

Consolidated Financial Results for the six months ended March 31, 2023

November 11, 2022

ROUND ONE Corporation

TSE Prime Market

Stock Code : 4680 URL : <https://www.round1.co.jp/>

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Scheduled date to file quarterly securities report : November 14, 2022

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Scheduled date to commence dividend payments : December 2, 2022

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended March 2023 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Mar. 2023	67,487	63.2	6,929	—	7,115	—	5,241	—
Mar. 2022	41,345	77.7	(4,674)	—	(2,544)	—	(2,118)	—

(Note) Comprehensive income Six months ended Mar. 2023 : ¥10,027 million —% Six months ended Mar. 2022 : ¥(1,733) million —%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended Mar. 2023	18.29	18.29
Mar. 2022	(7.67)	—

(Note) On October 1, 2022, the Company effected a 3-for-1 split of its common stock. Both basic and diluted earnings per share are calculated based on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2022.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Six months ended Mar. 2023	168,668	64,177	38.0	222.80
Year ended Mar. 2022	157,698	54,603	34.4	189.70

(Reference) Equity Six months ended Mar. 2023 : ¥64,020 million Year ended Mar. 2022 : ¥54,320 million

(Note) On October 1, 2022, the Company effected a 3-for-1 split of its common stock. Net assets per share is calculated based on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2022.

2. Cash dividends

	Annual dividends per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2022	—	10.00	—	10.00	20.00
Year ended Mar. 2023	—	12.00	—	—	—
Year ending Mar. 2023 (Forecast)	—	—	—	4.00	—

(Note) Revisions to the forecast of cash dividends most recently announced : None

On October 1, 2022, the Company effected a 3-for-1 split of its common stock. Annual dividends per share are calculated based on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2022. Due to the stock split, the total dividend for the year ending Mar. 2023 is not disclosed. If the stock split is not considered, the year-end dividend for the year ending Mar. 2023 would be 12.00 yen and the total dividend for the year ending Mar. 2023 would be 24.00 yen.

3. Forecasts of consolidated financial results for the fiscal year ending March 2023 (from April 1, 2022 to March 31, 2023)

(% for period is percentage change comparing to previous period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Year ending Mar. 2023	140,796	46.0	17,316	—	17,179	220.5	11,722	197.7	40.79

(Note) Revisions to the forecast of consolidated financial results most recently announced : Yes

On October 1, 2022, the Company effected a 3-for-1 split of its common stock. Basic earnings per share is calculated based on the assumption that the stock split was implemented at the beginning of the year ended Mar. 2023.

※ Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation) : None

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements : None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

① Changes in accounting policies due to revisions to accounting standards and other regulations : None

② Changes in accounting policies due to other reasons : None

③ Changes in accounting estimates : None

④ Restatement : None

(4) Number of issued shares (common shares)

① Number of issued shares at the end of the period (including treasury shares)

Six months ended Mar. 2023	287,358,642
Year ended Mar. 2022	286,358,742

② Number of treasury shares at the end of the period

Six months ended Mar. 2023	8,046
Year ended Mar. 2022	4,005

③ Average number of shares outstanding during the period

Six months ended Mar. 2023	286,551,765
Six months ended Mar. 2022	276,282,737

(Note) With an effective date of October 1, 2022, the Company performed a 3-for-1 split of its common stock.

For the numbers of shares above, the Company took the stock split into consideration.

※ Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

※ Proper use of earnings forecasts, and other special matters

- The above-mentioned business forecasts were based on the information available as of the date of the release of this report, no warranty is given as to the realization of the forecasts.
- Future events may cause the actual results to be significantly different from the forecasts.

Quarterly Consolidated Balance sheet - 1

(Millions of yen)

	End of Previous Term (As of March 31, 2022)	End of Second Quarter (As of September 30, 2022)
Assets		
Current assets		
Cash and deposits	46,316	48,587
Accounts receivable	1,061	1,224
Merchandise	364	428
Supplies	2,701	3,494
Other	3,859	3,865
Total current assets	54,303	57,600
Non-current assets		
Property, plant and equipment		
Buildings and structures	88,816	95,893
Accumulated depreciation	(48,375)	(51,943)
Buildings and structures, net	40,440	43,950
Land	5,736	5,732
Leased assets	27,845	33,713
Accumulated depreciation	(12,684)	(15,824)
Leased assets, net	15,161	17,889
Right-of-use assets	4,362	4,136
Accumulated depreciation	(748)	(548)
Right-of-use assets, net	3,613	3,587
Other	49,587	57,232
Accumulated depreciation	(30,363)	(35,740)
Other, net	19,224	21,492
Total property, plant and equipment	84,176	92,652
Intangible assets	816	839
Investments and other assets		
Deferred tax assets	8,288	7,305
Guarantee deposits	8,578	8,617
Other	1,534	1,653
Total investments and other assets	18,401	17,576
Total non-current assets	103,395	111,068
Total assets	157,698	168,668

Quarterly Consolidated Balance sheet – 2

(Millions of yen)

	End of Previous Term (As of March 31, 2022)	End of Second Quarter (As of September 30, 2022)
Liabilities		
Current liabilities		
Accounts payable	243	233
Short-term borrowings	700	700
Current portion of bonds payable	342	342
Current portion of long-term borrowings	6,216	6,139
Lease obligations	8,456	9,401
Income taxes payable	947	523
Contract liabilities	2,084	2,567
Other	10,756	11,614
Total current liabilities	29,747	31,522
Non-current liabilities		
Bonds payable	971	799
Long-term borrowings	41,278	38,227
Lease obligations	12,556	14,523
Asset retirement obligations	6,824	6,761
Other	11,715	12,655
Total non-current liabilities	73,347	72,968
Total liabilities	103,095	104,490
Net assets		
Shareholders' equity		
Share capital	25,021	25,326
Capital surplus	25,697	26,002
Retained earnings	(126)	4,159
Treasury shares	(2)	(4)
Total shareholders' equity	50,590	55,484
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	6
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	(138)	(138)
Foreign currency translation adjustment	3,867	8,667
Total accumulated other comprehensive income	3,730	8,535
Share acquisition rights	282	156
Non-controlling interests	0	0
Total net assets	54,603	64,177
Total liabilities and net assets	157,698	168,668

Quarterly Consolidated Income Statement

(Millions of yen)

	Previous Term (From April 1, 2021 to September 30, 2021)	Current Term (From April 1, 2022 to September 30, 2022)
Net sales	41,345	67,487
Cost of sales	44,262	58,430
Gross profit (loss)	(2,917)	9,056
Selling, general and administrative expenses	1,756	2,126
Operating income (loss)	(4,674)	6,929
Non-operating income		
Interest and dividend income	7	3
Subsidy income	2,812	209
Foreign exchange gains	0	276
Share of profit of entities accounted for using equity method	—	82
Other	216	152
Total non-operating income	3,037	723
Non-operating expenses		
Interest expenses	459	432
Share of loss of entities accounted for using equity method	8	—
Other	439	105
Total non-operating expenses	907	538
Ordinary profit (loss)	(2,544)	7,115
Extraordinary income		
Penalty income	907	—
Gain on reversal of share acquisition rights	2	84
Total extraordinary income	909	84
Extraordinary losses		
Loss on retirement of non-current assets	33	111
Impairment losses	—	5
Total extraordinary losses	33	116
Profit (loss) before income taxes	(1,667)	7,083
Income taxes - current	45	450
Income taxes - deferred	405	1,391
Total income taxes	451	1,842
Profit (loss)	(2,118)	5,241
Loss attributable to non-controlling interests	(0)	(0)
Profit (loss) attributable to owners of parent	(2,118)	5,241

Quarterly Consolidated Statement of Comprehensive income

(Millions of yen)

	Previous Term (From April 1, 2021 to September 30, 2021)	Current Term (From April 1, 2022 to September 30, 2022)
Profit (loss)	(2,118)	5,241
Other comprehensive income		
Foreign currency translation adjustment	385	4,728
Share of other comprehensive income of entities accounted for using equity method	—	57
Total other comprehensive income	385	4,786
Comprehensive income	(1,733)	10,027
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,733)	10,027
Comprehensive income attributable to non-controlling interests	(0)	(0)