

Consolidated Financial Results for the fiscal year ended March 31, 2023

May 9, 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

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Scheduled date of annual general meeting of shareholders : June 24, 2023

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Scheduled date to file annual securities report : June 26, 2023

Scheduled date to commence dividend payments : June 26, 2023

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

1. Consolidated financial results for the fiscal year ended March 2023 (from April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(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	%
Year ended Mar. 2023	142,051	47.3	16,921	—	16,690	211.4	9,737	147.3
Year ended Mar. 2022	96,421	58.2	(1,726)	—	(5,360)	—	3,937	—

(Note) Comprehensive income Year ended Mar. 2023 : ¥11,616 million 62.4% Year ended Mar. 2022 : ¥7,152 million —%

	Basic earnings per share		Diluted earnings per share		Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen		Yen		%	%	%
Year ended Mar. 2023	34.03		34.01		16.9	10.2	11.9
Year ended Mar. 2022	14.00		—		8.3	3.5	(1.8)

(Reference) Share of profit (loss) of entities accounted for using equity method Year ended Mar. 2023 : ¥141 million Year ended Mar. 2022 : ¥(1) million

(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
Year ended Mar. 2023	170,623		61,180		35.7	217.30
Year ended Mar. 2022	157,698		54,603		34.4	189.70

(Reference) Equity Year ended Mar. 2023 : ¥60,942 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.

(3) Consolidated cash flows

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Cash and cash equivalents at end of period	
	Millions of yen		Millions of yen		Millions of yen		Millions of yen	
Year ended Mar. 2023	35,830		(11,911)		(42,110)		29,106	
Year ended Mar. 2022	28,304		(8,473)		(19,302)		46,316	

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
Year ended Mar. 2022	—	10.00	—	10.00	20.00	1,841	47.6	3.9
Year ended Mar. 2023	—	12.00	—	4.00	—	2,103	23.5	3.9
Year ending Mar. 2024 (Forecast)	2.50	2.50	2.50	2.50	10.00		24.0	

(Note) On October 1, 2022, the Company effected a 3-for-1 split of its common stock. Due to the stock split, the total dividend for the year ended Mar. 2023 is not disclosed. If the stock split is not considered, the year-end dividend for the year ended Mar. 2023 would be 12.00 yen, the total dividend for the year ended Mar. 2023 would be 24.00 yen, and the forecast of total dividend for the year ending Mar. 2024 would be 30.00 yen.

3. Forecasts of consolidated financial results for the fiscal year ending March 2024 (from April 1, 2023 to March 31, 2024)

(% for period is percentage change comparing to previous period, % for quarter is percentage change comparing to the same quarter in 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	
2Q-end	73,420	8.8	9,090	31.2	8,810	23.8	6,000	14.5	21.39	
Year ending Mar. 2024	150,410	5.9	20,560	21.5	20,010	19.9	11,680	20.0	41.65	

※ Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation) : None
 (2) Changes in accounting policies, changes in accounting estimates, and restatement
 ① Changes in accounting policies due to revisions to accounting standards and other regulations : Yes
 ② Changes in accounting policies due to other reasons : None
 ③ Changes in accounting estimates : None
 ④ Restatement : None

(3) Number of issued shares (common shares)

① Number of issued shares at the end of the period (including treasury shares)	Year ended Mar. 2023	287,358,642	Year ended Mar. 2022	286,358,742
② Number of treasury shares at the end of the period	Year ended Mar. 2023	6,902,126	Year ended Mar. 2022	4,005
③ Average number of shares outstanding during the period	Year ended Mar. 2023	286,149,059	Year ended Mar. 2022	281,305,265

(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.

(Reference) Overview of non-consolidated financial results

Non-consolidated financial results for the fiscal year ended in March 2023 (from April 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended Mar. 2023	89,808	40.9	6,580	—	10,881	148.3	4,221	19.3
Year ended Mar. 2022	63,725	19.5	(5,226)	—	4,382	—	3,540	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Year ended Mar. 2023	14.75	14.75
Year ended Mar. 2022	12.59	—

(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) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
Year ended Mar. 2023	115,729	56,696	48.8	201.31
Year ended Mar. 2022	137,623	57,514	41.6	199.87

(Reference) Equity Year ended Mar. 2023 : ¥56,459 million Year ended Mar. 2022 : ¥57,232 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.

※ Financial results reports are exempt from audit 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.

Consolidated Balance sheet - 1

(Millions of yen)

	End of Previous Term (As of March 31, 2022)	End of Current Term (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	46,316	29,106
Accounts receivable	1,061	1,679
Merchandise	364	429
Supplies	2,701	3,374
Other	3,859	4,149
Total current assets	54,303	38,739
Non-current assets		
Property, plant and equipment		
Buildings and structures	88,816	94,648
Accumulated depreciation	(48,375)	(52,459)
Buildings and structures, net	40,440	42,188
Bowling equipment	8,038	8,777
Accumulated depreciation	(5,472)	(6,172)
Bowling equipment, net	2,566	2,605
Amusement equipments	20,526	25,792
Accumulated depreciation	(11,616)	(14,452)
Amusement equipments, net	8,909	11,339
Land	5,736	5,712
Leased assets	27,845	32,255
Accumulated depreciation	(12,684)	(14,610)
Leased assets, net	15,161	17,644
Right-of-use assets	4,362	31,635
Accumulated depreciation	(748)	(706)
Right-of-use assets, net	3,613	30,929
Other	21,022	21,472
Accumulated depreciation	(13,274)	(15,353)
Other, net	7,748	6,119
Total property, plant and equipment	84,176	116,539
Intangible assets	816	763
Investments and other assets		
Deferred tax assets	8,288	4,216
Guarantee deposits	8,578	8,693
Other	1,534	1,672
Total investments and other assets	18,401	14,581
Total non-current assets	103,395	131,883
Total assets	157,698	170,623

Consolidated Balance sheet - 2

(Millions of yen)

	End of Previous Term (As of March 31, 2022)	End of Current Term (As of March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable	243	394
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	14,599
Income taxes payable	947	612
Contract liabilities	2,084	2,488
Provision for redemption points	1,404	1,849
Other	9,352	10,638
Total current liabilities	29,747	37,828
Non-current liabilities		
Bonds payable	971	628
Long-term borrowings	41,278	15,696
Lease obligations	12,556	44,789
Asset retirement obligations	6,824	6,794
Long-term guarantee deposits	361	347
Other	11,354	3,358
Total non-current liabilities	73,347	71,614
Total liabilities	103,095	109,442
Net assets		
Shareholders' equity		
Share capital	25,021	25,326
Capital surplus	25,697	26,002
Retained earnings	(126)	7,506
Treasury shares	(2)	(3,503)
Total shareholders' equity	50,590	55,331
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	7
Deferred gains or losses on hedges	0	(0)
Revaluation reserve for land	(138)	(138)
Foreign currency translation adjustment	3,867	5,742
Total accumulated other comprehensive income	3,730	5,610
Share acquisition rights	282	237
Non-controlling interests	0	0
Total net assets	54,603	61,180
Total liabilities and net assets	157,698	170,623

Consolidated Income Statement

(Millions of yen)

	Previous Term (From April 1, 2021 to March 31, 2022)	Current Term (From April 1, 2022 to March 31, 2023)
Net sales	96,421	142,051
Cost of sales	94,403	120,687
Gross profit	2,018	21,364
Selling, general and administrative expenses	3,744	4,442
Operating profit (loss)	(1,726)	16,921
Non-operating income		
Interest and dividend income	11	25
Foreign exchange gains	120	139
Share of profit of entities accounted for using equity method	—	141
Subsidy income	7,931	213
Other	433	279
Total non-operating income	8,496	798
Non-operating expenses		
Interest expenses	828	818
Other	580	211
Total non-operating expenses	1,409	1,029
Ordinary profit	5,360	16,690
Extraordinary income		
Gain on reversal of share acquisition rights	5	84
Penalty income	907	—
Total extraordinary income	912	84
Extraordinary losses		
Loss on retirement of non-current assets	128	406
Impairment losses	1,679	1,329
Loss on store closings	192	—
Total extraordinary losses	2,000	1,736
Profit before income taxes	4,272	15,038
Income taxes - current	860	977
Income taxes - deferred	(525)	4,324
Total income taxes	335	5,302
Profit	3,937	9,736
Loss attributable to non-controlling interests	(0)	(0)
Profit attributable to owners of parent	3,937	9,737

Consolidated Statement of Comprehensive income

(Millions of yen)

	Previous Term (From April 1, 2021 to March 31, 2022)	Current Term (From April 1, 2022 to March 31, 2023)
Profit	3,937	9,736
Other comprehensive income		
Foreign currency translation adjustment	3,192	1,840
Share of other comprehensive income of entities accounted for using equity method	22	40
Total other comprehensive income	3,214	1,880
Comprehensive income	7,152	11,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,152	11,617
Comprehensive income attributable to non-controlling interests	(0)	(0)

Consolidated Statement of changes in Shareholders' Equity - 1

Previous Term (From April 1,2021 to March 31,2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,021	22,638	(2,155)	(5,342)	40,161
Cumulative effects of changes in accounting policies			(67)		(67)
Restated balance	25,021	22,638	(2,222)	(5,342)	40,094
Changes during period					
Dividends of surplus			(1,841)		(1,841)
Profit attributable to owners of parent			3,937		3,937
Disposal of treasury shares		3,059		5,342	8,401
Purchase of treasury shares				(2)	(2)
Net changes in items other than shareholders' equity					—
Total changes during period	—	3,059	2,095	5,340	10,495
Balance at end of period	25,021	25,697	(126)	(2)	50,590

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	—	—	(138)	654	515	215	0	40,892
Cumulative effects of changes in accounting policies					—			(67)
Restated balance	—	—	(138)	654	515	215	0	40,825
Changes during period								
Dividends of surplus					—			(1,841)
Profit attributable to owners of parent					—			3,937
Disposal of treasury shares					—			8,401
Purchase of treasury shares					—			(2)
Net changes in items other than shareholders' equity	0	0		3,213	3,214	67	0	3,282
Total changes during period	0	0	—	3,213	3,214	67	0	13,778
Balance at end of period	0	0	(138)	3,867	3,730	282	0	54,603

Consolidated Statement of changes in Shareholders' Equity - 2

Previous Term (From April 1,2022 to March 31,2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	25,021	25,697	(126)	(2)	50,590
Cumulative effects of changes in accounting policies					—
Restated balance	25,021	25,697	(126)	(2)	50,590
Changes during period					
Dividends of surplus			(2,103)		(2,103)
Profit attributable to owners of parent			9,737		9,737
Purchase of treasury shares				(3,501)	(3,501)
Issuance of new shares - exercise of share acquisition rights	305	305			610
Net changes in items other than shareholders' equity					—
Total changes during period	305	305	7,633	(3,501)	4,741
Balance at end of period	25,326	26,002	7,506	(3,503)	55,331

	Accumulated other comprehensive income					Share acquisition rights	Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of period	0	0	(138)	3,867	3,730	282	0	54,603
Cumulative effects of changes in accounting policies					—			—
Restated balance	0	0	(138)	3,867	3,730	282	0	54,603
Changes during period								
Dividends of surplus					—			(2,103)
Profit attributable to owners of parent					—			9,737
Purchase of treasury shares					—			(3,501)
Issuance of new shares - exercise of share acquisition rights					—			610
Net changes in items other than shareholders' equity	6	(1)	—	1,874	1,880	(44)	(0)	1,835
Total changes during period	6	(1)	—	1,874	1,880	(44)	(0)	6,577
Balance at end of period	7	(0)	(138)	5,742	5,610	237	0	61,180

Consolidated Statement of Cash Flow

(Millions of yen)

	Previous Term (From April 1, 2021 to March 31, 2022)	Current Term (From April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	4,272	15,038
Depreciation	16,445	19,823
Impairment losses	1,679	1,329
Loss on store closings	192	—
Interest and dividend income	(11)	(25)
Interest expenses	828	818
Share issuance costs	338	—
Loss on retirement of non-current assets	128	406
Share of loss (profit) of entities accounted for using equity method	1	(141)
Subsidy income	(7,931)	(213)
Penalty income	(907)	—
Decrease (increase) in trade receivables	(235)	(604)
Decrease (increase) in inventories	(126)	(617)
Increase (decrease) in trade payables	(14)	147
Increase (decrease) in contract liabilities	2,084	236
Decrease (increase) in consumption taxes refund receivable	840	—
Increase (decrease) in accrued consumption taxes	317	1,346
Other, net	2,210	286
Subtotal	20,113	37,833
Interest and dividends received	7	51
Interest paid	(854)	(827)
Subsidies received	7,931	213
Penalty received	907	—
Income taxes refund	668	7
Income taxes paid	(468)	(1,448)
Net cash provided by (used in) operating activities	28,304	35,830
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,259)	(11,830)
Payments for asset retirement obligations	(110)	—
Purchase of shares of subsidiaries and associates	(1,257)	—
Payments of guarantee deposits	(99)	(150)
Proceeds from refund of guarantee deposits	253	69
Net cash provided by (used in) investing activities	(8,473)	(11,911)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	—	100
Repayments of lease obligations	(9,601)	(11,051)
Repayments of long-term borrowings	(16,531)	(25,696)
Redemption of bonds	(1,192)	(342)
Proceeds deposits received	1,836	—
Proceeds from exercise of employee share options	—	485
Proceeds from share issuance to non-controlling shareholders	0	0
Purchase of treasury shares	(2)	(3,501)
Proceeds from sale of treasury shares	8,029	—
Dividends paid	(1,841)	(2,103)
Net cash provided by (used in) financing activities	(19,302)	(42,110)
Effect of exchange rate change on cash and cash equivalents	936	982
Net increase (decrease) in cash and cash equivalents	1,464	(17,209)
Cash and cash equivalents at beginning of period	44,851	46,316
Cash and cash equivalents at end of period	46,316	29,106