

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

February 10, 2023

ROUND ONE Corporation

TSE Prime Market

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

Representative : Masahiko Sugino, C.E.O. and President and Executive Officer

Inquiries : Shinji Sasae, Director and Senior Managing Executive Officer, and General Manager of Administration Division

Scheduled date of annual general meeting of shareholders : None

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Scheduled date to file quarterly securities report : February 13, 2023

Scheduled date to commence dividend payments : None

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

1. Consolidated financial results for the nine months ended March 2023 (from April 1, 2022 to December 31, 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	%
Nine months ended Mar. 2023	101,384	52.3	8,899	—	8,816	—	6,112	457.2
Mar. 2022	66,578	65.8	(4,715)	—	186	—	1,097	—

(Note) Comprehensive income Nine months ended Mar. 2023 : ¥7,951million 240.6% Nine months ended Mar. 2022 : ¥2,334 million —%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended Mar. 2023	21.31	21.30
Mar. 2022	3.92	—

(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
Nine months ended Mar. 2023	163,288	60,975	37.2	211.50
Year ended Mar. 2022	157,698	54,603	34.4	189.70

(Reference) Equity Nine months ended Mar. 2023 : ¥60,775 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	141,142	46.4	15,853	—	17,179	220.5	11,722	197.7	40.80

(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)	Nine 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	Nine months ended Mar. 2023	8,326
	Year ended Mar. 2022	4,005

③ Average number of shares outstanding during the period	Nine months ended Mar. 2023	286,819,430
	Nine months ended Mar. 2022	279,652,659

(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 Third Quarter (As of December 31, 2022)
Assets		
Current assets		
Cash and deposits	46,316	46,342
Accounts receivable	1,061	1,793
Merchandise	364	425
Supplies	2,701	3,761
Other	3,859	4,188
Total current assets	54,303	56,512
Non-current assets		
Property, plant and equipment		
Buildings and structures	88,816	93,760
Accumulated depreciation	(48,375)	(52,025)
Buildings and structures, net	40,440	41,734
Land	5,736	5,732
Leased assets	27,845	33,558
Accumulated depreciation	(12,684)	(16,434)
Leased assets, net	15,161	17,124
Right-of-use assets	4,362	3,851
Accumulated depreciation	(748)	(604)
Right-of-use assets, net	3,613	3,247
Other	49,587	56,079
Accumulated depreciation	(30,363)	(35,053)
Other, net	19,224	21,026
Total property, plant and equipment	84,176	88,865
Intangible assets	816	809
Investments and other assets		
Deferred tax assets	8,288	6,781
Guarantee deposits	8,578	8,661
Other	1,534	1,658
Total investments and other assets	18,401	17,101
Total non-current assets	103,395	106,776
Total assets	157,698	163,288

Quarterly Consolidated Balance sheet – 2

(Millions of yen)

	End of Previous Term (As of March 31, 2022)	End of Third Quarter (As of December 31, 2022)
Liabilities		
Current liabilities		
Accounts payable	243	295
Short-term borrowings	700	800
Current portion of bonds payable	342	342
Current portion of long-term borrowings	6,216	6,102
Lease obligations	8,456	9,324
Income taxes payable	947	304
Contract liabilities	2,084	2,411
Other	10,756	13,978
Total current liabilities	29,747	33,560
Non-current liabilities		
Bonds payable	971	628
Long-term borrowings	41,278	36,701
Lease obligations	12,556	13,595
Asset retirement obligations	6,824	6,724
Other	11,715	11,101
Total non-current liabilities	73,347	68,752
Total liabilities	103,095	102,312
Net assets		
Shareholders' equity		
Share capital	25,021	25,326
Capital surplus	25,697	26,002
Retained earnings	(126)	3,881
Treasury shares	(2)	(4)
Total shareholders' equity	50,590	55,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	7
Deferred gains or losses on hedges	0	(5)
Revaluation reserve for land	(138)	(138)
Foreign currency translation adjustment	3,867	5,705
Total accumulated other comprehensive income	3,730	5,569
Share acquisition rights	282	198
Non-controlling interests	0	0
Total net assets	54,603	60,975
Total liabilities and net assets	157,698	163,288

Quarterly Consolidated Income Statement

(Millions of yen)

	Previous Term (From April 1, 2021 to December 31, 2021)	Current Term (From April 1, 2022 to December 31, 2022)
Net sales	66,578	101,384
Cost of sales	68,561	89,238
Gross profit (loss)	(1,982)	12,146
Selling, general and administrative expenses	2,732	3,247
Operating income (loss)	(4,715)	8,899
Non-operating income		
Interest and dividend income	9	23
Subsidy income	5,716	213
Foreign exchange gains	28	124
Share of profit of entities accounted for using equity method	—	109
Other	320	186
Total non-operating income	6,076	657
Non-operating expenses		
Interest expenses	685	632
Other	488	108
Total non-operating expenses	1,174	740
Ordinary profit	186	8,816
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	64	264
Impairment losses	145	159
Total extraordinary losses	210	424
Profit before income taxes	885	8,477
Income taxes - current	152	618
Income taxes - deferred	(364)	1,746
Total income taxes	(211)	2,365
Profit	1,096	6,112
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	1,097	6,112

Quarterly Consolidated Statement of Comprehensive income

(Millions of yen)

	Previous Term (From April 1, 2021 to December 31, 2021)	Current Term (From April 1, 2022 to December 31, 2022)
Profit	1,096	6,112
Other comprehensive income		
Foreign currency translation adjustment	1,237	1,803
Share of other comprehensive income of entities accounted for using equity method	—	35
Total other comprehensive income	1,237	1,838
Comprehensive income	2,334	7,951
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,334	7,951
Comprehensive income attributable to non-controlling interests	(0)	(0)