

# Supplementary Materials on Adoption of International Financial Reporting Standards

June 27th, 2025

ROUND ONE Corporation

For the purpose of enhancing the comparability of financial information and improving management efficiency, our group has voluntarily adopted International Financial Reporting Standards (IFRS) (hereinafter referred to as "IFRS" in this document) in place of the previous JGAAP from the consolidated financial statements in the securities report for FY2025.03. As a result of the adoption, the document provides a supplementary explanation of the results for FY2025.03, which were presented under JGAAP in "Analysis of Present States and Future Prospects FY2025.03" disclosed on May 9th, 2025, using figures after IFRS adoption.

## FY2025.3 Actual: Differences between JGAAP and IFRS BS①

▶This page summarizes the factors and the differences between JGAAP & IFRS.

The adoption of IFRS will result in reclassifications related to changes in multi-step profit, as well as changes in accounting treatments.

(Unit : ¥bn) ※Amounts less than ¥0.1 bn have been rounded down.

JGAAP		IFRS		Diff.	Main Factors of Differences
Cash and deposits	51.1	Cash and cash equivalents	51.1	—	
Accounts receivable	2.4	Trade and other receivables	3.1	+0.6	[Reclassification] Accounts receivable
—	—	Inventories	4.9	+4.9	[Reclassification] Change in Merchandise and supplies
Merchandise	0.4	—	—	(0.4)	
Supplies	4.5	—	—	(4.5)	
Other	7.4	Other current assets	5.5	(1.9)	
Total current assets	66.1	Total current assets	64.7	(1.3)	
Property, plant and equipment	79.6	Property, plant and equipment	70.2	(9.4)	[IFRS]Decrease book value due to IFRS adoption ※
Leased assets	13.5	—	—	(13.5)	
Right-of-use assets	39.2	Right-of-use assets	100.9	+61.7	[IFRS]Effect of IFRS 16 adoption ※ [Reclassification] Change in Leased assets
Intangible assets	0.9	Intangible assets	0.9	—	
—	—	Investments accounted for using equity method	1.8	+1.8	[Reclassification] Shares of subsidiaries and associates
—	—	Other financial assets	10.5	+10.5	[Reclassification]Change in Guarantee deposits
Guarantee deposits	8.5	—	—	(8.5)	
Deferred tax assets	1.8	Deferred tax assets	9.5	+7.6	[IFRS] Tax effect adjustment due to IFRS adoption etc. ※
Other	3.7	Other non-current assets	1.0	(2.6)	
Total non-current assets	147.5	Total non-current assets	195.1	+47.6	
Total assets	213.6	Total assets	259.9	+46.2	

※Please refer to page 4 for details.

## FY2025.3 Actual: Differences between JGAAP and IFRS BS②

▶This page summarizes the factors and the differences between JGAAP & IFRS.

The adoption of IFRS will result in reclassifications related to changes in multi-step profit, as well as changes in accounting treatments.

( Unit : ¥bn ) ※Amounts less than ¥0.1 bn have been rounded down.

JGAAP		IFRS		Diff.	Main Factors of Differences
Accounts payable	0.4	Trade and other payables	7.5	+7.1	[Reclassification]Accounts payable ←
Bonds and borrowings	12.9	Bonds and borrowings	12.9	—	
Lease obligations	15.8	Lease liabilities	28.0	+12.1	[IFRS]Effect of IFRS 16 adoption ※
Income taxes payable	5.2	Income taxes payable	5.2	—	
Contract liabilities	5.1	Contract Liabilities	5.1	—	
Other	13.6	Other current liabilities	8.5	(5.1)	[IFRS] Accrued vacation time
Total current liabilities	53.2	Total current liabilities	67.4	+14.2	
Bonds and borrowings	27.7	Bonds and borrowings	27.7	—	
Lease obligations	49.4	Lease liabilities	88.4	+39.0	[IFRS]Effect of IFRS 16 adoption ※
Other	10.8	Other non-current liabilities	9.3	(1.5)	[IFRS] Tax effect adjustment due to IFRS adoption etc. ※
Total non-current liabilities	88.0	Total non-current liabilities	125.5	+37.4	
Total liabilities	141.3	Total liabilities	193.0	+51.7	
Total net assets	72.3	Total equity	66.8	(5.4)	[IFRS] Adjustment to retained earnings ※
Total liabilities and net assets	213.6	Total liabilities and equity	259.9	+46.2	

※Please refer to page 4 for details.

## FY2025.3 Actual: Differences between JGAAP and IFRS PL

▶This page summarizes the factors and the differences between JGAAP & IFRS.

The adoption of IFRS will result in reclassifications related to changes in multi-step profit, as well as changes in accounting treatments.

( Unit : ¥bn ) ※Amounts less than ¥0.1 bn have been rounded down.

JGAAP		IFRS		Diff.	Main Factors of Differences
Net sales	177.0	Revenue	177.0	—	
Cost of sales	143.6	Cost of sales	141.9	(1.6)	[IFRS]Effect of IFRS 16 adoption ※
Gross profit	33.4	Gross profit	35.0	+1.6	
SG&A expenses	6.4	SG&A expenses	6.9	+0.5	
—	—	Other operating Income & expenses	(1.8)	(1.8)	[Reclassification] Loss on retirement of fixed assets / Impairment losses
Operating profit	27.0	Operating profit	26.2	(0.7)	
Non-operating income & expenses	0.2	—	—	(0.2)	
Ordinary profit	27.2	—	—	(27.2)	
Extraordinary income & loss	(2.4)	—	—	+2.4	
—	—	Financial income & costs	(3.5)	(3.5)	[Reclassification] Interest expenses on borrowings and leases [IFRS] Effect of IFRS 16 adoption, etc ※
—	—	Share of profit of investments accounted for using equity method	0.2	+0.2	
Profit before income taxes	24.8	Profit before tax	23.0	(1.8)	
Income taxes	8.7	Income tax expense	7.6	(1.1)	
Profit	16.0	Profit	15.4	(0.6)	

※ The effect of IFRS 16 adoption arises from the on-balance sheet recognition of operating leases. Under IFRS, rent expenses under JGAAP are recorded as depreciation and interest expenses in the PL statement. The interest portion is classified as financial income and costs. Please refer to page 6 for details.

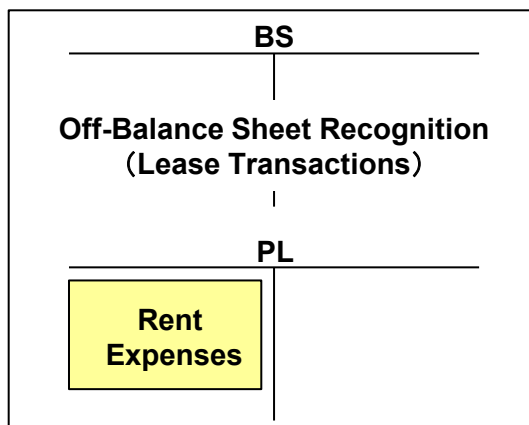
## Main Effects of IFRS Adoption (BS)

▶The main effects of IFRS adoption on the BS are as follows.

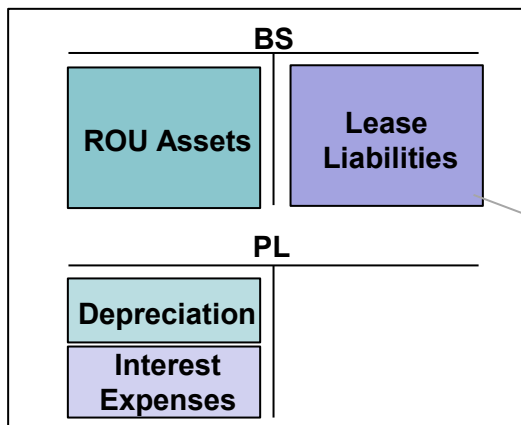
Deviation from JGAAP	Affecting Account Items	Explanation
Changes of Non-current assets' useful lives, depreciate methods, etc.	Property, plant and equipment	(JP)Decrease due to retrospective application of useful life reduction, etc.
IFRS-16 adoption	Right-of-use assets Leased liabilities	(JP)Increase due to on-balance sheet recognition of operating leases
Adjustment of Income tax Reassessment of the recoverability of Deferred tax assets	Deferred tax assets Deferred tax liabilities	(JP/US)Recognition of temporary differences due to IFRS adoption (JP)Reversal of valuation allowance, etc.

※ The effect of IFRS 16 adoption.

■ JGAAP



■ IFRS 16



Due to IFRS 16 adoption, operating leases will be on-balance sheet. Assets and liabilities will increase significantly.

Rent expenses previously incurred under JGAAP are recorded as depreciation and lease interest expenses under IFRS.

※Please refer to page 6 for the details of IFRS adoption.

## Main Effects of IFRS Adoption(PL)①

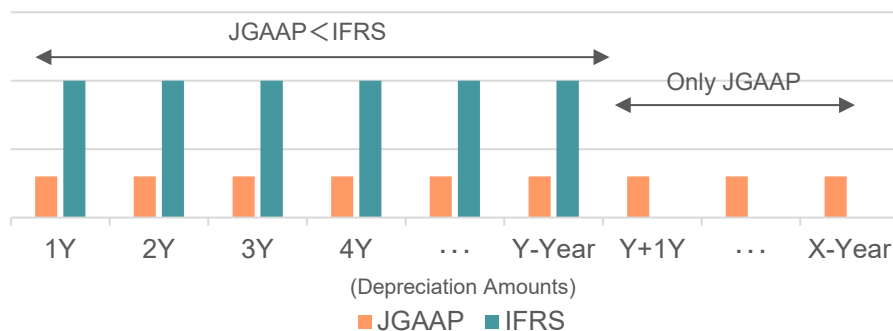
▶The main effects of IFRS adoption on the PL are as follows.

Deviation from JGAAP	Affecting Account Items	Explanation
Changes of Non-current assets' useful lives, depreciate methods, etc.	Cost of sales SG&A expenses	(JP) When opening stores or making large-scale capital investments, there are a possibility that the gap with JGAAP will increase. ※1
IFRS-16 adoption	Cost of sales SG&A expenses	(JP/US) The increase in operating profit is due to the fact that lease interest expenses accounted by on-balancing operating leases are financial costs. ※2
Change in the Impairment loss assessment flow	Cost of sales Other operating expenses	(JP) Increase in impairment losses and decrease in depreciation due to be stricter impairment loss assessment flow.

### ※1 The effects of changing non-current assets' useful lives and depreciation methods.

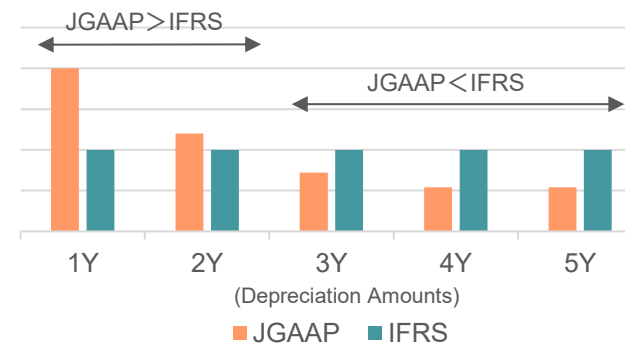
1 .The images of affecting depreciation expenses by shortening of useful lives.

Depreciation Methods : JGAAP/IFRS: Straight Line Methods  
Useful Lives : JPGAAP: X-Years、IFRS: Y-Years



2 .The images of affecting depreciation expenses by changing depreciation methods

Depreciation Methods : JGAAP: Declining-Balance, IFRS: Straight Line  
Useful Lives : JGAAP/IFRS: 5 Years



## Main Effects of IFRS Adoption (PL)②

### ※2 PL effects of IFRS 16 adoption

#### 《Operating Leases (Lease Transactions)》

The operating leases apply to the rent expenses for stores in our group.

As a result of IFRS 16 Adoption, “ROU Asset” and “Lease Liabilities” are accounted, and “Depreciation Expenses” arising from them is recorded as the COS, and “Interest Expenses on Leases” is recorded as the financial costs. Under IFRS 16, our group recognizes expenses for the period including the construction period before opening (approximately 6 months).

※For financial leases, “Lease Assets” will be “ROU Assets”, but there is no changes from the previous PL treatment.

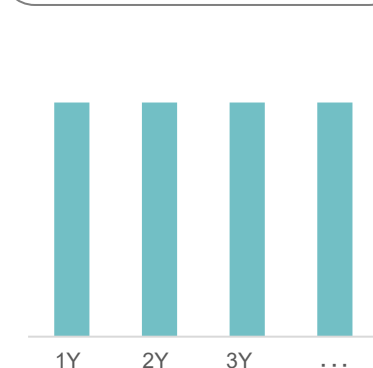
#### 1. 【JP】

##### 《Operating Leases in Japan》

Under JGAAP, operating leases were treated off-balance sheet and PL treatment was accounted as “Rent Expenses” under COS. Also, expenses are accounted from the time of opening when the rent expenses incurred.

(JGAAP)

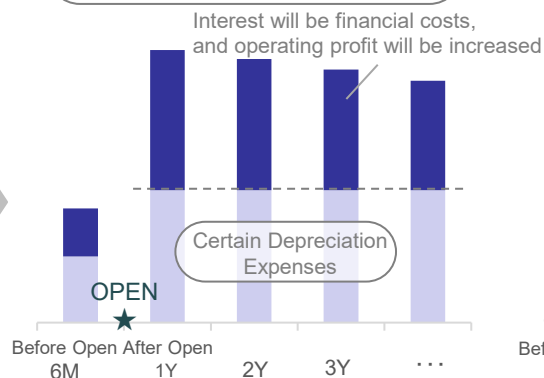
Actual Rent Expenses Accounted



(PL Amounts) ■ Rent Expenses

(IFRS)

Large Initial Lease Expenses



■ Lease Interest ■ Depreciation Expenses

#### 2. 【US】

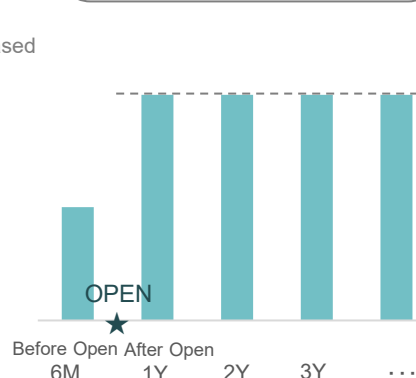
##### 《Operating Leases under ASC842》

Under ASC842, “ROU Assets” and “Lease Liabilities” were accounted, and “Rent Expenses (Lease Expenses)” was accounted as COS for PL treatment.

In addition, expenses are accounted from the time of opening when the rent expenses incurred as same as IFRS 16 for ASC842.

(ASC842)

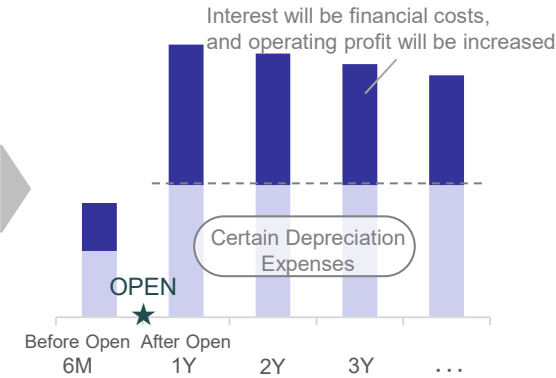
Certain Rent Expenses (Lease Expenses)



(PL Amounts) ■ Rent Expenses

(IFRS)

Large Initial Lease Expenses



■ Lease Interest ■ Depreciation Expenses

# Notices and Contact for Inquiries Regarding IR



## Notices regarding this material

This material is not provided for the purpose of soliciting investors. If any damage to users or third parties occurs due to the information, the company do not take any responsibility. This material has been made with the utmost care based on the information as of the date of preparation, however the company do not guarantee the realization of the contents. If incorrect figures or other misinformation should come to our attention, the company will announce corrections on our website.

ROUND ONE Corporation reserves all rights to all contents in this material, and it cannot be reproduced, transmitted, etc. for any purpose without the permission of the company.

## IR policy [Quiet period]

In order to ensure fairness in disclosing important information such as financial results, the company observe a "quiet period" with respect to IR activities commencing on the date four weeks prior to the announcement of financial results for each quarter in principle. However, the company will respond to inquiries regarding fundamental description of business, information that has already been disclosed, and ongoing events or projects. Thank you for your cooperation and understanding.

## Website address

<https://www.round1-group.co.jp/>

or

round one

Search



**For inquiries, please contact Administrative Division of ROUND ONE Corporation.**

**Tel:+81-6-6647-6600 / Mon – Fri 10:00 – 19:00 [Japanese only]**