

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



Analysis of present states and future prospects



**Gateway Mall (Lincoln, Nebraska)
December 15, 2018 open!**

ROUND ONE Corporation

C.E.O. and President Masahiko Sugino

Tokyo Stock Exchange First Section

Code Number: 4680

February 8, 2019

Analysis of consolidated operating results ①

Apr. 2018~Dec. 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 (2017.4~2017.12)	Term 2019.3 Actual (2018.4~2018.12)	Differ(%)
Stores	Total stores at the end of the term ①	Store	127	133	+4.7
	No. of months total stores operation	Month	1,112	1,160	+4.3

- ① [Differ in number of stores]
 Japan (105 stores): 1 store opening, 4 store closings
 The USA (28 stores): 9 store openings
- ② [Ordinary income]

P / L	Bowling	17.11	16.96	(0.9)
	Amusement	33.15	35.74	+7.8
	Karaoke (including other sales of the USA)	7.09	7.80	+10.0
	Spo-cha	9.21	9.25	+0.5
	Others	2.15	2.13	(1.0)
	Total sales	68.73	71.89	+4.6
	Cost of sales	61.82	64.42	+4.2
	Gross profit	6.90	7.46	+8.2
	S.G.A. expenses	1.65	2.21	+33.9
	Operating income	5.25	5.25	+0.1
	Non-operating income & expenses	(0.27)	(0.21)	+21.8
	Ordinary income ②	4.97	5.04	+1.3
	Ordinary income margin	7.2%	7.0%	—
	Extraordinary income & loss ③	(0.32)	(0.41)	(26.5)
	Net income before tax	4.65	4.62	(0.5)
Corporate tax	1.61	1.34	(16.2)	
Net income	3.03	3.27	+7.8	

Term 2018.3 3rd Q Actual Ordinary income	¥4.97bn
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Japan Ordinary income & loss	¥(0.21)bn
[Breakdown] Increase in sales	+¥0.00bn
Decrease in repairing exp.	+¥0.38bn
Decrease in lease fee	+¥0.19bn
Increase in promotion exp. (Due to amusement merchandise exp., etc., increase)	¥(0.48)bn
Increase in advertising exp.	¥(0.13)bn
Increase in purchase	¥(0.10)bn
Others	¥(0.07)bn
The USA Ordinary income & loss (※Table below)	+¥0.28bn

Term 2019.3 3rd Q Actual Ordinary income	¥5.04bn
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※[The USA P/L status]

	Term 2018.3 3rd Q Actual	Term 2019.3 3rd Q Actual	Differ
Sales	¥7.94bn	¥11.09bn	¥3.15bn increase
Expenses	¥7.69bn	¥10.57bn	¥2.88bn increase
Ordinary income	¥0.24bn	¥0.52bn	¥0.28bn increase

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

③ [Extraordinary income & loss breakdown]

- Term 2018.03 3rd Q Actual Extraordinary loss ¥(0.32)bn
 • Loss on disposal of fixed assets ¥(0.32)bn
- Term 2019.03 3rd Q Actual Extraordinary loss ¥(0.41)bn
 • Loss on disposal of fixed assets ¥(0.41)bn

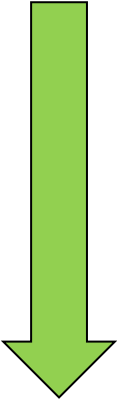
Analysis of consolidated operating results ②

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



◆ Major factors in the USA ordinary income difference ◆

※ Figures below ¥10 million have been truncated.

Previous term 2018.3 3rd Q Actual	Ordinary income	¥0.24bn
	Sales increase due to increase in number of months of total stores operation (147 months ⇒ 210 months)	+¥3.15bn
	Expenses increase due to increase in number of months of total stores operation (147 months ⇒ 210 months)	¥(2.58)bn
	Increase in initial investment cost	¥(0.63)bn····①
	Decrease in leased asset depreciation exp.	+¥0.53bn····②
	Increase in advertisement exp. (Increase in web, radio and other advertising exp.)	¥(0.09)bn
	Increase in specialist staff payroll exp.	¥(0.05)bn
	Others	¥(0.05)bn
Current term 2019.3 3rd Q Actual	Ordinary income	¥0.52bn

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

Term 2018.3 3rd Q Actual ¥0.25bn / Term 2019.3 3rd Q Actual ¥0.88bn

[Major factors] · Accrual of rent for construction period ※ (Term 2018.3 3rd Q Actual none / Term 2019.3 3rd Q Actual ¥0.35bn)

· Other opening expenses (Term 2018.3 3rd Q Actual ¥0.25bn / Term 2019.3 3rd Q Actual ¥0.53bn)

② Decrease in leased asset depreciation exp.

Term 2018.3 3rd Q Actual ¥1.00bn / Term 2019.3 3rd Q Actual ¥0.46bn

[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

Analysis of consolidated operating results ③

Apr. 2018~Dec. 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 (2018.4~2018.12)	Term 2019.3 Actual (2018.4~2018.12)	Differ(%)
Stores	Total stores at the end of the term ①	Store	136	133	(2.2)
	No. of months total stores operation ①	Month	1,169	1,160	(0.8)
P / L	Bowling		17.34	16.96	(2.2)
	Amusement		36.22	35.74	(1.3)
	Karaoke (including other sales of the USA)		7.54	7.80	+3.4
	Spo-cha		9.23	9.25	+0.2
	Others		2.11	2.13	+0.9
	Total sales		72.47	71.89	(0.8)
	Cost of sales		64.14	64.42	+0.4
	Gross profit		8.32	7.46	(10.3)
	S.G.A. expenses		2.05	2.21	+7.6
	Operating income		6.26	5.25	(16.2)
	Non-operating income & expenses		(0.40)	(0.21)	+47.8
	Ordinary income ②		5.85	5.04	(14.0)
	Ordinary income margin		8.1%	7.0%	—
	Extraordinary income & loss		(0.30)	③ (0.41)	(37.3)
	Net income before tax		5.55	4.62	(16.7)
Corporate tax		1.87	1.34	(28.0)	
Net income		3.68	3.27	(11.0)	

① [Differ in number of stores]

Total stores at the end of the term:
Japan (1) store / the USA (2) stores

No. of months total stores operation:
Japan (2) months / the USA (7) months

② [Ordinary income]

Term 2019.3 3rd Q Plan Ordinary income ¥5.85bn

Japan Ordinary income & loss ¥(0.63)bn

[Breakdown] Decrease in sales ¥(0.23)bn

Decrease in repairing exp. +¥0.22bn

Increase in personnel exp. ¥(0.18)bn

Increase in supplies exp. ¥(0.18)bn

Increase in advertising exp. ¥(0.09)bn

Increase in purchase ¥(0.09)bn

Others ¥(0.08)bn

The USA Ordinary income & loss ¥(0.18)bn

[Breakdown] Decrease in sales
(Mainly new store sales decrease) ¥(0.33)bn

Decrease in expenses
(Due to change in opening date) +¥0.15bn

Term 2019.3 3rd Q Actual Ordinary income ¥5.04bn

③ [Extraordinary income & loss breakdown]

Term 2019.03 3rd Q Actual Extraordinary loss ¥(0.41)bn
· Loss on disposal of fixed assets ¥(0.41)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 16 and 19 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
		Actual	Actual	Actual	Plan	Actual	Differ (%)	Plan	Plan	Plan
Bowling	¥bn	5.05	5.55	10.60	4.96	4.86	(2.1)	6.82	11.79	22.50
Amusement	¥bn	8.60	10.52	19.13	9.40	9.26	(1.5)	9.76	19.17	38.23
Karaoke	¥bn	1.74	2.03	3.77	1.84	1.76	(4.1)	2.10	3.95	7.66
Spo-cha	¥bn	3.03	3.64	6.67	2.78	2.57	(7.5)	4.11	6.90	13.35
Others	¥bn	0.69	0.74	1.44	0.67	0.68	+1.8	0.74	1.42	2.86
Total sales	¥bn	19.13	22.51	41.64	19.67	19.15	(2.6)	23.55	43.23	84.60
No. of total stores in Japan (at the end of every term)		105	106	106	106	105	—	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
		Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	Plan
Bowling	%	(1.3)	(1.2)	(1.3)	(1.0)	(2.9)	(1.9)	+0.3	(0.3)	(0.3)
Amusement	%	+1.5	+2.0	+1.8	+2.2	+1.2	(1.0)	+0.2	+1.2	+1.3
Karaoke	%	+0.5	(0.3)	+0.1	(1.6)	(4.8)	(3.2)	+0.3	(0.6)	(1.3)
Spo-cha	%	+2.7	+2.9	+2.8	(2.5)	(10.1)	(7.6)	(0.8)	(1.5)	(0.9)
Others	%	(0.9)	(0.5)	(0.7)	(1.8)	+0.4	+2.2	+1.2	(0.2)	(0.7)
Total sales	%	+0.8	+1.0	+0.9	+0.2	(2.1)	(2.3)	+0.1	+0.1	+0.2
Number of at/Sun/Hol vs pre year	Days	±0	±0	±0	(1)	(1)	—	+1	±0	±0
No. of existing stores in Japan (at the end of every term)		104	104	104	105	104	—	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 16, 17 and 19 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
		Actual	Actual	Actual	Plan	Actual	Differ (%)	Plan	Plan	Plan
Bowling	¥bn	0.46	0.52	0.99	0.55	0.50	(10.1)	0.73	1.29	2.40
Amusement	¥bn	2.18	2.68	4.86	2.59	2.48	(4.2)	3.67	6.26	11.44
Karaoke, etc. ①,②	¥bn	0.62	0.74	1.36	0.70	0.88	+25.2	0.95	1.66	2.95
Total sales	¥bn	3.27	3.95	7.22	3.85	3.87	+0.3	5.37	9.22	16.80
No. of total stores in the USA (at the end of every term)		23	25	25	30	28	—	32	32	32

※ In calculation of sales plan exchange rate \$1 = ¥109.00 is used, in calculation of sales actual exchange rate \$1 = ¥111.15 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	1st Q	2nd Q	1st half	3rd Q			4th Q	2nd half	Term
		Actual	Actual	Actual	Plan	Actual	Differ	Plan	Plan	Plan
Bowling	%	(6.1)	(6.3)	(6.2)	(3.7)	(12.2)	(8.5)	+1.9	(0.6)	(1.3)
Amusement	%	(1.3)	(0.3)	(0.8)	(2.6)	(3.7)	(1.1)	+1.3	(0.4)	(0.4)
Karaoke, etc. ①,②	%	+7.9	+16.0	+12.1	(2.0)	+19.4	+21.4	+3.9	+1.2	+0.6
Total sales	%	(0.4)	+1.6	+0.7	(2.6)	(0.5)	+2.1	+1.8	(0.1)	(0.4)
No. of existing stores in the USA (at the end of every term)		15	16	16	19	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, +4.4% in 3rd Q.

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.

									Term
	1st Q	2nd Q	1st half	3rd Q			4th Q	2nd half	
	Actual	Actual	Actual	Plan	Actual	Differ(%)	Plan	Plan	
Total sales	22.40	26.46	48.86	23.53	23.02	(2.1)	28.92	52.46	101.40
Cost of sales	20.54	22.19	42.73	21.58	21.69	+0.5	22.93	44.51	87.07
Gross profit	1.86	4.26	6.13	1.94	1.33	(31.4)	5.99	7.94	14.32
S.G.A. expenses	0.66	0.80	1.47	0.67	0.74	+9.2	0.71	1.39	2.77
Operating income	1.19	3.46	4.66	1.26	0.59	(53.2)	5.28	6.55	11.55
Non-operating income & expenses	(0.06)	(0.08)	(0.14)	(0.13)	(0.06)	+53.4	(0.14)	(0.28)	(0.55)
Ordinary income	1.13	3.37	4.51	1.12	0.52	(53.2)	5.14	6.27	11.00
Ordinary income margin	5.1%	12.8%	9.2%	4.8%	2.3%	—	17.8%	12.0%	10.8%
Extraordinary income & loss	(0.11)	(0.20)	(0.31)	(0.10)	(0.09)	+7.8	(1.01)	(1.11)	(1.31)
Net income before tax	1.02	3.17	4.19	1.02	0.43	(57.6)	4.13	5.16	9.69
Corporate tax	0.23	0.95	1.19	0.34	0.15	(53.9)	1.49	1.84	3.37
Net income	0.78	2.21	3.00	0.68	0.27	(59.5)	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 November 9, 2018.

※(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: Ordinary income ÷ [{(Net assets at the beginning of term + Net assets at the end of term) ÷ 2} + {(Interest-bearing liabilities including lease liabilities at the beginning of term + Interest-bearing liabilities including lease liabilities at the end of term) ÷ 2}]

② ROE calculation: Net income ÷ {(Shareholder equity at the beginning of term + Shareholder equity at the end of term) ÷ 2}

③ ROA calculation: Net income ÷ {(Total assets at the beginning of term + Total assets at the end of term) ÷ 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)



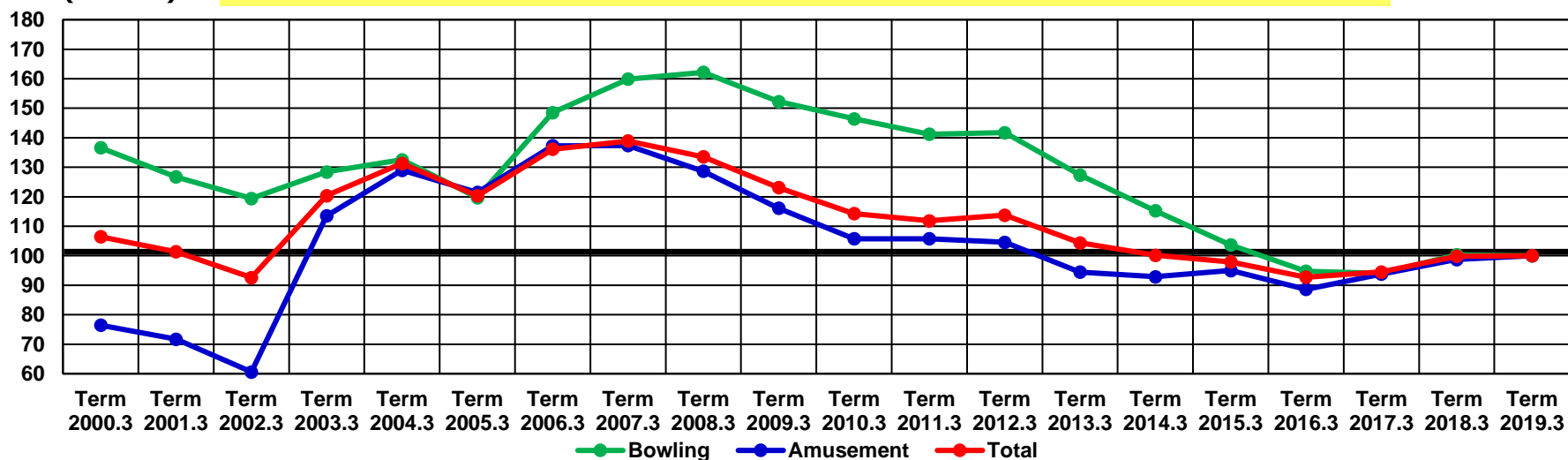
No change has been made since announcement on May 8, 2018.

(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)
- Cash-back to event achievers (¥1,000) (in bowling and karaoke)



◆ "Bowling for Health" lessons (Bringing up 160 league bowlers in every store) ◆

- 160 bowlers in every store×101 stores=16 thousand bowlers

◆ Installment of new darts machines

- New darts machine "VSPHOENIX X" with large screen and woofer sound system bringing new exiting experience, available in 13 stores on December 14



『WCCF FOOTISTA 2019』 © SEGA

◆ Installment of new amusement machines ◆

- Installment of card game "WCCF FOOTISTA 2019" (SEGA) planed for March
- Installment of music game "DanceDanceRevolution 20th anniversary model " (Konami Amusement) planed for March
- Sequential installment of large scale medal game "GRANDCROSS LEGEND " (Konami Amusement) planed to start in the middle February



『 DanceDanceRevolution 20th anniversary model 』
© Konami Amusement

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" distributed on 32 inch three dimensional touch monitors, overhead monitors, LED wall vision



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



- <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"

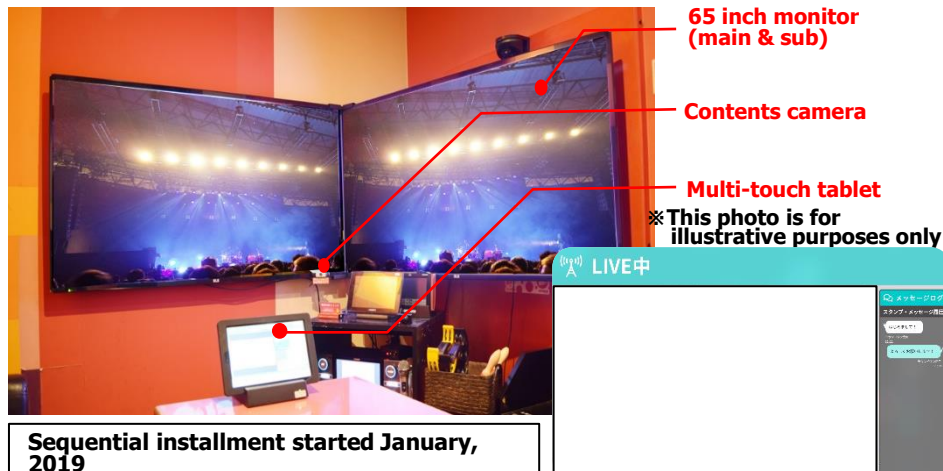
- <Play using LIVE distribution function>
- Anyone can play leading role and have fun using bowling "Free LIVE" distribution
 - "Nationwide LIVE Fan Meetings" hosted by stars and famous comedians
 - Fans from distant areas can compete their favorite Probowlers using "Nationwide LIVE Challenge Match"

- <Connect and have fun with many friends>
- "○○ 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)

※As of the end of January 2019 "LIVE de Free Matching" and "LIVE de Appointed Matching" contents (including Karaoke, for details refer to the next page) are released.

New equipment and system implementation ②

[Karaoke room renewal]



Sequential installment started January, 2019

- <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 play leading role and have fun using "Free LIVE" distribution
 - "Nationwide LIVE Fan Meetings" hosted by stars and famous comedians

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

◆Implementation time◆

Equipment : Installation during October 2018~June 2019 (installed in 39 stores as of the end of January / installation in 64 stores by the end of March is planned / installation planned to be completed by the end of June)

System : LIVE function implementation is planned for January or after, simultaneously with equipment installment available contents will be installed sequentially, installation of all functions is planned to complete by the end of August.

[Automatic reception and payments system implementation]



Sequential installment started January, 2019

- <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

Price revision (price raise) details

The USA Prices revision (price raise)

- ◆ **Amusement:** Prices were raised by around 9~10% on January 7
(Play prices for every game machine are to be raised)
 - ◆ **Bowling:** Prices were raised by around 6~7% on January 7
(Prices for every plan are to be revised)
- ※ Effect of price revision on sales has not occurred at the time of this announcement.

Japan Prices revision (price raise)

- ◆ **Amusement:** Prices were raised by around 1% on January 1
(Medal prices are revised)
- ◆ **Spo-cha:** Prices were raised by around 4% on January 7
(Prices for every plan are to be revised)

Japan Prices revision (price raise) plan

- ◆ **Bowling:** Prices will be raised by around 5% in Spring or after
(Price revision will start in stores with "ROUND1 LIVE" system)
- ◆ **Karaoke:** Prices will be raised by around 2% in Spring or after
(Price revision will start in stores with "ROUND1 LIVE" system)

※ In Japan prices will be additionally revised due to excise tax increase, prices may be raised in addition to the above-mentioned.

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	Nº22	Maine Mall / South Portland, Maine	Standard, Roadside (Within mega shopping center)	44,056sq. ft.
2	June 2018 (opened)	The USA	Nº23	Coronado Center / Albuquerque, New Mexico	Standard, Roadside (Within mega shopping center)	48,505sq. ft.
3	July 2018 (opened)	Japan	Nº105	Nara Mi Nara/ Nara, Nara	Stadium, Roadside (Within mega shopping center)	130,462sq. ft.
4	August 2018 (opened)	The USA	Nº24	Shops at South Town / Sandy, Utah	Standard, Roadside (Within mega shopping center)	47,900sq. ft.
5	September 2018 (opened)	The USA	Nº25	Millcreek Mall / Erie, Pennsylvania	Standard, Roadside (Within mega shopping center)	50,747sq. ft.
6	November 2018 (opened)	The USA	Nº26	Jefferson Mall / Louisville, Kentucky	Standard, Roadside (Within mega shopping center)	54,412sq. ft.
7	December 2018 (opened)	The USA	Nº27	Gateway Mall/ Lincoln, Nebraska	Standard, Roadside (Within mega shopping center)	48,825sq. ft.
8	December 2018 (opened)	The USA	Nº28	North Riverside Park Mall / North Riverside, Illinois	Standard, Roadside (Within mega shopping center)	45,836sq. ft.
9	February 2019	The USA	Nº29	Southridge Mall / Greendale, Wisconsin	Standard, Roadside (Within mega shopping center)	47,295sq. ft.
10	February 2019	The USA	Nº30	Northridge Mall / Salinas, California	Standard, Roadside (Within mega shopping center)	52,419sq. ft.
11	March 2019	The USA	Nº31	Holyoke Mall at Ingleside / Holyoke, Massachusetts	Standard, Roadside (Within mega shopping center)	52,455sq. ft.
12	March 2019	The USA	Nº32	Promenade Temecula / Temecula, California	Standard, Roadside (Within mega shopping center)	50,071sq. ft.

New store openings planned in term 2020.3 and after

	Opening date	Store name / region			Opening date	Store name / region	
1	Summer 2019	Nº33	Meadowood Mall / Reno, Nevada	9	Spring 2020	Nº41	Vancouver / Vancouver, Washington
2	Summer 2019	Nº34	Southland Mall / Hayward, California	10	Spring 2020	Nº42	South County Center / St. Louis, Missouri
3	Summer 2019	Nº35	Meadows Mall / Las Vegas, Nevada	11	Spring 2020	Nº43	Fashion District / Philadelphia, Pennsylvania
4	Autumn 2019	Nº36	Burbank Town Center / Burbank, California	12	Spring 2020	Nº44	Westfield Galleria at Roseville / Roseville, California
5	Autumn 2019	Nº37	Park Place / Tucson, Arizona	13	Summer 2020	Nº45	Northwoods / Northwoods, South Carolina
6	Autumn 2019	Nº38	Towson Town Center / Towson, Maryland	14	Spring 2021	Nº46	Quail Springs / Oklahoma City, Oklahoma
7	Winter 2019	Nº39	Valley River Center / Eugene, Oregon	15	Spring 2021	Nº47	Rivertown Crossings / Grandville, Michigan
8	Winter 2019	Nº40	The Mall at Fairfield Commons / Beavercreek, Ohio				

※ 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 22 stores are under negotiation at present time.
 ※ Except for the opened stores tentative store names are indicated.

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



[Operating 28 stores as of the end of January, 2019]

	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.	15	March 2017	Fox Valley Mall / Aurora, Illinois	51,708sq.ft.
2	September 2012	Moreno Valley Mall / Moreno Valley, California	44,448sq.ft.	16	July 2017	Broadway Mall / Hicksville, New York	50,604sq.ft.
3	August 2013	Lakewood Center Mall / Lakewood, California	43,523sq.ft.	17	September 2017	Galleria at Crystal Run / Middletown, New York	46,085sq.ft.
4	October 2014	Stratford Square Mall / Bloomingdale, Illinois	39,893sq.ft.	18	October 2017	Great Lakes Crossing / Auburn Hills, Michigan	51,743sq.ft.
5	December 2014	Arlington Parks / Arlington, Texas	64,911sq.ft.	19	November 2017	Northwoods Mall / Peoria, Illinois	58,825sq.ft.
6	May 2015	Main Place Mall / Santa Ana, California	40,676sq.ft.	20	January 2018	Four Seasons Town Centre / Greensboro, North Carolina	61,708sq.ft.
7	July 2015	Westfield Southcenter / Tukwila, Washington	41,672sq.ft.	21	March 2018	Great Lakes Mall/ Mentor, Ohio	50,996sq.ft.
8	September 2015	Eastridge Shopping Center / San Jose, California	52,064sq. ft.	22	June 2018	Maine Mall/ South Portland, Maine	44,056sq. ft.
9	December 2015	Silver City Galleria / Taunton, Massachusetts ✖	64,697sq. ft.	23	June 2018	Coronado Center / Albuquerque, New Mexico	48,505sq. ft.
10	May 2016	Grapevine Mills / Grapevine, Texas ✖	81,316sq.ft.	24	August 2018	Shops at South Town / Sandy, Utah	47,900sq. ft.
11	August 2016	Sunvalley Mall / Concord, California	47,295sq. ft.	25	September 2018	Millcreek Mall / Erie, Pennsylvania	50,747sq. ft.
12	December 2016	Exton Square Mall/ Exton, Pennsylvania	58,362sq. ft.	26	November 2018	Jefferson Mall / Louisville, Kentucky	54,412sq. ft.
13	January 2017	Southwest Plaza / Littleton, Colorado	60,498sq. ft.	27	December 2018	Gateway Mall/ Lincoln, Nebraska	48,825sq. ft.
14	March 2017	The Mall at Stonecrest / Lithonia, Georgia	50,533sq.ft.	28	December 2018	North Riverside Park Mall / North Riverside, Illinois	45,836sq. 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 105 stores (at the end of December 2018) Number of stores breakdown

Stores by store type				No. of stores at the end of term
Standard		Stadium		
Downtown	Roadside	Downtown	Roadside	
10	47	1	47	105

(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	21	105

(Note) Own stores include 8 stores with owning right for land & building, and 13 stores with owning right for building with tenants.

Consolidated 133 stores (at the end of December 2018) Number of stores breakdown

Area	Japan							Subtotal	The USA	Total
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa			
No. of stores	11	4	33	12	26	8	11	105	28	133
Share	8.3%	3.0%	24.8%	9.0%	19.5%	6.0%	8.3%	78.9%	21.1%	100.0%

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Even during this period, however, company will respond to inquiries and questions regarding fundamental facts about its operations, information that has already been disclosed, and ongoing events or projects.

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