FY2027.3 1Q Financial Results Briefing Summary

At the financial results briefing held on August 12, 2026, President Masahiko Sugino provided an overview of “Analysis of Present States and Future Prospects FY2027.3 1Q,” as well as an update on sales for July of FY2027.3.
This document contains a summary, prepared by the Company, of the content of the briefing on the FY2027.3 1Q, and the question-and-answer session held on the above date and time.
This English version of the document is provided solely for reference purposes. In the event of any discrepancy in the content, interpretation, or nuances between the Japanese and English versions, the Japanese version shall prevail as the official original version.

1. 1Q Performance and Growth Drivers in Japan

In 1Q, consolidated net sales increased 18% year on year to ¥51.3 billion, while operating profit reached ¥6.3 billion, resulting in higher sales and profit. Japan and other regions performed strongly, while the business environment in China remained challenging due to factors including the economic slowdown, declining traffic at shopping malls, and a difficult employment environment for younger people. If no significant improvement in the business environment is expected, withdrawal from the Chinese market will also be considered as an option.
(See page 3 of “Analysis of Present States and Future Prospects FY2027.3 1Q” for details.)

In Japan, rising hourly wages for part-time workers and starting salaries among university students and people in their 20s, who represent a key customer demographic, have provided a tailwind for consumer spending. Collaboration campaigns with Japanese IPs, idols, and other content have also contributed to higher customer traffic and stronger performance. We are simultaneously conducting multiple collaboration campaigns to continuously create reasons for customers to visit our stores without relying on any single campaign.

In response to the growing number of crane game specialty stores, we introduced “Toresugino Island,” dedicated crane game areas within existing stores featuring higher-payout prizes such as food and beverages. The initiative has helped prevent customer attrition while attracting new demand, contributing to higher sales. Although higher prize costs, labor expenses, and other costs have limited the extent to which sales growth translates into profit growth, the initiative has contributed to growth in our amusement business.

In May, we revised prices for certain services, including medal games, bowling, Spo-Cha, and karaoke.

Despite the price revisions, customer traffic has not been adversely affected, supported by collaboration campaigns and the introduction of new game machines and items. Extremely hot summer weather has also provided a tailwind, as demand has shifted from outdoor leisure activities to indoor entertainment facilities, supporting solid recent performance.

Compared with our initial plan, SG&A expenses increased due to costs associated with preparations for new store openings and restaurant businesses outside Japan, as well as investments in strengthening our workforce. Although these costs had been factored into our initial plan to some extent, actual expenses exceeded our assumptions. Nevertheless, operating profit came in at ¥6.3 billion versus the planned ¥5.4 billion, while net income reached ¥3.3 billion versus the planned ¥2.5 billion. Both exceeded plan, demonstrating stronger-than-expected profit performance despite higher SG&A expenses.
(See page 4 of "Analysis of Present States and Future Prospects FY2027.3 1Q" for details.)

2. Development of New Store Formats Centered on the Restaurant Business and Future Growth Strategy

For the full year, we plan net sales of ¥219.0 billion, operating profit of ¥33.0 billion, and net income of ¥18.2 billion. We expect the number of stores to increase by 11, from 161 at the end of the previous fiscal year to 172 at the end of the current fiscal year. While top-line performance is currently exceeding plan, various preparation costs associated with new stores and new business formats are also being incurred. We aim to achieve our full-year plan while factoring in these expenses.
(See page 5 of "Analysis of Present States and Future Prospects FY2027.3 1Q" for details.)

In North America, Round One Delicious plans to launch its premium dining business in Las Vegas and Los Angeles, with openings scheduled from October onward. The initiative will bring together well-known Japanese restaurants to provide a new dining experience centered on Japanese cuisine.
(See pages 15–16 of "Analysis of Present States and Future Prospects FY2027.3 1Q" for details.)

In addition to the premium dining business, we plan to gradually roll out a new business format beginning this fiscal year that combines our traditional store model with Japanese food halls featuring renowned restaurant brands from Japan. By incorporating established restaurant brands with proven track records in Japan and offering distinctive menu selections, we aim to enhance the overall dining experience for our customers. By significantly strengthening the appeal of our food and beverage offerings, we intend to establish dining as a key driver of customer traffic and create a new reason for customers to visit our facilities.

(See page 14 of “Analysis of Present States and Future Prospects FY2027.3 1Q” for details.)

We aim to develop a store format centered on Japanese food halls that combines arcade games, bowling, Spo-Cha, karaoke, and other entertainment offerings, enabling families and friends to enjoy dining and entertainment together in a physical setting. We plan to establish a new Round One format that enables us to increase our store count while maintaining operating profit per store, thereby driving further growth.

3. Profitable Store Expansion and Financial and Shareholder Return Policies

As we expand our store network, we place importance not only on increasing our store count and sales but also on maintaining and improving operating profit per store. We aim to expand our top line by maintaining and increasing both customer traffic and average spending per customer, while continuing to streamline costs to achieve the same results at a lower cost and improve profitability per store.

Regarding shareholder returns, we will maintain our existing policy of targeting a dividend payout ratio of approximately 25%.

Q&A

Sustainability of Strong Sales Growth

Question:

Monthly sales have remained strong. Considering the impact of “Toresugino Island” and major collaboration campaigns with popular anime and other content, do you expect sales growth to remain sustainable? What is your outlook for the pipeline and future development of collaboration campaigns?

Answer:

To compete with crane game specialty stores, we introduced “Toresugino Island,” which has helped prevent customer attrition, and recent performance has been very strong. Going forward, we also intend to work with affiliated companies to reduce procurement costs for beverages and other prizes.

Collaboration campaigns generally require a lead time of approximately one year, with the content and scale adjusted based on trends in IP popularity. Although major IP collaborations cannot be conducted continuously, we plan to incorporate attractive campaigns on a quarterly basis while steadily increasing the total number of collaborations each year. For the global expansion of Japanese IPs, we also intend to increase Round One-exclusive crane game prizes and combine multiple initiatives to drive sustainable sales growth.

Changes to the Japanese Food Hall Business Plan

Question:

The layout shown in the latest materials differs from the one presented previously. Have there been any changes to the original food hall concept, such as the number of tenant restaurants?

Answer:

The image in the IR materials has been replaced with an illustration from a different location and was not intended to indicate any change in the layout concept. Please note that the placement of the food hall area may vary depending on the shopping mall in which the facility is located.

There have been no changes to the food hall business strategy. As previously outlined, the standard configuration remains 14 tenant restaurants per location, and we will prepare two different tenant lineups featuring different combinations of tenant restaurants.

Collaboration Campaigns Outside Japan

Question:

Sales outside Japan appear to be exceeding plan. Are collaboration campaigns performing well outside Japan as they are in Japan?

Answer:

While we refrain from providing specific comments, information on our current collaboration campaigns is available on our website.

Productivity Improvement Initiatives in Japan

Question:

Domestic profits remain solid. What progress have you seen, and what is your view on the productivity improvement initiatives implemented since the beginning of the year?

Answer:

We place importance on operating profit per store. Although temporary preparation and other expenses may make profits appear weaker in certain periods, we view these expenses as investments for future growth. We continue to focus on maintaining customer traffic and average spending per customer while achieving the same results at a lower cost, and we intend to continue pursuing this approach.