32 inches ⇒ 43 inches) by December, 21 is planned



"SEGWAY DRIFT"

◆ Installment of new amusement machines ◆

- Sequential installment of arcade game "MOBILE SUIT GUNDAM: EXTREME VS 2" (BANDAI NAMCO) started October, 30
- Operation of arcade game "Starwing Paradox" (Square Enix) planned to start simultaneously on November, 21



"Starwing Paradox"

New equipment and system implementation ①

◆Implementation of new system "ROUND1 LIVE" · "Automatic reception and payment system" implementation outline◆

[Overall bowling area renewal]



New bowling bench type

※ Monitor size in some stores may differ

[32 inch three dimensional monitor]

<During game playtime> ※This photo is for illustrative purposes only



Left : Throwing position check monitor

Middle : Score monitor (Users connected via "ROUND1 LIVE" will see each other's LIVE image)

Right : Multifunctional tablet monitor for "ROUND1 LIVE", Cashback campaign entry, food and drink order, etc.

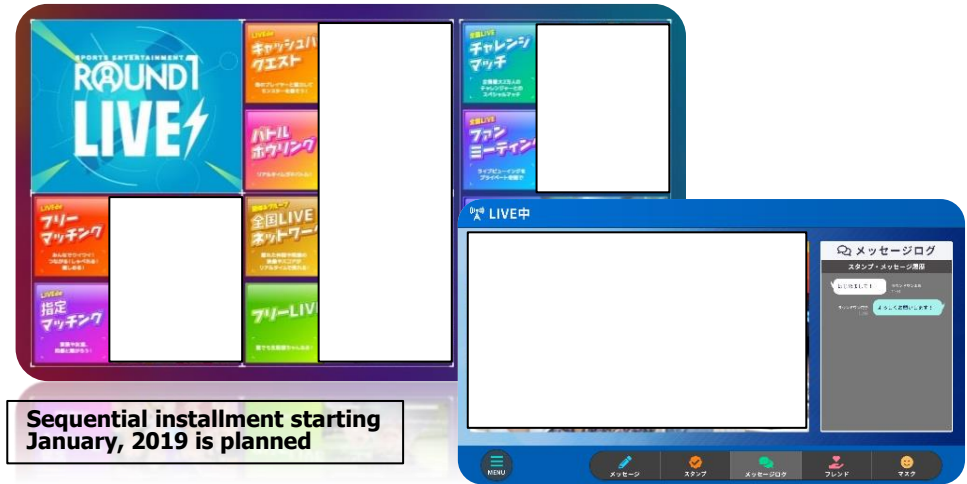
※Users can change contents displayed on three monitors

<Between games playtime>

Original music video contents "ROUND1 MUSIC" displayed on 32 inch three dimensional touch monitors, overhead monitors, LED wall vision



[Play and communicate using image and sound connection "ROUND1 LIVE"]



Sequential installment starting January, 2019 is planned

※This photo is for illustrative purposes only

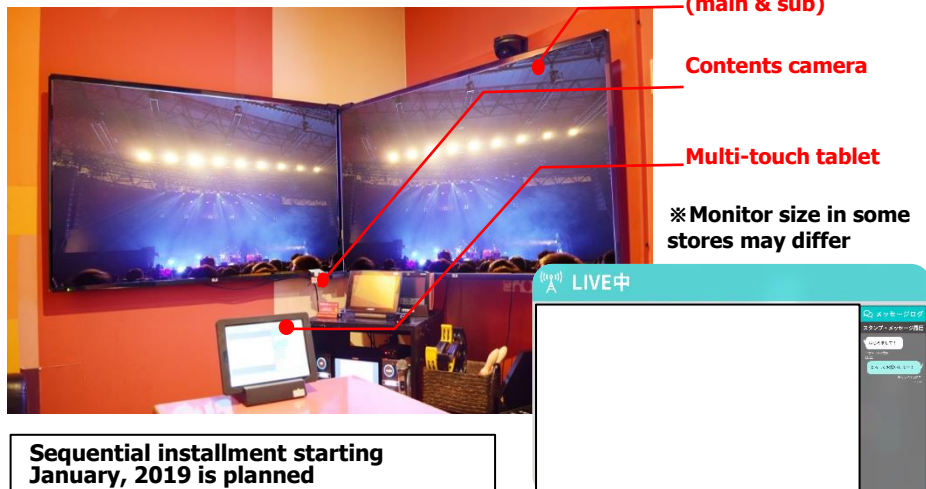
- <Connect players on different lanes> ※one lane on one lane
- Communicate with new friends via "LIVE de Free Matching"
 - Communicate with distant family or colleagues via "LIVE de Appointed Matching"
 - Participate in Challenge "LIVE de Cashback Quest" with connected companions
 - Compete in score with connected companions in "Battle Bowling"

- <Play using LIVE distribution function>
- Anyone can be a star and have fun using bowling "Free LIVE" distribution
 - "Nationwide LIVE Fan Meetings" hosted by stars and famous comedians
 - Fans from distant areas can compete their favorite Probowlers using "Nationwide LIVE Challenge Match"

- <Connect and have fun with many friends>
- "oo lovers call-up" invite participants in advance, and connect with new friends on "Nationwide LIVE Off-line Gathering"
 - Have fun with distant friends on bowling tournament via "Nationwide LIVE group network" (ranking data collection is possible)

New equipment and system implementation ②

【Karaoke room renewal】



【Automatic reception and payments system implementation】



Sequential installment starting January, 2019 is planned

Sequential installment starting January, 2019 is planned

- <Connect with different room users> ※one room on one room
- Communicate with new friends via "LIVE de Free Matching"
 - Communicate with distant family or colleagues via "LIVE de Appointed Matching"
 - Connect and sing with distant companion "LIVE de Duet"
 - Participate with connected companions in Challenge "LIVE de Cash Back Mission"
 - Compete in score with connected companions in "Battle Karaoke"

- <Play using LIVE distribution function>
- Anyone can be a star and have fun using "Free LIVE" distribution
 - "Nationwide LIVE Fan Meetings" hosted by stars and famous comedians

- <Connect and have fun with many friends>
- "oo lovers call-up" invite participants in advance, and connect with new friends on a "Nationwide LIVE Offline Gathering"
 - Have fun with distant friends via "Nationwide LIVE group network"

- <By implementing automatic reception and payment system, reception desk will be self service>
- Payments will be on advance basis, reception and payment, same day reservations and reception, membership registration / renewal, tournament participation reservation / reception will be self service
 - ※ Excluding amusement area
 - (※ Additional fee for Karaoke and other facility use is payed in arrears)
 - By reducing reception desk operation, staff will assist customers as attendant

- <Implementation of staff tablets to improve efficiency>
- By simultaneous implementation of "staff tablets", that show state of condition of facility use, our staff will have access to information needed, which helps to improve efficiency



Self service and operation optimization that will lead to reduction of personnel expenses is our target

◆Implementation time◆

Equipment : Installation work is planed for October 2018~June 2019
 System : LIVE function implementation is planned for middle January 2019~August 2019

New stores scheduled



New store openings planned in term 2019.3

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

	Opening date	Nation	Store name / region	Store type	Operating floor area
1	June 2018 (opened)	The USA	Maine Mall / South Portland, Maine	Standard, Roadside (Within mega shopping center)	44,056sq. ft.
2	June 2018 (opened)	The USA	Coronado Center / Albuquerque, New Mexico	Standard, Roadside (Within mega shopping center)	48,505sq. ft.
3	July 2018 (opened)	Japan	Nara Mi Nara/ Nara, Nara	Stadium, Roadside (Within mega shopping center)	130,462sq. ft.
4	August 2018 (opened)	The USA	Shops at South Town / Sandy, Utah	Standard, Roadside (Within mega shopping center)	47,900sq. ft.
5	September 2018 (opened)	The USA	Millcreek Mall / Erie, Pennsylvania	Standard, Roadside (Within mega shopping center)	50,747sq. ft.
6	November 2018	The USA	(Tentative name) Jefferson Mall / Louisville, Kentucky	Standard, Roadside (Within mega shopping center)	54,412sq. ft.
7	December 2018	The USA	(Tentative name) Gateway Mall/ Lincoln, Nebraska	Standard, Roadside (Within mega shopping center)	48,825sq. ft.
8	December 2018	The USA	(Tentative name) North Riverside Park Mall / North Riverside, Illinois	Standard, Roadside (Within mega shopping center)	45,836sq. ft.
9	February 2019	The USA	(Tentative name) Southridge Mall / Greendale, Wisconsin	Standard, Roadside (Within mega shopping center)	47,295sq. ft.
10	Winter 2018	The USA	(Tentative name) Northridge Mall / Salinas, California	Standard, Roadside (Within mega shopping center)	52,419sq. ft.
11	Spring 2019	The USA	(Tentative name) Promenade Temecula / Temecula, California	Standard, Roadside (Within mega shopping center)	50,071sq. ft.
12	Spring 2019	The USA	(Tentative name) Holyoke Mall at Ingleside / Holyoke, Massachusetts	Standard, Roadside (Within mega shopping center)	52,455sq. ft.

New store openings planned in term 2020.3 and after

	Opening date	Store name / region		Opening date	Store name / region
1	Spring 2019	(Tentative name) Southland Mall / Hayward, California	6	Winter 2019	(Tentative name) Towson Town Center / Towson, Maryland
2	Spring 2019	(Tentative name) Burbank Town Center / Burbank, California	7	Spring 2020	(Tentative name) Vancouver / Vancouver, Washington
3	Autumn 2019	(Tentative name) Meadowood Mall / Reno, Nevada	8	Spring 2020	(Tentative name) Valley River Center / Eugene, Oregon
4	Autumn 2019	(Tentative name) Meadows Mall / Las Vegas, Nevada	9	Spring 2020	(Tentative name) The Mall at Fairfield Commons / Beavercreek, Ohio
5	Winter 2019	(Tentative name) Park Place / Tucson, Arizona	10	Spring 2020	(Tentative name) Westfield Galleria at Roseville / Roseville, California

※ Information in this New stores schedule concerns only stores with concluded lease agreements as of release date, number of store openings in performance plan may differ.

※ Lease agreements of 24 stores are under negotiation at present time.

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



[Operating 25 stores as of the end of October, 2018]

	Opening date	Store name / region	Operating floor area		Opening date	Store name / region	Operating floor area
1	August 2010	Puente Hills Mall / City of Industry, California	60,000sq.ft.	14	March 2017	The Mall at Stonecrest / Lithonia, Georgia	50,533sq.ft.
2	September 2012	Moreno Valley Mall / Moreno Valley, California	44,448sq.ft.	15	March 2017	Fox Valley Mall / Aurora, Illinois	51,708sq.ft.
3	August 2013	Lakewood Center Mall / Lakewood, California	43,523sq.ft.	16	July 2017	Broadway Mall / Hicksville, New York	50,604sq.ft.
4	October 2014	Stratford Square Mall / Bloomingdale, Illinois	39,893sq.ft.	17	September 2017	Galleria at Crystal Run / Middletown, New York	46,085sq.ft.
5	December 2014	Arlington Parks / Arlington, Texas	64,911sq.ft.	18	October 2017	Great Lakes Crossing / Auburn Hills, Michigan	51,743sq.ft.
6	May 2015	Main Place Mall / Santa Ana, California	40,676sq.ft.	19	November 2017	Northwoods Mall / Peoria, Illinois	58,825sq.ft.
7	July 2015	Westfield Southcenter / Tukwila, Washington	41,672sq.ft.	20	January 2018	Four Seasons Town Centre / Greensboro, North Carolina	61,708sq.ft.
8	September 2015	Eastridge Shopping Center / San Jose, California	52,064sq. ft.	21	March 2018	Great Lakes Mall/ Mentor, Ohio	50,996sq.ft.
9	December 2015	Silver City Galleria / Taunton, Massachusetts ✖	64,697sq. ft.	22	June 2018	Maine Mall/ South Portland, Maine	44,056sq. ft.
10	May 2016	Grapevine Mills / Grapevine, Texas ✖	81,316sq.ft.	23	June 2018	Coronado Center / Albuquerque, New Mexico	48,505sq. ft.
11	August 2016	Sunvalley Mall / Concord, California	47,295sq. ft.	24	August 2018	Shops at South Town / Sandy, Utah	47,900sq. ft.
12	December 2016	Exton Square Mall/ Exton, Pennsylvania	58,362sq. ft.	25	September 2018	Millcreek Mall / Erie, Pennsylvania	50,747sq. ft.
13	January 2017	Southwest Plaza / Littleton, Colorado	60,498sq. ft.	✖ Kids play zone is operated in some areas. Opened in Grapevine Mills in October 2016 and in Silver City Galleria in March 2017.			

Classification by color refers to "High Profitability (yellow)", "Average Profitability (green)" and "Low Profitability (pink)" stores. Classification by color is updated four times a year for disclosure.

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



[Principles of conditions for future stores openings]

No change has been made since announcement on May 8, 2018.

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 about 66%, Bowling about 16% , Food & beverage about 14%, Karaoke (excluding Food & beverage) about 1%, Other about 3%
Investment amount	About \$7.20mn (¥0.78bn) · · lease about \$2.00mn (¥0.21bn), cash about \$5.20mn (¥0.56bn) Breakdown: Facility related about ¥0.28bn , Furniture & fixtures about ¥0.14bn, Amusement machines (leased) about ¥0.21bn, Bowling equipment about ¥0.08bn, Opening expenses about ¥0.07bn
Lease fee conditions	Service life 7 years (For amusement machines changed in previous term from 3 to 7 years) ⇒ after 8th year lease fees become less which helps the profitability

In calculation of investment amount exchange rate \$1 = ¥109 is used.

[Present state: facility investment and earnings]

※ Figures are updated once a year for disclosure.

Classification by profitability		High profitability store	Average profitability store	Low profitability store
Year budget	Total sales	\$7.40mn	\$6.00mn	\$3.80mn
	Operating income (1st year)	\$1.10mn	\$0.30mn	\$(1.00)mn
	Operating income (2nd~7th year)	\$2.00mn	\$1.20mn	\$(0.10)mn
	Operating income (8th year~)	\$2.20mn	\$1.40mn	\$0.00mn
	Operating income rate (2nd ~ 7th year)	27.0%	20.0%	(2.6)%

(Note 1) Initial year`s operating income includes opening expenses and rent allocated for construction period. Except head office expenses.

(Note 2) Average profitability store figures are average of all stores.

Statistical snapshot of stores

Trend in number of stores

Japan	~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	Term 2019.3 (Plan)
No. of store openings	101	11	3	1	3	—	2	1	2	1	1
No. of store closings	※ 7	—	—	—	※ 1	—	—	※ 1	※ 8	—	※ 3
No. of stores at the end of term	94	105	108	109	111	111	113	113	107	108	106

The USA	~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	Term 2019.3 (Plan)
No. of store openings	—	—	1	—	1	1	2	4	6	6	11
No. of store closings	—	—	—	—	—	—	—	—	—	—	—
No. of stores at the end of term	—	—	1	1	2	3	5	9	15	21	32

Consolidated	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	Term 2019.3 (Plan)
No. of stores at the end of term	94	105	109	110	113	114	118	122	122	129	138

(Note) ※ Reason for closure of 20 stores (expiration of contract periods: 9 stores, removing intra-company competition: 6 stores, construction of new large stores in the neighborhood: 3 stores, reconstruction: 1 store, closure of trial store (trial period about 2 years): 1 store).

Japan 106 stores (at the end of September 2018) Number of stores breakdown

Stores by store type				No. of stores at the end of term
Standard		Stadium		
Downtown	Roadside	Downtown	Roadside	
10	48	1	47	106

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

Stores by ownership		No. of stores at the end of term
Leased stores	Own stores	
84	22	106

(Note) Own stores include 8 stores with owning right for land & building, and 14 stores with owning right for building with tenants.

Consolidated 131 stores (at the end of September 2018) Number of stores breakdown

Area	Japan							The USA	Total	
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa			Subtotal
No. of stores	11	4	33	12	27	8	11	106	25	131
Share	8.4%	3.0%	25.2%	9.2%	20.6%	6.1%	8.4%	80.9%	19.1%	100.0%

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