



ROUND ONE Corporation

FY2025.3 2Q Financial Results Presentation

November 11, 2024

Event Summary

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[Venue]	Webcast	
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[Participants]		
[Number of Speakers]	3	
	Masahiko Sugino	President and Chief Executive Officer
	Shinji Sasae	Executive Vice President
	Jun Okamoto	Director and Chief Financial Officer and General Manager of Administration
[Analyst Names]*	Hirofumi Oda	SMBC Nikko Securities

*Analysts that SCRIPTS Asia was able to identify from the audio who spoke during Q&A or whose questions were read by moderator/company representatives.

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Presentation

Moderator: Good afternoon, everyone. Now, it is time to begin ROUND ONE Corporation's earnings call for investors.

The briefing will be held in a hybrid format with live-streaming in addition to the on-site session.

First, I would like to introduce attendees from the Company. Mr. Masahiko Sugino, President and Chief Executive Officer.

Sugino: I am pleased to be here.

Moderator: Mr. Shinji Sasae, Executive Vice President.

Sasae: Thank you.

Moderator: Mr. Jun Okamoto, Director, CFO and General Manager of Administration.

Okamoto: Thank you.

Moderator: After the remarks from President Sugino, we will have a Q&A session, starting from questions at the venue. After that, we will be happy to take questions from those who are participating online. Online questions are accepted via chat. Please specify your name and affiliate. Questions may be posted during the presentation.

Mr. Sugino, please go ahead.

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Analysis of consolidated operating results FY2025.3 2Q Actual [Year-on-year]

ROUND1

[Unit ¥bn] * Figures below ¥10 million are truncated. Percentage is rounded off to one decimal place.

	Unit	FY2024.3 Actual [2023.4-2023.9]	FY2025.3 Actual [2024.4-2024.9]	Dif.(%)
Total stores at the end of term ①	Store	152	156	+2.6
No. of all stores' operating months ①	Month	909	927	+2.0

P/L	Bowling	13.02	14.25	+9.5
	Amusement	46.30	51.52	+11.3
	Karaoke, Food	7.47	8.86	+18.5
	Spo-cha	8.35	9.61	+15.1
	Others	1.67	1.77	+5.9
	Total sales	76.83	86.03	+12.0
	Cost of sales	63.74	70.07	+9.9
	Gross profit	13.08	15.96	+22.0
	S.G.A. expenses	2.60	2.95	+13.1
	Operating profit	10.47	13.00	+24.2
	Non-operating income & expenses	0.03	(0.18)	—
	Ordinary profit ②	10.51	12.82	+21.9
	Ordinary profit margin	13.7%	14.9%	—
	Extraordinary income & loss ③	0.59	(0.10)	—
	Profit before income taxes	11.11	12.71	+14.4
	Income taxes	3.32	4.02	+21.2
	Profit	7.78	8.68	+11.5

① [Differ in number]

Store : Japan 1 store opened and 1 store closed
The USA 5 stores opened and 1 store closed
Operating months : Japan +3 months, The USA +15 months

② [Ordinary profit] ※

FY2024.3 2Q Actual	Ordinary profit	¥10.51bn
◆ Japan Ordinary profit & loss		+¥1.14bn
■ [breakdown]		
Increase in Sales		+¥2.87bn
Increase in Personnel exp.		¥(0.66)bn
Increase in Repair exp.		¥(0.25)bn
Increase in Promotion exp.		¥(0.22)bn
Increase in Lease Fee for amusement machines		¥(0.20)bn
Increase in Amusement prize exp.		¥(0.14)bn
Increase in Other exp.		¥(0.26)bn
◆ The USA Ordinary profit & loss		+¥1.36bn
■ [breakdown]		
Increase in existing stores profit		+¥0.18bn
Increase in profit due to increase in number of operating months		+¥1.00bn
Increase in initial investment		¥(0.29)bn
Effect of exchange rate fluctuations		+¥0.47bn
◆ China and Other		¥(0.19)bn
FY2025.3 2Q Actual	Ordinary profit	¥12.82bn

※ Ordinary profit is compared excluding royalty.
Royalty from The USA is ¥1.72bn.

③ [Extraordinary income & loss breakdown]

FY2024.3 2Q Actual	Extraordinary income & loss	¥(0.59)bn
· Impairment loss		¥(0.06)bn
· Loss on retirement of non-current assets, etc.		¥(0.21)bn
· Gain on sale of shares of associates		¥0.15bn
· Compensation income		¥0.72bn
FY2025.3 2Q Actual	Extraordinary income & loss	¥(0.10)bn
· Loss on retirement of non-current assets, etc.		¥(0.10)bn

-1-

Sugino: I will spend about 30 minutes to review the financial results for 1st half of the fiscal year ending March 31, 2025, and share with you the future prospects. As usual, I will walk you through these materials.

Here are the results for 1st half. The number of stores itself increased, with a net addition of four stores. The number of operating months increased by 18, which means that 1.5-equivalent stores contributed to the total. Total sales for 1st half were JPY 86 billion compared to JPY 76.8 billion in 1st half of the previous year, operating profit was JPY 13 billion compared to JPY 10.47 billion, ordinary profit was JPY 12.8 billion compared to JPY 10.51 billion, and net profit was JPY 8.68 billion compared to JPY 7.78 billion.

Factors are listed on the right as a breakdown. Naturally, various costs increased in both Japan and the US, especially variable costs for crane game machines and prize items at amusement arcades. However, the topline, and same store sales were very strong, resulting in steady performance.

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Analysis of consolidated operating results FY2025.3 2Q Actual [Comparison with Plan]



[Unit ¥bn] ※ Figures below ¥10 million are truncated. Percentage is rounded off to one decimal place.

	Unit	FY2025.3 Plan [2024.4-2024.9]	FY2025.3 Actual [2024.4-2024.9]	Dif.(%)
Total stores at the end of term ①	Store	158	156	(1.3)
No. of all stores' operating months ①	Month	929	927	(0.2)

P/L	Bowling	13.83	14.25	+3.0
	Amusement	50.05	51.52	+2.9
	Karaoke, Food	8.43	8.86	+5.1
	Spo-cha	9.02	9.61	+6.4
	Others	1.67	1.77	+5.9
	Total sales	83.03	86.03	+3.6
	Cost of sales	68.23	70.07	+2.7
	Gross profit	14.79	15.96	+7.9
	S.G.A. expenses	3.05	2.95	(3.4)
	Operating profit	11.74	13.00	+10.8
	Non-operating income & expenses	(0.29)	(0.18)	—
	Ordinary profit ②	11.45	12.82	+12.0
	Ordinary profit margin	13.8%	14.9%	—
	Extraordinary income & loss ③	(0.13)	(0.10)	—
	Profit before income taxes	11.31	12.71	+12.4
	Income taxes	3.54	4.02	+13.6
	Profit	7.76	8.68	+11.9

① [Differ in number]

Store : Japan (1 Store) The USA (1 Store)
Operating months : Japan (2 months)

② [Ordinary profit] ※

FY2025.3 2Q Plan	Ordinary profit	¥11.45bn
◆ Japan Ordinary profit & loss		+¥1.50bn
■ [Breakdown]		
Increase in Sales		+¥1.76bn
Decrease in Depreciation exp.		+¥0.27bn
Increase in Repair exp.		¥(0.34)bn
Increase in Amusement prize exp.		¥(0.18)bn
Increase Personnel exp.		¥(0.14)bn
Decrease in Other exp.		+¥0.13bn
◆ The USA Ordinary profit & loss		¥(0.27)bn
■ [Breakdown]		
Decrease in existing stores profit		¥(0.77)bn
Increase in new stores profit		+¥0.18bn
Effect of exchange rate fluctuations, etc.		+¥0.32bn
◆ China and Other		+¥0.14bn
FY2025.3 2Q Actual	Ordinary profit	¥12.82bn

※ Ordinary profit is compared excluding royalty.
Royalty from The USA is ¥1.72bn.

③ [Extraordinary income & loss breakdown]

FY2025.3 2Q Plan Extraordinary income & loss ¥(0.13)bn
· Loss on retirement of non-current assets, etc. ¥(0.13)bn
FY2025.3 2Q Actual Extraordinary income & loss ¥(0.10)bn
· Loss on retirement of non-current assets, etc. ¥(0.10)bn

-2-

Page two shows an analysis of consolidated operating results against the plan. Operating profit was approximately JPY 1.3 billion higher than the plan. Ordinary profit exceeded the plan by a little less than JPY 1.4 billion. Net profit is also above the plan by around JPY 900 million. However, the amount of upswing itself was not that large enough to revise the plan. Therefore, we made no revisions this time. When it becomes necessary to revise it, we will make an announcement such as upward revision etc. Of course, we will do our best to make that happen.

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FY2025.3 Consolidated plan [Store openings and closings, P/L]



No change since the disclosure data on May 8, 2024.

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

		Unit	FY2025.3 Plan				
			Consolidated	Japan ※1	The USA	China	Delicious
Stores	Opening	Store	13	4	8	1	—
	Closing	Store	1	—	1	—	—
	Total at the end of term	Store	165	103	57	5	—
	No. of all stores' operating months	Month	1,894	1,213	631	50	—
P/L	Bowling	¥bn	28.61	22.11	6.34	0.15	—
	Amusement	¥bn	103.05	49.52	51.94	1.58	—
	Karaoke, Food	¥bn	17.77	8.03	9.65	0.08	—
	Spo-cha	¥bn	18.44	16.20	1.78	0.45	—
	Others	¥bn	3.43	3.43	—	0.00	—
	Total sales	¥bn	171.31	99.30	69.73	2.27	—
	Operating profit	¥bn	25.70	12.90	14.12	(0.32)	(1.00)
	Ordinary profit ※2	¥bn	25.06	12.65	13.83	(0.42)	(1.00)
	Ordinary profit margin	%	14.6%	12.7%	19.8%	—	—
	Extraordinary income & loss ※3	¥bn	(0.28)	(0.16)	(0.12)	—	—
	Profit before income taxes	¥bn	24.78	12.49	13.71	(0.42)	(1.00)
	Income taxes	¥bn	7.78	5.09	2.68	—	—
	Profit	¥bn	17.00	7.40	11.03	(0.42)	(1.00)

Note ※1 ROUND ONE Corporation transitioned to a holding company structure on April 1, 2024.
Japan plan includes ROUND ONE Corporation and ROUND ONE JAPAN Corporation.
※2 Ordinary profit of Japan and The USA is shown excluding royalty.
Ordinary profit including royalty : Japan ¥16.14bn, The USA ¥10.35bn
※3 Extraordinary income & loss : Loss on retirement of non-current assets, etc. ¥(0.28)bn

Forex : 1 USD = 145.00 JPY, 1 CNY = 20.00 JPY

-3-

Therefore, the initial plan has not been revised this time. For the current fiscal year, we are forecasting sales of JPY 171.3 billion, ordinary profit of JPY 25.06 billion, and net profit of JPY 17 billion.

Excluding royalty, we currently target non-consolidated ordinary profit of JPY 12.6 billion in Japan and JPY 13.8 billion in North America.

As for China, an impairment loss was recorded in the previous fiscal year. One of the four stores is profitable and three are in the red. In the future, we plan to open about one small store in China in the current or next fiscal year as a test. In principle, if the operating cash flow does not turn positive after the impairment process for the four unprofitable stores, we will consider reducing their size slightly or closing them.

As for ROUND ONE Delicious, the restaurant business, we plan to acquire about 30 top-notch Japanese-cuisine restaurants as our merchants and offer their cuisine in North America from July through the end of the next year. The rollout will consist of four or five units (about 30 restaurants), with five to six restaurants in each unit. The plan includes approximately JPY1 billion in costs for hiring and training chefs and local staffs, as a negative factor. Again, the initial plan itself has not been revised in any way.

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**[Japan] Sales and Year-on-year comparison of existing stores
[Actual and Plan]**



[Japan] Sales [Actual and Plan]

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

	Unit	1Q		2Q		1st half			3Q	4Q	2nd half	Term
		Actual	Plan	Actual	Dif.(%)	Plan	Actual	Dif.(%)	Plan	Plan	Plan	Plan
Bowling	¥bn	5.29	5.56	5.77	+3.9	10.69	11.07	+3.5	4.87	6.54	11.42	22.11
Amusement	¥bn	11.29	13.53	13.89	+2.6	24.59	25.18	+2.4	11.59	13.33	24.92	49.52
Karaoke	¥bn	1.94	2.19	2.19	+0.2	4.08	4.14	+1.5	1.81	2.13	3.94	8.03
Spo-cha	¥bn	3.79	4.26	4.73	+11.2	7.89	8.53	+8.1	3.14	5.17	8.31	16.20
Others	¥bn	0.85	0.85	0.91	+6.7	1.67	1.77	+5.9	0.78	0.96	1.75	3.43
Total sales	¥bn	23.18	26.41	27.52	+4.2	48.94	50.71	+3.6	22.20	28.15	50.36	99.30
Total stores at the end of each term		100	101	100	—	101	100	—	102	103	103	103

[Japan] Year-on-year comparison of existing stores [Actual and Plan]

※ Percentage is rounded off to one decimal place.

	Unit	1Q		2Q		1st half			3Q	4Q	2nd half	Term
		Actual	Plan	Actual	Dif.(%)	Plan	Actual	Dif.(%)	Plan	Plan	Plan	Plan
Bowling	%	+10.3	+4.8	+8.9	+4.1	+5.8	+9.6	+3.8	+2.8	+3.4	+3.1	+4.4
Amusement	%	+0.1	(0.6)	+3.6	+4.2	(1.5)	+2.0	+3.5	(3.4)	(1.9)	(2.6)	(2.0)
Karaoke	%	+10.1	+7.4	+7.5	+0.1	+7.2	+8.7	+1.5	+3.1	+0.4	+1.6	+4.4
Spo-cha	%	+8.9	+7.0	+19.0	+12.0	+5.7	+14.3	+8.6	(3.7)	+0.0	(1.4)	+1.9
Others	%	+8.2	+3.1	+10.0	+6.9	+3.1	+9.1	+6.0	+2.0	+2.7	+2.4	+2.7
Total sales	%	+4.8	+2.5	+7.6	+5.1	+2.1	+6.3	+4.2	(1.4)	+0.0	(0.6)	+0.7
No. of Sat./Sun./Holidays over previous year	Days	±0	±0	±0	—	±0	±0	—	(2)	±0	(2)	(2)
Total existing stores at the end of each term		98	99	99	—	99	99	—	99	99	99	99

-4-

Here is the performance of 1st half and outlook for 2nd half on domestic same-store sales. For now, we are assuming a slight year-on-year decline or flattish level for almost all store formats in 2nd half.

Monthly sales for October were released late last week, in which domestic sales increased approximately 4% while sales in North America increased approximately 6%, both on a real term basis. For Japan, we raised prices last November and the YoY comparison hurdle is increasing. Therefore, we assume that domestic sales in November will be about the same as last year.

In Japan, we hope to raise prices where we can toward the next fiscal year, but the current environment does not allow us to raise prices so easily. However, since costs have increased considerably, especially labor costs, if there are areas where we can revise prices at some point, we will have to consider a slight price increase, although we have not decided which items will be subject to such an increase.

Also, we are actively introducing mini-crane game machines, etc. Right now, our stores have a lot of big crane game machines in both Japan and the US, but we are planning to add more mini-crane game machines that will allow our guests to take small mascots and plush toys. We are proceeding to install an average of about 100 mini-crane game machines per store in both Japan and the US by next summer, and we believe this will support our business performance.

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**[The USA] Sales and Year-on-year comparison of existing stores
[Actual and Plan]**



[The USA] Sales [Actual and Plan]

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

	Unit											Term
		1Q		2Q		1st half			3Q	4Q	2nd half	
		Actual	Plan	Actual	Dif.(%)	Plan	Actual	Dif.(%)	Plan	Plan	Plan	
Bowling	¥bn	1.55	1.58	1.57	(0.4)	3.06	3.13	+2.3	1.48	1.80	3.28	6.34
Amusement	¥bn	12.42	12.85	13.31	+3.5	24.72	25.73	+4.1	11.84	15.37	27.21	51.94
Food, Party, etc.	¥bn	2.34	2.21	2.33	+5.2	4.30	4.68	+8.8	2.40	2.94	5.34	9.65
Spo-cha	¥bn	0.45	0.44	0.43	(2.4)	0.89	0.89	(0.8)	0.39	0.49	0.88	1.78
Total sales	¥bn	16.78	17.10	17.65	+3.2	32.99	34.44	+4.4	16.12	20.61	36.73	69.73
Total stores at the end of each term		51	53	52	—	53	52	—	54	57	57	57

※ Forex : Plan 1 USD = 145.00 JPY Actual 1 USD = 152.77 JPY

[The USA] Year-on-year comparison of existing stores [Actual and Plan]

※ Figures are calculated in USD.
※ Percentage is rounded off to one decimal place.

	Unit											Term
		1Q	2Q			1st half			3Q	4Q	2nd half	
		Actual	Plan	Actual	Dif.(%)	Plan	Actual	Dif.(%)	Plan	Plan	Plan	
Bowling	%	(0.4)	+3.8	(2.8)	(6.6)	+3.4	(1.6)	(5.0)	+2.6	+2.0	+2.3	+2.8
Amusement	%	+1.3	+2.7	(1.5)	(4.2)	+2.9	(0.1)	(3.0)	+3.4	+3.1	+3.2	+3.1
Food, Party, etc.	%	+13.2	+8.5	+8.5	+0.0	+8.0	+10.8	+2.8	+6.9	+6.4	+6.6	+7.2
Spo-cha	%	(0.3)	+5.0	+3.8	(1.2)	+4.7	+1.8	(2.9)	+4.2	(0.0)	+1.6	+3.0
Total sales	%	+2.6	+3.6	(0.2)	(3.8)	+3.7	+1.2	(2.5)	+3.8	+3.4	+3.6	+3.6
Total existing stores at the end of each term		47	47	47	—	47	47	—	47	48	48	48

-5-

Here are the sales results and plans for North America. Currently, on a same store basis, we are in a slightly negative trend. However, as I mentioned, October saw a YoY increase of 6% in real terms, and although it is on a downward trend, it seems to have recovered a little.

Of course, we are not optimistic. The continuation of the trend on rate cuts to curb the inflation means that the US is likely to see a recession next year, as in the case of the past. Therefore, we are closely monitoring the unemployment rate. If the US enters a recession with the worst-case scenario of 5% or more unemployment rate, our business could be heavily affected.

Regarding consumer spending,, we have to expect quite a harsh environment as the growing number of populations are falling under low-creditworthiness category. The CPI index fell substantially, but still up by around 2% YoY, indicating continued inflationary trend. Therefore, we must operate our business with an awareness that such a trend can last for a long time and then suddenly become quite severe.

In that sense, one option is to increase the number of crane game machines, although we may not have many quick-win measures. The operating environment in North America is challenging, but we intend to increase the number of crane game machines in the US, which is something we are actively pursuing in Japan. Since the number in the US is still small, we can expect an uplift effect via net additions. Right now, we have only several hundred units, but sales are increasing, so we plan to install between 1,200 to 1,300 units by the end of the year, and up to 4,000 units by next July. Therefore, we hope that this will support our sales, as a considerable number of crane game machines will be in full operation during the next fiscal year.

Another catalyst is our ability to open stores sequentially, which was totally stalled or restricted during COVID. The new stores we had planned two years ago at the end of the pandemic are now opening one after another. However, it is not possible to open new stores quickly, and it is likely that we will probably only open about 10

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new stores in the next fiscal year. From the following year after next fiscal year, we plan to fully accelerate the store opening. Hopefully, we would like to open stores at the pace of 15 to 20 per year, from FY2027.3.

In North America, we also plan to open new stores with food halls, or so-called food courts, in addition to ROUND ONE Delicious business that we are currently pursuing. Our food court will house 14 Grade B, Grade C gourmet restaurants such as Japanese ramen, curry, and kushikatsu as one unit. They will be located next to the newly opened Round1 store. These will be among the best Grade B, Grade C gourmet restaurants in Japan, ranking quite high in restaurant guides and Tabelog, a consumer review site. We currently plan to roll out two units with 14 restaurants per each to the first food court-integrated store of Round1 in next winter.

Historically, the food court sales at Round1 in the US have averaged about JPY200 million per outlet. Pizza, hot dogs, and of course beer are the main items of sales. We plan to develop new form of store by replacing them with Grade B, Grade C Japanese gourmet.

Since we will be leveraging a central kitchen system, we are considering four areas: greater Los Angeles, the state of New York, Texas and Florida. Whenever we open a new Round1 store within approximately three hours of the central kitchen, we plan to attach a food court. We will promote this initiative and see if it works.

Sales at food courts in shopping malls in North America have remained stagnant even before the pandemic. There used to be about six food stores that mainly served lunch, mainly hamburgers and Chinese food at about \$15 per guest, but two of the seven food stores had been closed before the pandemic, leaving only four or five. During the pandemic, that number came down further.

However, sales of Round1 have been steady at locations where food courts in the malls are properly operated. Especially when our store is located near a shopping mall with a thriving food court, the synergy is even greater. The same trend is seen in shopping malls in Japan. We aim to drive sales while operating our own food court.

Everything will be operated in a central kitchen where more than 90% of the preparation process will be completed except for the finishing touch that will be made onsite by part-time staffs who have been trained for several weeks. We intend to establish the kind of service format of Round1 over the medium to long term.

Until now, we have considered the food court to be a rather low priority, just as part of Amusement. We have been opening stores in the US for 14 years in order to catch up with our competitor, Dave & Buster's. They primarily focus on sports bars, and their menus are relatively sophisticated, with food and beverage now accounting for over 40% of sales. However, we have not focused much on that area and have only been offering simple dishes that only requires microwave or fryers to prepare. From now on, we are determined to focus on the food court business with full-fledged operations.

As for capital investment, we will only expand the food court. There will be additional costs for building a central kitchen, but this will only be done once, so the amount of capital investment will not increase significantly. As for how much we can increase sales, we can't forecast until we have opened the first store, but we have high expectations.

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FY2025.3 Consolidated cash flow plan



No change since the disclosure data on May 8, 2024.

※ Figures below ¥10 million have been truncated.

	Unit	FY2024.3 Actual	FY2025.3 Plan
Cash	Profit before income taxes	¥bn 23.11	24.78
	Payment for income taxes	¥bn (1.45)	(9.22)
	Increase/Decrease in others	¥bn +2.10	+1.12
	Dividends paid	¥bn (3.41)	(4.18)
	Depreciation	¥bn +21.06	+22.64
	Payment for lease obligations	¥bn (11.81)	(11.80)
	Simplified cash flow	¥bn 29.60	23.34
	Equipment investment [excluding finance lease] ①	¥bn (15.51)	(27.29)
	Simplified free cash flow	¥bn 14.08	(3.94)
	Cash reserve	¥bn 36.46	36.11
	Interest-bearing debt [excluding lease obligations]	¥bn 22.23	25.83
	Net interest-bearing debt	¥bn (14.22)	(10.27)

Note ① Breakdown of equipment investment Actual for FY2024.3 ¥(15.51)bn
 ◆ New stores : ¥(8.17)bn [Japan : ¥(0.20)bn, Abroad : ¥(7.97)bn]
 ◆ Existing stores : ¥(7.34)bn [Japan : ¥(2.23)bn, Abroad : ¥(5.10)bn]
 Breakdown of equipment investment Plan for FY2025.3 ¥(27.29)bn
 ◆ New stores : ¥(17.46)bn [Japan : ¥(0.60)bn, Abroad : ¥(16.86)bn]
 ◆ Existing stores : ¥(9.82)bn [Japan : ¥(2.46)bn, Abroad : ¥(7.35)bn]

-6-

Please see page six. The cash flow plan remains unchanged since last time.

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Trend in assets [Consolidated]

ROUND1

No change since the disclosure data on May 8, 2024.

※ Figures below ¥100 million are truncated.
※ Percentage is rounded off to one decimal place.

FY	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3 Plan
Total assets	¥101.7bn	¥106.8bn	¥117.3bn	¥135.8bn	¥150.5bn	¥157.6bn	¥170.6bn	¥185.4bn	¥237.8bn
Net assets	¥50.8bn	¥56.7bn	¥62.6bn	¥65.1bn	¥40.8bn	¥54.6bn	¥61.1bn	¥70.5bn	¥83.3bn
Equity ratio	50.0%	53.0%	53.3%	47.8%	27.0%	34.4%	35.7%	37.9%	34.9%
Cash reserve	¥20.1bn	¥23.4bn	¥22.5bn	¥34.5bn	¥44.8bn	¥46.3bn	¥29.1bn	¥36.4bn	¥36.1bn
Interest-bearing debt	¥16.4bn	¥13.7bn	¥13.5bn	¥27.4bn	¥67.2bn	¥49.5bn	¥23.5bn	¥22.2bn	¥25.8bn
Net interest-bearing debt ①	¥(3.7)bn	¥(9.7)bn	¥(9.0)bn	¥(7.1)bn	¥22.3bn	¥3.1bn	¥(5.5)bn	¥(14.2)bn	¥(10.2)bn
Lease obligations [excluding lease obligations related to IFRS 16 and ASC Topic 842.]	¥17.9bn	¥15.5bn	¥19.0bn	¥18.2bn	¥14.9bn	¥16.9bn	¥19.9bn	¥18.2bn	¥14.6bn
Net interest-bearing debt ② including lease obligations	¥14.2bn	¥5.8bn	¥10.0bn	¥11.1bn	¥37.3bn	¥20.1bn	¥14.4bn	¥4.0bn	¥4.3bn
New lease contract amount	¥10.9bn	¥8.0bn	¥13.0bn	¥9.4bn	¥5.9bn	¥12.5bn	¥12.4bn	¥10.2bn	¥8.1bn

Note ① "Net interest-bearing debt" ... "Interest-bearing debt" - "Cash reserve"

② "Net interest-bearing debt including lease obligations" ... "Net interest-bearing debt" + "Lease obligations
[excluding lease obligations related to IFRS 16 and ASC Topic 842]"

※ The lease above indicates finance lease for amusement machines and karaoke machines, except lease obligations related to IFRS 16 and ASC Topic 842.

-7-

Trend in Income statement status

ROUND1

[Consolidated] Trend in IS

[Unit: ¥bn] ※ Figures below ¥100 million are truncated. Percentage is rounded off to one decimal place.

FY	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3 Plan
Total stores at the end of term	122	122	129	137	144	145	149	152	154	165
Total sales	83.5	87.7	95.9	101.3	104.7	60.9	96.4	142.0	159.1	171.3
Ordinary profit	5.4	5.8	10.2	11.2	8.7	(19.8)	5.3	16.6	24.3	25.0
Ordinary profit margin	6.5%	6.7%	10.7%	11.1%	8.3%	—	5.6%	11.7%	15.3%	14.6%
Profit	0.4	2.7	8.4	7.1	4.7	(17.9)	3.9	9.7	15.6	17.0
Adjusted EBITDA ①	17.8	18.6	22.3	23.9	23.1	(3.8)	14.2	36.3	44.9	48.1
ROI ②	5.9%	6.8%	12.0%	12.4%	8.5%	—	4.7%	18.6%	24.2%	21.4%
ROE ③	0.9%	5.4%	15.6%	12.0%	7.5%	—	8.3%	16.9%	23.9%	22.1%
ROA ④	0.4%	2.7%	8.1%	6.4%	3.8%	—	2.6%	5.9%	8.8%	8.0%
DOE ⑤	3.8%	3.8%	3.6%	3.2%	3.0%	3.4%	4.2%	4.3%	5.5%	6.4%

① Adjusted EBITDA calculation: Operating profit + Depreciation of assets other than ROU
② ROI calculation: Ordinary profit ÷ [(Net assets at the beginning of term + Net assets at the end of term) ÷ 2] + [(Interest-bearing debt including lease obligations at the beginning of term + Interest-bearing debt including lease obligations at the end of term) ÷ 2]
③ ROE calculation: Profit ÷ [(Equity at the beginning of term + Equity at the end of term) ÷ 2]
④ ROA calculation: Profit ÷ [(Total assets at the beginning of term + Total assets at the end of term) ÷ 2]
⑤ DOE calculation: Dividend ÷ [(Shareholders' equity at the beginning of term + Shareholders' equity at the end of term) ÷ 2]

[Japan] Trend in IS

FY	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3 Plan
Total stores at the end of term	113	107	108	105	103	100	99	99	100	103
Total sales	78.3	80.5	84.3	84.9	84.2	53.3	63.7	89.8	97.9	99.3
Ordinary profit	5.0	5.3	9.2	9.6	8.8	(11.4)	2.1	6.4	13.8	12.6
Ordinary profit margin	6.5%	6.6%	11.0%	11.4%	10.5%	—	3.4%	7.2%	14.1%	12.7%
Profit	0.2	2.8	7.5	6.4	5.3	(9.8)	1.3	2.7	8.5	7.4

[The USA] Trend in IS

FY	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3 Plan
Total stores at the end of term	9	15	21	32	41	44	46	49	50	57
Total sales	5.1	7.2	11.5	16.3	20.5	7.6	32.1	51.3	59.5	69.7
Ordinary profit	0.3	0.5	0.9	1.5	0.0	(7.6)	4.5	11.4	11.2	13.8
Ordinary profit margin	6.7%	7.1%	8.7%	9.4%	0.2%	—	14.1%	22.3%	18.9%	19.8%
Profit	0.2	(0.1)	0.8	0.7	(0.4)	(7.4)	3.0	8.9	8.9	11.0

-8-

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This is the Trend in Income statement status. There is no particular change in this page. It shows the performance of past profit, sales and various KPI . ROI, ROE, and ROA have all shown quite high numbers. In order to improve these more, we believe that it is essential to improve the profit margin, particularly in North America. At the moment, we think that profitability has a good trend.

However, if there is a chance to improve, it is profitability. We will make efforts to raise profitability in North America to 20% or more in the future.

[Japan] Trend in year-on-year sales comparison of existing stores

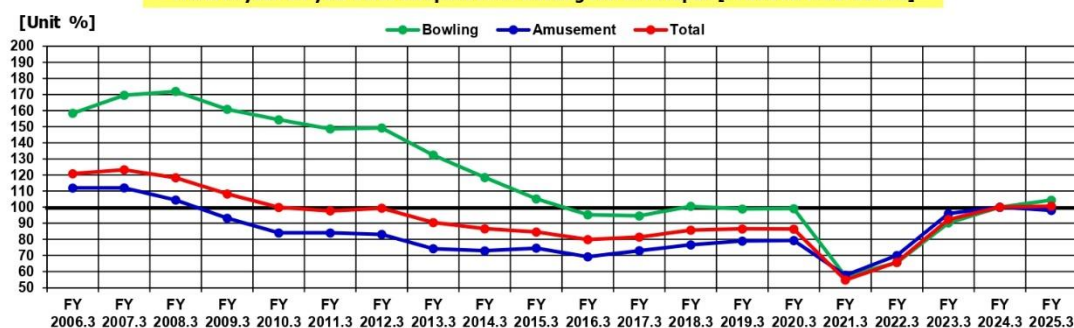


No change since the disclosure data on May 8, 2024.

[Unit %]

FY	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	2020.3	2021.3	2022.3	2023.3	2024.3	2025.3 Plan
Bowling	+7.1	+1.4	(6.5)	(4.0)	(3.7)	+0.4	(11.3)	(10.5)	(11.2)	(9.4)	(0.7)	+6.2	(1.6)	+0.2	(42.2)	+14.5	+37.5	+10.9	+4.4
Amusement	+0.1	(6.8)	(10.8)	(9.8)	+0.0	(1.1)	(10.7)	(1.7)	+2.2	(7.2)	+5.5	+5.0	+3.1	+0.4	(27.2)	+21.2	+37.1	+4.2	(2.0)
Karaoke	+4.0	(1.2)	(7.3)	(13.1)	+3.4	+15.8	(3.7)	(1.8)	+0.4	(7.4)	+0.6	+1.6	(0.7)	(1.3)	(52.0)	+6.1	+82.7	+17.1	+4.4
Spo-cha	—	(16.1)	(9.8)	(9.2)	(4.5)	+7.5	+0.2	+5.1	+3.7	+5.0	(2.5)	+8.1	(0.4)	(3.8)	(49.6)	+41.3	+44.0	+14.2	+1.9
Others	(9.2)	+13.2	+11.4	(3.9)	(14.5)	+1.3	(6.6)	(9.9)	(1.8)	+9.9	+1.2	+0.7	+1.9	+10.6	(22.5)	+0.3	+29.5	+11.3	+2.7
Total sales	+2.0	(4.0)	(8.5)	(7.7)	(2.2)	+1.7	(9.0)	(4.2)	(2.3)	(5.6)	+1.9	+5.3	+0.9	(0.1)	(36.6)	+20.2	+40.2	+8.3	+0.7
No. of existing stores	57	69	79	89	104	106	108	111	111	112	105	107	104	103	103	98	98	98	99

Trend in year-on-year sales comparison of existing stores in Japan [FY2024.3 is set as 100]



-9-

The following page shows trend in year-on-year sales comparison of existing stores in Japan.

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Measures taken for existing stores

[Japan] Measures taken for existing stores

- ◆ **Online events with "ROUND1 LIVE"** ◆
 - "Special Challenge", "ROUND1 Challenge" ... Bowling competitions with popular professional bowlers are held online.
 - "Remote Practice" ... Professional bowlers stream theme-based lessons every Monday through Friday.
 - "Fan Event" ... Bowling and Karaoke events hosted by idols and influencers are held online.
- ◆ **Campaigns for kids and elementary/junior high school students** ◆
 - "Complimentary Campaign for elementary/junior high school students" ... We host the campaigns for junior high school students or younger at Bowling, Karaoke and Amusement Medal areas.
 - "KIDS Remote Practice" ... We host complimentary bowling remote lessons for elementary/junior high school students.
- ◆ **Testing the introduction of charge card terminals for game machines** ◆
 - A prepaid charge system, which allows customers to pre-charge their cards with cash and play game machines, has been tested at 3 roadside and 2 downtown stores from March 2024.
 - Not available at medal exchangers.
- ◆ **Increase in the number of mini crane game machines** ◆
 - Approx. 4,000 mini crane game machines will be gradually increased by the end of the year.
 - As of the end of October 2024, approx. 2,000 units have already been installed.
- ◆ **Installment of new amusement machines** ◆
 - Card game "Minecraft Dungeons Arcade" (Konami Amusement) ... Operation is scheduled in mid-November.
- ◆ **Collaboration campaigns** ◆
 - Limited time collaboration campaigns with artists, anime, and others are being held at Bowling, Karaoke, and Spo-Cha. Customers get original items by purchasing collaboration drinks or collaboration packages.
 - Collaboration rooms for karaoke with 3-sided projectors are gradually being introduced.
 - Starting October 11, 2024, Round One Japan and Round One Entertainment are holding the collaboration campaign with hololive at the same time for the first time.

ROUND1



[Minecraft Dungeons Arcade]
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Mini crane game machines have been installed
in our U.S. stores.

[The USA] Measures taken for existing stores

- ◆ **Increase in the number of mini crane game machines** ◆
 - The number of mini crane game machines is to be increased by a total of approx. 4,000 units by the end of July 2025. As of the end of September 2024, approx. 500 units have already been installed.

-10-

This page shows measures taken for existing stores. The highlight is collaboration campaigns. For the past 10 years or so, we have been holding collaboration campaigns in Japan with Japanese idols, anime, mainly in Karaoke, Bowling. Some collaborations have been held in Spo-cha.

However, such campaigns have been held in Amusement in the past. Therefore, we have purchased anime and idol plush toys from some suppliers. This time, we decided to hold the collaboration campaign in Amusement. Especially, we haven't been able to expand the products of Japanese characters is still weak so much in the US. So, we will hold in collaboration campaigns in Japan and the US at the same time. We will make prizes of the collaborated characters such as plush toys and figures in order to increase sales in Amusement, especially North America..

In North America, guests charge funds to their charge cards to play the game. For example, they can charge USD50 in cash or via credit card to play the game. In Japan, they insert coins to play. The advantage of the charge card is that we are able to change the prizes incrementally, making adjustments such as price increases easy.

The effective campaign in this campaign, for example, if you charge 100 USD, you can get the right to purchase various items such as towels and other products featuring the Hololive VTuber characters. This time, you will receive the right to purchase towels and other products featuring the Hololive VTuber character.

We saw a large number of guests who were not regularly come to the store, and existing stores sales stimulated greatly. In the most recent week, sales increased by 16% compared to the same period in last year. The week before that, the growth rate was even higher. This successful campaign may only happen once in ten years. The collaboration campaign has achieved such great results simply by the Hololive characters. For this reason, we believe that exporting such products from Japan to the US and selling them in both markets

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will have a significant positive impact on our business results. We plan to hold in campaigns like this more positively. Charging USD 100, to the card may be unnecessary for guests who were not regularly play games, but the money is used not only to purchase goods, but also for the purpose of winning prizes at crane game machines. We make character-based items and supply them as prizes. A virtuous cycle is created in which the guests spend the money charged to win these prizes. In the future, we will positively implement the kind of collaboration campaigns in Japan and the US at the same time.

We also believe that sales of crane game machines in the US may expand even further if we can establish a system that allows us to promote Japanese characters and idols that are popular with Americans exclusively for the US market.

We would like to positively open new stores in the US with our strength of operating large stores and the overwhelming number of crane game machines we have. Probably by the end of next year, each store will have more than 200 crane game machines. You can see small locations in the US with one, or a couple of crane game machines, but we are the only operator that boasts such a scale. Our competitors do not have enough space to install bulk machines. We will continue to expand our North American business by taking our advantage.

ROUND ONE Delicious



The goal of ROUND ONE Delicious is to provide the same high quality of Japanese cuisine that is highly acclaimed in Japan to people overseas, so that people around the world can enjoy the taste of authentic Japanese cuisine.

At ROUND ONE Delicious, you can taste "authentic Japanese cuisine" of various genres.

To provide such enjoyment to customers, we will combine sushi, Japanese cuisine, Chinese cuisine, creative cuisine, yakitori, or tempura into a single unit, and begin opening stores in the U.S. in the summer of 2025.

◆ Store opening plan ◆

Our target is to open 150 stores [30 units] in 10 cities over the next five years, mainly in the U.S.

As a first step toward global expansion, we aim to open stores in major U.S. cities [New York, Los Angeles, San Francisco, Honolulu, Las Vegas, Chicago, Dallas, and Washington DC]. In the future, we plan to expand our business to Europe and around the world.

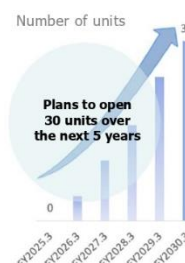
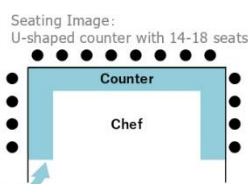
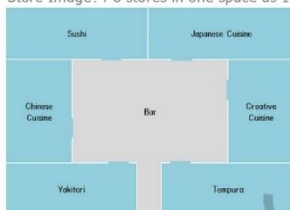


◆ Business plan per store ◆

- Investment amount: Approx. 450,000 USD
- Number of seats: 14-18 seats
- Operation: Open 360 days a year
- Average customer spend: 400-1,200 USD
- Annual customer attraction: 5,760 people
- Annual sales: 4 million USD
- Number of employees: 10 people [Store Manager/Chef/Part-time worker]

Chef training and other preparation costs will be incurred in the year prior to opening a unit.

Store Image: 4-8 stores in one space as 1 unit



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Next, I would like to talk about ROUND ONE Delicious. As I mentioned at the beginning, we plan to open around 30 restaurants by the third quarter of next year. we will open 4 to 8 restaurants per unit. And, we started training our chefs and staffs about 6 months ago. Over the next six months, we will continue to work with each merchant to hone their abilities and skills so that they can provide American guests with the same authentic experience as our flagship restaurants in Japan.

For this, we will have to see until opening the first unit, but we hear that some Japanese restaurants they charge high prices and be successful. Compared to these restaurants, our merchants are much highly evaluated in Japan. Many of them take one or two years to get the seats reserved. If we can provide the same authentic recipes in the US in similar forms, I think ROUND ONE Delicious will succeed and contribute to our earnings.

ROUND ONE Delicious - Cooperating merchants



[As of November 1]

Sushi	Innovative				
 鮨 あらい Sushi Anai Tokyo Ginza "The Tabelog Award 2024" Gold Awarded "Restaurant Guide 2020" 1 Star Awarded	 照寿司 TERUZUSHI Fukuoka Kitakyusyu "The Tabelog Award 2024" Bronze Awarded "Restaurant Guide 2014" Listed	 菊鮨 Kikuzushi Fukuoka Kasuga "The Tabelog Award 2024" Silver Awarded "Restaurant Guide 2019" 1 Star Awarded	 鮨駒 SUSHIKOMA Akita Yurihonjo "The Tabelog Award 2024" Silver Awarded	 蒼 Ao Tokyo Nishiazabu "The Tabelog Award 2024" Gold Awarded	 CHIUnE Tokyo Kioi "The Tabelog Award 2023" Gold Awarded
Japanese Cuisine	Tempura				
 銀座 しのはら Ginza Shinohara Tokyo Ginza "The Tabelog Award 2024" Gold Awarded "Restaurant Guide 2025" 2 Stars Awarded	 片折 Kataori Ishikawa Kanazawa "The Tabelog Award 2024" Gold Awarded "Restaurant Guide 2021" 2 Stars Awarded	 鈴田式 SUZUTASHIKI Tokyo Nishiazabu "The Tabelog Award 2023" Bronze Awarded	 成生 Naruse Shizuoka Aoi "The Tabelog Award 2024" Gold Awarded	 たきや Takiya Tokyo Azabujuban "The Tabelog Award 2024" Gold Awarded	 ぬまた Numata Osaka Kitashinchi "Restaurant Guide 2024" 2 Stars Awarded
Chinese Cuisine	Yakitori				
 銀座 上瀧 Ginza JOTAKI Tokyo Ginza "The Tabelog Award 2024" Bronze Awarded "Restaurant Guide 2014" 1 Star Awarded	 新島新神戸 Makitori Shinkobe Tokyo Akasaka "The Tabelog Award 2023" Gold Awarded	 鳥えん Torien New York "Restaurant Guide 2022" 1 Star Awarded	 吾一 Goichi Osaka Higobashi "Restaurant Guide 2018" Listed		

-12-

This is the list of member restaurants. Most of the restaurants that are not in the restaurant guide have returned their membership. They have returned their membership because they need to secure their reservation slots. They are able to fill their seats even without the restaurant guide, so they want to be free from various restrictions. If these restaurants were to open in North America, it would probably be a prerequisite to receive a high rating from restaurant guide, so we intend to appeal and promote their quality.

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Plans and Policies for new store openings



Plans for new store openings after April 2024

Country	Store Name [Tentative] / Region	Operating Floor Area	With Spo-cha	AM	With Food Hall	Opening Date
Japan	Machida Jorna / Machida, Tokyo	1,488㎡		●		Opened in April 2024
The USA	Las Vegas South Premium Outlets / Las Vegas, Nevada	2,428㎡		●		Opened in April 2024
	Plaza Bonita / National City, California	5,443㎡				Opened in June 2024
	Gurnee Mills / Gurnee, Illinois	6,551㎡				Opened in July 2024
	Mission Viejo / Mission Viejo, California	1,901㎡		●		Opened in November 2024
	Stonestown Galleria / San Francisco, California	4,837㎡				Scheduled to open in November 2024
	The Mills at Jersey Gardens / Elizabeth, New Jersey	3,830㎡				Scheduled to open in February 2025
	Deerbrook / Humble, Texas	2,195㎡		●		Scheduled to open in February 2025
	Chandler / Chandler, Arizona	6,081㎡				Scheduled to open in February 2025
	Willowbrook / Houston, Texas	9,689㎡	●			Scheduled to open in FY2026.3
	Pacific View / Ventura, California	5,668㎡				Scheduled to open in FY2026.3
	North County / Escondido, California	8,856㎡	●		●	Scheduled to open in FY2026.3
	Menlo Park / Edison, New Jersey	5,072㎡				Scheduled to open in FY2026.3
	Skyview / Flushing, New York	7,450㎡				Scheduled to open in FY2027.3
China	No.5	—		●		Scheduled to open in FY2025.3

※ Stores with "●" in the "AM" column above will be opened as small stores with mainly amusement machines.

※ In addition to the above, 28 stores are under negotiation in The USA. ※ No.5 is under negotiation in China.

Policies for new store openings

- [Japan] We actively promote opening new stores of small stores with mainly amusement machines, which has approx. 1,650 to 3,960㎡ operating floor area.
- [The USA] We will open small stores with mainly amusement machines and stores with food halls in addition to our usual stores. Please refer to page 14 for details.
- [China] After we open a small store with mainly amusement machines to the existing shopping mall that can expect enough customers, we will consider our policy in China.

-13-

The following are our plans and policies regarding new store openings. The stores that have opened are indicated in gray. The stores that are planned are indicated below. Only the properties for which we have signed lease agreements are listed.

In China, we had planned to open a small store on a test , but it may be difficult to open a store during this fiscal year. We do not know whether we will be able to open a store next fiscal year. This is just a plan, and

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we would like to open a store if possible. There will be no impact on our business performance.

【The USA】Store opening policy and profit status



【Overview of store opening model and policy】

No change since the disclosure data on August 7, 2024.

※1 mile = approx. 1.6 km, calculated at 1 USD = 145.00 JPY

	Standard Store	Store with Spo-cha	Small store with mainly amusement machines	Store with food hall
Main Facilities	Bowling/Amusement/Karaoke/Food	Bowling/Amusement/Karaoke/Food/Spo-cha	Amusement/Food	Amusement/Food hall featuring Japanese Food
Candidate Site	Opening in existing large shopping malls throughout the U.S. ※There are approx.900 malls that apply to our conditions.			
Operating Floor Area	Approx. 53,000 sq.ft.	Approx. 89,000 sq.ft.	Approx. 23,000 sq.ft.	TBD
Market Area	Population: Over 150,000 within a 5-mile radius Over 400,000 within a 10-mile radius		Possible to open stores in areas where there are standard stores or stores with Spo-cha	
Target Customer	Customers visiting shopping malls [young adults, mainly college students at night] ※Assumed 50:50 male/female ratio			
Approximate Sales Ratio	Bowling 10% Amusement 76% Food-Party-Other 14%	Bowling 7% Amusement 61% Spo-cha 19% Food-Party-Other 13%	Amusement 90% Food 10%	Plans to develop an amusement facility with a food hall featuring Japanese food [Ramen, Takoyaki, etc.] rather than American food as in the past.
Approximate Investment	Total \$13.3M [¥1.9bn] Leasehold Improvement: \$7.5M Furniture & Fixtures: \$1.7M Amusement Equipment: \$2.6M Bowling Equipment: \$0.8M Other start-up expenses: \$0.7M	Total \$17.4M [¥2.5bn] Leasehold Improvement: \$9.0M Furniture & Fixtures: \$2.3M Amusement Equipment: \$2.6M Bowling Equipment: \$0.8M Spo-cha Equipment: \$1.9M Other start-up expenses: \$0.8M	Total \$11.1M [¥1.6bn] Leasehold Improvement: \$6.5M Furniture & Fixtures: \$1.5M Amusement Equipment: \$2.6M Other start-up expenses: \$0.5M	※Details are under consideration.
Depreciation Period	Leasehold Improvement: 10 years, Bowling Equipment: 7 years, Amusement Equipment: 7 years, Furniture & Fixtures: 5-7 years, Spo-Cha Equipment: 5 years			
Opening Policy	Aiming for 150-200 stores in the U.S., with the above four models combined to open approx. 10 stores per year.			

【Profit status】

Classification by profitability		High profitability store	Average profitability store	Unprofitable store
Annual profit	Total sales	\$11.90mn [Approx. ¥1.73bn]	\$9.60mn [Approx. ¥1.39bn]	\$4.50mn [Approx. ¥0.65bn]
	Gross profit [1st year]	\$3.00mn [Approx. ¥0.44bn]	\$1.20mn [Approx. ¥0.17bn]	\$(1.50)mn [Approx. ¥(0.22)bn]
	Gross profit [from 2nd year]	\$4.20mn [Approx. ¥0.61bn]	\$2.50mn [Approx. ¥0.36bn]	\$(0.30)mn [Approx. ¥(0.04)bn]
	Gross profit margin [from 2nd year]	35.3%	26.0%	—

※ The gross profit [1st year] includes opening expenses and rent allocated for construction period.

※ Average profitability store figures are average of all stores.

※ The status and classification by color are updated every end of the financial year. **-14-**

Here is the US store opening policy and current financial status. We color-coded the stores with yellow, green, and pink to distinguish stores make surplus versus ones make deficit. For now, we list the financial status for all stores.

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[The USA] Current status



[52 stores as of the end of October 2024]

Opening Date	Store Name / Region	Operating Floor Area	SP ● AM ◆	Opening Date	Store Name / Region	Operating Floor Area	SP ● AM ◆
August 2010	Puente Hills / City of Industry, California	9,717㎡	●	March 2019	Promenade Temecula / Temecula, California	5,056㎡	
September 2012	Moreno Valley / Moreno Valley, California	4,060㎡		July 2019	Southland / Hayward, California	4,540㎡	
August 2013	Lakewood / Lakewood, California	3,976㎡		August 2019	Meadowood / Reno, Nevada	3,836㎡	
December 2014	Arlington Parks / Arlington, Texas	5,933㎡		October 2019	Park Place / Tucson, Arizona	4,696㎡	
May 2015	Main Place / Santa Ana, California	3,716㎡		November 2019	Meadows / Las Vegas, Nevada	3,948㎡	
July 2015	Southcenter / Tukwila, Washington	3,973㎡		November 2019	Fairfield Commons / Beavercreek, Ohio	4,805㎡	
September 2015	Eastridge / San Jose, California	4,759㎡		December 2019	Towson Town Center / Towson, Maryland	4,907㎡	
May 2016	Grapevine Mills / Grapevine, Texas	7,493㎡		December 2019	Fashion District / Philadelphia, Pennsylvania	5,396㎡	
August 2016	Sunvalley / Concord, California	4,891㎡		February 2020	Valley River Center / Eugene, Oregon	5,653㎡	
December 2016	Exton / Exton, Pennsylvania	5,423㎡		March 2020	Burbank Town Center / Burbank, California	3,981㎡	
January 2017	Southwest / Littleton, Colorado	5,811㎡		July 2020	Town East Square / Wichita, Kansas	3,781㎡	
March 2017	Fox Valley / Aurora, Illinois	4,724㎡		September 2020	Potomac Mills / Woodbridge, Virginia	4,583㎡	
July 2017	Broadway / Hicksville, New York	5,092㎡		October 2020	Deptford / Deptford, New Jersey	4,568㎡	
September 2017	Crystal Run / Middletown, New York	4,212㎡		February 2021	Cumberland / Atlanta, Georgia	7,767㎡	●
October 2017	Great Lakes Crossing / Auburn Hills, Michigan	5,488㎡		March 2021	Park City Center / Lancaster, Pennsylvania	4,645㎡	●
January 2018	Four Seasons / Greensboro, North Carolina	5,649㎡		April 2021	Vancouver / Vancouver, Washington	4,493㎡	
March 2018	Great Lakes / Mentor, Ohio	4,659㎡		June 2021	Quail Springs / Oklahoma City, Oklahoma	4,020㎡	
June 2018	Maine / South Portland, Maine	4,025㎡		June 2022	Pembroke Lakes / Pembroke Pines, Florida	9,442㎡	●
June 2018	Coronado Center / Albuquerque, New Mexico	4,891㎡		August 2022	Roseville / Roseville, California	4,164㎡	
August 2018	South Town Center / Sandy, Utah	4,645㎡		August 2022	South Hill / Puyallup, Washington	4,834㎡	
September 2018	Millcreek / Erie, Pennsylvania	4,649㎡		March 2023	North Star / San Antonio, Texas	5,193㎡	
December 2018	Gateway / Lincoln, Nebraska	4,462㎡		December 2023	Arrowhead / Glendale, Arizona	7,722㎡	●
December 2018	North Riverside Park / North Riverside, Illinois	4,189㎡		March 2024	Danbury Fair / Danbury, Connecticut	5,703㎡	
February 2019	Southridge / Greendale, Wisconsin	4,191㎡		April 2024	Las Vegas South Premium Outlets / Las Vegas, Nevada	2,428㎡	◆
March 2019	Northridge / Salinas, California	4,789㎡		June 2024	Plaza Bonita / National City, California	5,443㎡	
March 2019	Holyoke / Holyoke, Massachusetts	4,793㎡		July 2024	Gurnee Mills / Gurnee, Illinois	6,551㎡	

※ Stores above are colored in yellow as "High profitability", in green as "Average profitability" and in pink as "Unprofitable" stores.

-15-

This page shows current status of our stores in the US. We have already closed about four or five stores make deficit in the US. We will do so in the future as well.

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Status of stores



Trend in number of stores

Japan	- FY2015.3	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3 Plan
Opening	121	1	2	1	1	—	—	1	1	1	4
Closing	8	1	8	—	4	2	3	2	1	1	—
Total	113	113	107	108	105	103	100	99	99	99	103

The USA	- FY2015.3	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3 Plan
Opening	5	4	6	6	11	9	5	2	4	2	8
Closing	—	—	—	—	—	—	2	—	1	1	1
Total	8	9	15	21	32	41	44	46	49	50	57

China	- FY2015.3	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3 Plan
Opening	—	—	—	—	—	—	1	2	1	—	1
Closing	—	—	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	1	3	4	4	5

Consolidated	- FY2015.3	FY2016.3	FY2017.3	FY2018.3	FY2019.3	FY2020.3	FY2021.3	FY2022.3	FY2023.3	FY2024.3	FY2025.3 Plan
Total	121	122	122	129	137	144	145	149	152	153	165

Breakdown of 100 stores in Japan [at the end of October 2024]

Store Type						Total	Ownership		Total
Standard		Stadium		Crane Game Park	Leased stores		Own stores		
Downtown	Roadside	Downtown	Roadside		79		21		
9	35	1	53	2	100			100	

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

Area breakdown of all 156 stores [at the end of October 2024]

Area	Japan								The USA	China	Total
	Hokkaido / Tohoku	Hokuriku / Koshinetsu	Kanto	Chubu / Tokai	Kansai	Chugoku / Shikoku	Kyushu / Okinawa	Subtotal			
No. of stores	11	3	32	13	23	7	11	100	52	4	156
Share	7.1%	1.9%	20.5%	8.3%	14.7%	4.5%	7.1%	64.1%	33.3%	2.6%	100%

-16-

Please turn to the next page.

The rest is just quantitative data, so I will not go through them.

That was a brief overview. Thank you for your attention.

Moderator: Thank you very much, Mr. Sugino.

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Question & Answer

Moderator [M]: Now we will move onto the question-and-answer session. First, we will take questions from the audience. Afterwards, we will be taking questions from those who are joining us online.

This earnings briefing will be transcribed and published in full, including the Q&A session. Please note that if you give your name and affiliate, it will be published as is.

Participant [Q]: Thank you for your explanation. One thing I would like to know is the demographic mix of your earnings structure. It is probably centered around the younger generation, while you may also attract families or even elderly populations. Your business in the US grow rapidly, but is there any difference in customer mix by age?

Secondly, where do you focus in terms of developing the customer base of the next generation? Looking at the material, you attract elementary and junior high school students to your domestic stores. Do you simply wait for them to grow older, or horizontally expand your approach to capture a broader population? These are my two questions. Thank you.

Sugino [A]: The difference between Japan and the US is not huge. I think the percentage of elderly people is a little lower in North America. If we actively promoted Bowling, we will be able to attract more elderly people. This also applies to Japan. In Japan, elderly people play medal games. We don't provide medal games in the US. In North America, about 70% of total sales come from Amusement. Therefore, the percentage of senior guests is higher in Japan.

The main customers, the highest percentage of the zone, are mainly young people and families, and we think that 10% of the market is made up of senior guests in Japan. In North America, we think that the other segments will increase in percentage to the lack of senior guests. It was often said that companies in all industries would fail if they did not focus on the baby boomer generation of elderly people (now aged 78, 79 and 80) who reached retirement age 20 years ago, from the perspective of cultivating the next generation of customers.

Since then, we have been positively promoting Bowling as a lifelong sport. We are increasing the number of bowling players by providing opportunities to learn the correct basics at bowling classes and by encouraging people to have custom-made balls. Currently, we have been promoting these. In the last 10 years, our target has changed to university students. As the number of university students is decreasing, we need to work even harder. Otherwise, our industry will not survive.

The children in the early years of elementary school know where teenagers who go to high school or university play. Maybe even kindergarten children know. They see cool adults and think that when they grow up, they want to go there and play, and when they can get salary from part-time jobs. Ten years ago, children who go to kindergarten or elementary school would have been satisfied with the time-based leisure facilities in shopping malls. However, now Round1 is the most popular facility among children, to the extent that even kindergarten children ask their parents to take them to Round1.

There are not many items for young children to play with, but now that everything is connected to the internet, you can get a wealth of information. So, Round1 must be positioned as a special place to aspire from children.

Moreover, there are many cases where university students who used to come frequently suddenly stop coming when they reach over thirties. This is because when they have children, they become too busy to come to Round1. However, people only have one or two children today. So, the dormant period is from their

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30s until their children start to go to elementary school, and after that, although the parents may want to take their children to camp or so, the children will choose Round1 over other options. Also, university students are probably meeting their boyfriends or girlfriends and enjoying dates, and it is precisely because of feeling comfort that they come to our stores. With this in mind, when planning campaigns, we target university students as an important customer segment. **Moderator [M]:** Thank you.

Oda [Q]: Thank you for your explanation. I am Oda of SMBC Nikko Securities. I have two main questions. Let me ask one by one.

First of all, you mentioned various measures for existing stores in the US, such as mini-crane game machines, collaboration campaigns, and food courts. If you could elaborate on each of them, starting from mini-crane game machines. You said you are increasing the number of crane game machines. Looking at it from the outside, I honestly don't know if they are popular in the US. I think there are about 500 units installed at this point. I was wondering if you could tell us what you feel about their performance and your perspective on mini-crane game machines in the US.

In my opinion, the story of collaboration campaigns is very interesting. Is there any bottleneck in the simultaneous implementation of them in the US and Japan, or any barriers when launching such campaigns in the US market alone? This is the first point.

Sugino [A]: We are still in the process of increasing the number of mini-crane game machines in North America. In the past year, we have increased the number of crane game machines to around 130 machines compared to only 50 or 60 machines before. Still, the number is much smaller than 320 units installed in Japan.

One reason is the difference in the assortment. In Japan, there are so many products or prizes that can be provided in crane game machines, and buyers are trying their best to choose what to include and what kind of products will contribute to our sales based on various analyses and trial experiments.

However, the prize portfolio in North America is still too small compared to Japan. After all, we are the only operators who provide crane game machines itself as full-fledged service. Providing a wide variety of prizes is the key factor of success, such as 100 items for 100 machines, 200 for 200, 300 for 300. Those prize items should be competitive. That is the biggest bottleneck now.

We have been requesting prize suppliers in Japan to enhance the line-up, and they started accommodating our request gradually. Therefore, we expect the prize providing to expand.

Our suppliers recognize that the US market has great potential for their business and merchandizing. We also take a proactive approach such as offering collaboration campaigns for IP owners or publishers. Through direct negotiations, we make proposals on jointly developing character-based items for crane game machines, not only for Bowling, Spo-cha or Karaoke. We provide such collaboration not necessarily on a super long-term basis but say, 'how about joint development for three months?'. We offer these proposals for each supplier and make negotiations.

Whether it succeeds or not is up to the appetite of suppliers, but we were able to demonstrate the success through the recent collaboration campaigns. I think we made a big step forward. It makes a big difference in persuading our partners with or without our track record. Publishers would love a stable merchandising environment in the US not just via Round1. I hope that they recognize us as a catalyst for expanding their business.

In that sense, we should positively promote Japanese characters, and positively involve by ourselves in negotiation processes instead of leaving everything to suppliers.

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Regarding the effect of adding mini-crane game machines, the number of crane game machines in the US is only over 100 machines, so we don't have a clear vision on the threshold where we can keep the constant sales. Currently, per machine sales are around USD50. That is the current per machine, per day sales. Of course, the more units we install, the less we can get per-machine sales, so we have to set the upper limit.

Right now, we have 40 or 50 mini-crane game machines installed in the US. We plan to increase them to the level of 100. Same applies to Japanese market. I believe that will be a turning point.

However, we can't do it immediately in the US because of the capacity to supply the machines and under-developed prize assortment. Even if we want to install a bunch of machines, we don't have enough prize items to fill them. I mean, we should provide attractive prizes, and it requires prudent selection. Therefore, we expect that it will take until next July to align those factors to gradually expand mini-crane game machines.

If we can add USD 50 per machine into the earnings performance, we could expect a significant uplift. That's all.

Oda [Q]: Thank you. The second question is about the ongoing measures for charge cards for amusement game machines on page 10 of the material. There may be not much update since last time, but I think Mr. Sugino is eager to penetrate this as strategic initiative. How do you plan to promote it, by what specific approach? That is my second question.

Sugino [A]: It is the same as in the US, or other countries outside Japan. We will encourage guests to charge money onto their own cards and play. Instead of one coin operation for them to play games, such as JPY100 coin, or a quarter, we let them pre-charge the cards with JPY 5,000, JPY 10,000, or USD 50, USD 100. It will dramatically streamline our collection process including the exchange cost of coins. In Japan, we currently spend about JPY 400 million for collection-related costs.

This is a rather outdated practice, and ten years from now, maybe all the bills may disappear, who knows. In such a situation, it doesn't make sense that we stick to such an obsolete method of collection for decades.

Another motivation is that it is easy to raise prices. It is possible to raise prices incrementally, such as with specific fees for Bowling or Karaoke. Dynamic pricing has already become standard, and for example, prices on weekdays and student discounts are being lowered. However, for some reason, we operate our game centers using a fixed price system based on 100 yen coins. There is no flexibility other than the unit of 1 game for JPY 100 coin, two of JPY 100 coin, or 2 games for JPY 100 coin.

Because of this rigid pricing system, we are very limited. It would be great if all the game centers in Japan introduced the card system, but that is not going to happen. They just can't do it. That's why we have to be pioneer. But the situation remains the same. The possibility is that we might be able to maintain sales by introducing the card system at our roadside stores, or at the locations where we open new stores. We will continue to persistently carry out tests. However, it is difficult to adapt to the stores in shopping malls or downtown areas. It may take years for it to take hold. We are still continuing with the tests in some areas, but we may have to stop the tests. The performance of the stores with the tests is not good, and sales are decreasing. It will be one year next February since we started this initiative. We're brainstorming all kinds of ideas and racking our brains, and maybe one day we can find solutions. We believe that we can find solutions during continuing with the tests .**Oda [M]:** I understand. Thank you.

Moderator [M]: Any other questions?

Participant [Q]: Thank you for your explanation. I have two questions.

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The first point, which may overlap with the previous question, is about the game charge card. You said that guests charge the money in credit card in the US. In Japan, is there any regulatory restrictions or something that hamper the use of credit card for charging the money? Sorry for such a basic question.

Sugino [A]: First of all, there are no restrictions for the use of credit cards in Japan. We promote the use of cash for the purpose to penetrate the charge card systems in Japan. If the guests charged their cards with cash and didn't use the full amount today, they could receive the remain amount by cash. It gives comfort to them. They feel assured when charging the money as long as they spend charge by cash. However, that doesn't apply for credit cards as there is a risk of the fund being converted into cash for fraudulent purposes. It happens a lot. We don't want it to be abused, so we do not accept credit cards.

Participant [Q]: Thank you. The second question is about ROUND ONE Delicious. I am very excited to see how it develops, with high price point, or average customer value. After paying the costs for chefs or royalty for merchants, what level of net profit do you expect? If you could disclose that, it would be appreciated.

Sugino [A]: The breakeven point is JPY 380 million per store, on average. Therefore, I think it is safe to assume that if it exceeds that level, they will be profitable. In terms of the mix of JPY380 million, such as how much from food or liquor etc., we will continue our research before the opening by benchmarking the data of other Japanese restaurants like Sushi or other categories in the US. We did a lot of studies including the quality of food and will determine the optimal mix of food versus alcohol, like 80/20 or 70/30 ratio. The key is the number of guests multiplied by the average spent, and our ability to turn over the guests single or twice per day to be breakeven.

We have to exceed the breakeven point We target an operating profit margin of at least 20%. We have to reach and exceed that. This is just a rough estimate, but with JPY 500 million in sales and total costs of JPY 400 million, it means JPY 100 million as our net profit. That is our rough projection. This is one of our milestones.

If the price per guest is JPY 100,000 for drinks and food, it means we need to have 5,000 guests to generate JPY 500 million sales. If you divide 5,000 people by 365, you get how many guests you need per day. For example, we can set the per-day capacity as 13 or 14 diners. But until we open the restaurant, we don't know if we can attract enough traffic with JPY 100,000

Participant [Q]: Thank you for the detailed explanation. Thank you also for the wonderful package of souvenirs.

Also, I would like to ask about ROUND ONE Delicious. In general, the domestic food distribution infrastructure optimized for Japanese food, such as seafood for raw consumption and vegetables, is not available in the US, and I think it will probably be necessary to develop individual procurement routes.

I was wondering if Mr.Sugino is aware of the issue of the bottleneck in terms of both cost and quality due to the lack of access to food distribution infrastructure. If you have any idea for overcoming this, or if you have any kind of strategy, you could explain now, or any planned initiative to improve the supply chain system, I would love to hear that.

Sugino [A]: We export anything that can be exported from Japan. There are some ingredients that we cannot export, such as chicken. Even if we wanted to serve delicious Japanese chicken in US, we are not allowed to do so. In such cases, we find the best local alternative and make sure we can procure it.

The same goes for vegetables. The U S has a vast land, so we will work with our suppliers to find the best possible alternative ingredients included menu items to satisfy our guests.

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However, our current goal is to reproduce the recipes of our flagship restaurants in Japan as well as possible. If we can reach that level and outperform existing Japanese restaurants, we will be able to set higher prices. For example, if Japanese restaurant A has a price of \$500 per guest with 10 to 15 guests per day, we will be able to attract more guests even if we set a price of \$600.

We plan to use ingredients that are far superior to those used by the existing Japanese restaurants we are benchmarking. We are now preparing to create a virtuous cycle.

However, we only partner with the very best restaurants which are in the top 50 out of the 600,000 restaurants in Japan. That is why we guarantee the high quality of our restaurants. It is not a lie. This is our strength. Our partner restaurants are highly rated not only by inspectors like restaurant guides, but also by review sites like Tabelog. Our mission is to appeal to potential guests in the US about this advantage.

We will make sure to convey that this is the highest level of taste. After that, it is up to the guest to decide whether they like the taste or not. However, in order to maintain the authenticity of the food in the future, some degree of localization will be necessary. In that case, we will obtain permission from the merchants and produce the local menu together. That is our concept.

As for ingredients, we procure the perfect ingredients from Japan. We will not compromise on the quality of ingredients in the US. In the US, the skills of the chefs are inferior to those of the flagship restaurants. So, at the very least, the same ingredients are required, and it is unavoidable that prices will be higher. For these reasons, at least in the initial stages, we expect that the average guest spend will be higher.

Participant: I understand very well. Thank you. By the way, if you look at this material, it says that one store is expected to have 16 seats and that 4 to 8 stores will open. Do you mean 2 to 4 seats per restaurant?

Sugino (A): That's not right. It's one unit. For example, in a space of about 1,600 square meters, 7 stores, such as Tempura, Japanese food, Fusion, and Sushi, would be in one unit. The number of seats in each store is about 14, 15, or 16. That's the standard.

Participant [M]: Thank you very much.

Moderator [M]: Any other questions? Now we have a question coming online. I will read them out.

Participant [Q]: How much difference is there between the growth rates of redemption games and crane games in North America?

Sugino [M]: Growth rate?

Moderator [M]: Yes, growth rate.

Sugino [A]: In terms of growth rate, it is overwhelmingly the crane game machines. If the floor space of the store was not changed, the number of crane game machines highly increased. We have to reduce the space for video games, Purikura and redemption games that are not being used so much. The reason for increasing the number of crane game machines is that it directly leads to increased sales. For this reason, the number of crane games machines is increasing rapidly.

Moderator [M]: Thank you.

Participant [Q]: Is there any performance gap by region in the US?

Sugino [A]: The areas where we are planning to build food courts, which I mentioned, are greater Los Angeles, New York, Texas, and Florida, and these four areas are doing very well. Moreover, , other areas tend to be

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sluggish. For example, in Illinois, centering on Chicago, there is a large town, so we should make more earnings, but we already closed several stores. Therefore, it is safe to assume that outside of these four states, there are few stores that contribute much to sales and profits. That's all.

Moderator [M]: Thank you.

Participant [Q]: Considering the business climate in the US, is implementation of price one of the options? Or in an environment under the pressure of inflation, do you appeal collaboration campaigns and install more crane game machines instead of implementation of price?

Sugino [A]: I think it is a combination of both. However, when the US enters recessionary phase, it is not possible to implement prices. The probability of a recession is, based on the historical patterns, that after the phase of rate cuts, the economy suffers recession in the following year, in many cases. We have the same view.

So, I know that the business climate is not friendly. The President-elect Trump may take populist approach, as this will be his last term, with some pork-barrel policies by accepting some level of inflations to give impression that he was a good President. Out of such an expectation, we hope he will steer the country by controlling brakes and accelerators, and weather the risk of imminent recession.

CPI was still up by 2.3%, which concerns us as well. Unless the unemployment rate gets really worse like 5%, we could still think about implementation of price, other campaigns etc., to drive our performance, as far as the unemployment rate trending around 4.5 or 4.5% level. The biggest driver is the new stores, but we will combine various measures.

Moderator [M]: Thank you.

Participant [Q]: This may overlap with previous questions, but what is the customer mix in Japan and the US, such as younger populations, unmarried guests versus family guests? What about the trend of average customer spending?

Sugino [A]: The price per guest is almost the same for all demographics. Although the number of family guests may appear small, many of them are enjoying crane game **machines**. So, no big difference in average customer value in Japan. However, compared to North America, the per customer value is higher in the US, as the average price per play is higher there. Compared to Japan, it went up by about 1.5 times in the US for 10 years. We were able to drive that in the US. In Japan, Amusement is unable to raise prices. That is the current status.

As for demographic mix, I already answered before.

Moderator [M]: Thank you. Does anyone have any other questions?

Sawada [Q]: I am Sawada from Tokai Tokyo Intelligence Laboratory. Thank you for your presentation. Sorry I missed the first part of the Q&A session, so pardon me if my question overlaps with the ones, you already answered.

First, regarding the US store openings, you previously mentioned the difficulty of hiring new staff. Any update or progress?

Sugino [A]: In North America, the unemployment rate was at about 3.6%, unprecedentedly good, but it is now at about 4.3%. This means that it is becoming easier to hire staffs. The other thing is that wages are not falling. Wages are still going up.

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Therefore, if the employers can offer competitive wages, they can secure workforce. Same for Japan. People say the labor market is tight, but if you can't find the staff with JPY 1,000 hourly wage, why don't you raise it to JPY 2,000? This is just an extreme example.

It doesn't make sense if you suffer opportunity loss or miss the profit due to the lack of enough manpower. Organizations or store operators with solid profit margins can hire talented personnel at whatever timing they want, because they streamline their operations through various methods to drive profitability. And, you can never afford that if the margin is close to 0%. That is the same for Japan and the US.

Sawada [Q]: Thank you. Next, I would like to ask you about China. Recently, there were successes in crane game **machines** and hit products among Japanese content. Did it affect your management decisions for China?

Sugino [A]: I already explained that earlier, but basically, China is not very important to us. We don't see it as our focus.

Sawada [Q]: Thank you. As for ROUND ONE Delicious, what is the status of training and preparation?

Sugino [A]: We are now in the process of proceeding training to open the units from July to December next year. We started training six months ago.

Sawada [M]: I understand. Thank you.

Moderator [M]: Now that we have reached the scheduled time, we will conclude the investor briefing for ROUND ONE Corporation. Thank you, Mr. Sugino.

Sugino [M]: Thank you very much.

Moderator [M]: Thank you for your participation.

[END]

Document Notes

1. *Portions of the document where the audio is unclear are marked with [inaudible].*
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