

Financial Results for the year ended March 31, 2014

May 9, 2014

ROUND ONE corporation

TSE First section

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C.E.O. and President

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Date of Regular General Shareholder's Meeting : June 28, 2014.

Dividend will be paid on after June 30, 2014

Date of presentation expected date of securities report : June 30, 2014.

1. Business Results for the year ended in March 2014. (April 1, 2013 to March 31, 2014)

(1) Operating Results

(Figures are rounded down to the nearest million yen.)

	Sales		Operating Income		Ordinary Income		Net Income	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
FY2013 (2014/3)	84,272	(1.9)	10,088	(12.8)	7,818	(4.9)	(19,681)	-
FY2012 (2013/3)	85,903	(4.1)	11,565	(27.9)	8,217	(28.4)	601	(78.4)

(Note) Comprehensive income FY2013 : ¥(18,787)mn -% FY2012 : ¥738mn (73.2)%

	Earnings per Share	Net Income per share, fully diluted	Return on Equity	Return on Assets	Operating Income to sales ratio
	¥		%	%	%
FY2013 (2014/3)	(206.56)	-	(28.9)	4.7	12.0
FY2012 (2013/3)	6.31	-	0.8	3.8	13.5

(Note) Investment gains and losses by the equity method FY 2013 : None , FY 2012 : None

(2) Financial Status

	Total Assets	Net Assets	Shareholder's Equity Ratio	Shareholder's Equity Per Share
	¥mn	¥mn	%	¥
FY2013 (2014/3)	127,138	57,531	45.3	603.84
FY2012 (2013/3)	206,217	78,714	38.2	826.11

(Note) Shareholder's equity FY2013 : ¥57,531mn , FY2012 : ¥78,714mn

(3) Cash Flow

	Cash flow by operating activities	Cash flow by investing activities	Cash flow by financing activities	Cash and cash equivalents at the end of quarter
	¥mn	¥mn	¥mn	¥mn
FY2013 (2014/3)	20,456	46,611	(66,200)	25,172
FY2012 (2013/3)	26,418	4,371	(34,564)	24,274

2.Dividend Payment

	Annual dividend per share					Total amount of dividend	Dividend payout ratio	Ratio of dividends paid to shareholder's equity
	1Q	2Q	3Q	Term	Annual	(annual)	(Consolidated)	(Consolidated)
	¥	¥	¥	¥	¥	¥mn	%	%
FY2012 (2013/3)	-	10.00	-	10.00	20.00	1,905	317.0	2.4
FY2013 (2014/3)	-	10.00	-	10.00	20.00	1,905	-	2.8
FY2014(2015/3)(estimate)	-	10.00	-	10.00	20.00		38.1	

3.Forecasts for the FY2014. (April 1, 2014 to March 31, 2015)

	Sales (Consolidate)		Operating Income (Consolidate)		Ordinary Income (Consolidate)		Net Income (Consolidate)		Earnings per share (Consolidate)
	¥mn	%	¥mn	%	¥mn	%	¥mn	%	¥
1'st half	41,800	(0.2)	4,600	(6.3)	4,000	10.7	2,400	-	25.19
FY2014(2015/3)	85,500	1.5	10,000	(0.9)	9,000	15.1	5,000	-	52.48

4.Others

- (1) The change of the important subsidiary in FY2013. (Change in consolidation scope in subsidiary.) None
- (2) Change in accounting method, accounting principle, how to disclose, and others to make the consolidated financial statements.
- ① Change in accounting standard : None
- ② Without above ① : None
- ③ Change in accounting estimate : None
- ④ Retrospective restatement : None
- (3) Number of shares outstanding during the term (Common stock)
- ① Number of shares issued at the term end. (Include treasury stock)
- ② Number of treasury stock at the term end.
- ③ Number of average stock.

FY2013	95,452,914	FY2012	95,452,914
FY2013	175,416	FY2012	170,071
FY2013	95,280,649	FY2012	95,284,037

(Reference) Non-consolidate business results

1. Business Results for the year ended in March 2014. (April 1, 2013 to March 31, 2014)

(1) Operating Results

(Figures are rounded down to the nearest million yen.)

	Sales		Operating Income		Ordinary Income		Net Income	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
FY2013 (2014/3)	82,998	(2.6)	4,181	(8.8)	7,831	(5.2)	(19,667)	-
FY2012 (2013/3)	85,193	(4.3)	4,585	(46.4)	8,262	(27.9)	646	(76.7)

	Earnings per Share	Net Income per share, fully diluted
	¥	
FY2013 (2014/3)	(206.42)	-
FY2012 (2013/3)	6.79	-

(2) Financial Status

	Total Assets	Net Assets	Shareholder's Equity Ratio	Shareholder's Equity Per Share
	¥mn	¥mn	%	¥
FY2013 (2014/3)	117,731	57,469	48.8	603.18
FY2012 (2013/3)	164,938	78,748	47.7	826.47

(Note) Shareholder's equity FY2013(2014/3) : ¥57,469mn , FY2012(2013/3) : ¥78,748mn

2.Forecasts for the FY2014. (April 1, 2014 to March 31, 2015)

	Sales		Ordinary Income		Net Income		Earnings per share
	¥mn	%	¥mn	%	¥mn	%	¥
1'st half	41,100	(0.5)	4,000	9.8	2,400	-	25.19
FY2014(2015/3)	83,500	0.6	9,000	14.9	5,000	-	52.48

※ Explanation about the appropriate usage of business prospects and other special notes.

- The above-mentioned business forecasts were based on the information available as of the date of the release of this report.
- Future events may cause the actual results to be significantly different from the forecasts.

Consolidated Balance sheets - 1

(million of yen)

Item	Term	End of Previous Term (as of March 31, 2013)	End of Current Term (as of March 31, 2014)
		Amount	Amount
(Assets)			
1.Current assets			
Cash and deposit		24,274	25,172
<u>Cash and deposit (non-exempt properties)</u>		<u>1,050</u>	<u>-</u>
Accounts receivable		605	648
Merchandise		209	358
Supplies		976	763
Others		4,102	4,097
<u>Others (non-exempt properties)</u>		<u>39</u>	<u>-</u>
Current assets total		31,257	31,040
2.Fixed assets			
Tangible fixed assets			
Buildings and structures		121,174	76,120
Accumulated depreciation		(38,595)	(32,067)
Buildings and structures(Net)		82,579	44,053
<u>Buildings and structures (non-exempt properties)</u>		<u>7,373</u>	<u>-</u>
<u>Accumulated depreciation</u>		<u>(2,219)</u>	<u>-</u>
<u>Buildings and structures (non-exempt properties)(Net)</u>		<u>5,154</u>	<u>-</u>
Bowling equipment		2,271	2,693
Accumulated depreciation		(1,722)	(1,902)
Bowling equipment(Net)		548	791
Arcade game machine		3,731	3,504
Accumulated depreciation		(3,615)	(3,426)
Arcade game machine(Net)		115	78
Land		46,312	10,088
<u>Land (non-exempt properties)</u>		<u>4,053</u>	<u>-</u>
Lease asset		40,085	34,710
Accumulated depreciation		(20,168)	(17,799)
Lease asset(Net)		19,916	16,911
Others		7,471	7,536
Accumulated depreciation		(6,085)	(6,538)
Others(Net)		1,386	997
Tangible fixed assets total		160,065	72,919
Intangible fixed asset		177	143
Investments and other assets			
Investments in capital		157	71
Deferred tax assets		4,606	11,428
Key money deposited		9,331	11,083
<u>Key money deposited (non-exempt properties)</u>		<u>126</u>	<u>-</u>
Others		495	450
Investments and other assets total		14,717	23,033
Fixed assets total		174,960	96,097
Total assets		206,217	127,138

Note (1) Figures are rounded down to the nearest million yen.

(2) Red letters indicate assets of consolidated subsidiaries.

(silent partnerships relating to special-purpose companies)

Consolidated Balance sheets - 2

(million of yen)

Item	Term	End of Previous Term (as of March 31, 2013)	End of Current Term (as of March 31, 2014)
		Amount	Amount
(Liabilities)			
1.Current liabilities			
Account payable		196	257
Short-term loans		515	660
Bonds to be redeemed within one year		1,063	670
Long-term loans to be repaid within one year		26,573	7,459
<u>Long-term loans to be repaid within one year (non-exempt properties)</u>		<u>2,996</u>	<u>-</u>
Lease obligation		10,023	10,069
Account corporate tax etc.		746	241
Others		5,231	5,148
Current liabilities total		47,346	24,506
Fixed liabilities			
Bonds		4,762	1,445
Long-term loans		50,250	26,580
<u>Long-term loans (non-exempt properties)</u>		<u>4,065</u>	<u>-</u>
Officer's retirement allowance		243	264
Lease obligation		12,803	9,104
Asset retirement obligations		6,223	6,321
Key money received		869	720
Others		937	663
Fixed liabilities total		80,157	45,099
Liabilities total		127,503	69,606
(Net assets)			
1.Shareholder's equity			
Capital stock		25,021	25,021
Capital reserve		25,496	25,496
Profit reserve		29,321	7,249
Treasury stock		(319)	(323)
Shareholder's equity total		79,519	57,443
2.Difference from revaluation and exchange rate changes			
Difference for land revaluation		(921)	(138)
Foreign currency translation adjustments		115	226
Accumulated other Comprehensive income		(805)	88
Net assets total		78,714	57,531
Total liabilities and net assets		206,217	127,138

Note (1) Figures are rounded down to the nearest million yen.

(2) Red letters indicate liabilities of consolidated subsidiaries.

(silent partnerships relating to special-purpose companies)

Consolidated Profit & Loss Statements

(million of yen)

	Previous Term	Current Term
	From April 1, 2012 to March 31, 2013	From April 1, 2013 to March 31, 2014
	Amount	Amount
Sales	85,903	84,272
Cost of sales	72,575	72,549
Gross profit	13,328	11,723
Selling, general & administrative expenses	1,762	1,634
Operating income	11,565	10,088
Non-operating income		
Interest and dividend income	34	62
Exchange gain	132	66
Co-sponsor fee	46	42
Others	174	143
	388	315
Non-operating expenses		
Interest expense	3,316	2,351
Others	420	233
	3,736	2,585
Ordinary income	8,217	7,818
Extraordinary gain		
Gain on sales of property, plant and equipment	434	2,515
	434	2,515
Extraordinary loss		
Loss on sales of property, plant and equipment	466	2,241
Loss on disposal of property, plant and equipment	241	161
Impairment loss	6,430	31,656
Loss on closing of store	249	-
	7,387	34,059
Pretax net income(loss) for the current term	1,264	(23,725)
Income taxes - current	1,154	246
Income taxes - differed	(491)	(4,290)
Total income taxes	663	(4,044)
Pre-adjustment minority interest income(loss)	601	(19,681)
Net income(loss)	601	(19,681)

Note : Figures are rounded down to the nearest million yen.

Pre-adjustment minority interest income(loss)	601	(19,681)
Other comprehensive income		
Foreign currency translation adjustments	137	111
Difference for land revaluation	-	782
Total other comprehensive income	137	894
Comprehensive income	738	(18,787)
(Detail)		
Comprehensive income attributable to owner of the parent	738	(18,787)
Comprehensive income attributable to minority interest	-	-

Consolidated Statements of Shareholders Equity

Previous Term (From April 1,2012 to March 31,2013)

(million of yen)

	Shareholders' equity				Shareholders' equity total
	Capital stock	Capital reserve	Profit reserve	Treasury stock	
Balance as of term beginning	25,021	25,496	30,625	(318)	80,825
Change in current term					
Dividends of profit reserve			(1,905)		(1,905)
Net income			601		601
Purchase of treasury stock				(1)	(1)
Reversal of difference for land revaluation					-
Change in current term without capital stock items					-
Change in current term total	-	-	(1,304)	(1)	(1,305)
Balance as of term ending	25,021	25,496	29,321	(319)	79,519

	Accumulated other Comprehensive income			Net assets total
	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other Comprehensive income	
Balance as of term beginning	(921)	(21)	(943)	79,882
Change in current term				
Dividends of profit reserve				(1,905)
Net income				601
Purchase of treasury stock				(1)
Reversal of difference for land revaluation				-
Change in current term without capital stock items		137	137	137
Change in current term total	-	137	137	(1,168)
Balance as of term ending	(921)	115	(805)	78,714

Consolidated Statements of Shareholders Equity

Current Term (From April 1,2013 to March 31,2014)

(million of yen)

	Shareholders' equity				Shareholders' equity total
	Capital stock	Capital reserve	Profit reserve	Treasury stock	
Balance as of term beginning	25,021	25,496	29,321	(319)	79,519
Change in current term					
Dividends of profit reserve			(1,905)		(1,905)
Net income (loss)			(19,681)		(19,681)
Purchase of treasury stock				(4)	(4)
Reversal of difference for land revaluation			(485)		(485)
Change in current term without capital stock items					-
Change in current term total	-	-	(22,071)	(4)	(22,076)
Balance as of term ending	25,021	25,496	7,249	(323)	57,443

	Accumulated other Comprehensive income			Net assets total
	Difference for land revaluation	Foreign currency translation adjustment	Total accumulated other Comprehensive income	
Balance as of term beginning	(921)	115	(805)	78,714
Change in current term				
Dividends of profit reserve				(1,905)
Net income (loss)				(19,681)
Purchase of treasury stock				(4)
Reversal of difference for land revaluation				(485)
Change in current term without capital stock items	782	111	894	894
Change in current term total	782	111	894	(21,182)
Balance as of term ending	(138)	226	88	57,531

Consolidated Statements of Cash Flow

(million of yen)

	Previous Term From April 1, 2012 to March 31, 2013	Current Term From April 1, 2013 to March 31, 2014
	Amount	Amount
Cash flow from operating activities		
Net income(loss) before taxes	1,264	(23,725)
Depreciation expenses	18,960	15,928
impairment loss	6,430	31,656
Increase in officer's retirement allowance	20	20
Interest and dividend received	(34)	(62)
Interest paid	3,316	2,351
Fixed assets sales loss(gain)	31	(274)
Fixed assets disposal losses	241	161
Decrease(increase) in accounts receivables	(46)	(41)
Decrease in inventory	240	66
Increase(decrease) in account payable	(16)	60
Others	(243)	(902)
Subtotal	30,164	25,239
Interest and dividends received	4	35
Interest paid	(3,390)	(2,457)
Corporate taxes refund	908	426
Corporate taxes paid	(1,269)	(2,787)
Total cash flow from operating activities	26,418	20,456
Cash flow from investing activities		
Decrease in cash and deposit (non-exempt properties)	434	1,050
Payment for acquisition of fixed asset investment	(5,241)	(3,752)
Proceeds from sales of fixed asset	10,470	50,841
Payment for fulfillment of asset retirement obligation	(31)	-
Payment for key money deposit	(1,684)	(2,001)
Proceeds from collection of key money deposit	398	403
Others	25	70
Total cash flow from investing activities	4,371	46,611
Cash flow from financing activities		
Increase(decrease) in short-term loan	(722)	144
Payment for lease obligation	(11,969)	(10,877)
Proceeds from long-term loans	13,790	15,000
Payment for long-term loans (non-exempt properties)	(2,604)	(7,061)
Payment for long-term loans	(25,539)	(57,784)
Proceeds for bond issue	-	1,700
Payment for bond redemption	(5,613)	(5,411)
Payment for acquisition treasury stock	(1)	(4)
Dividend payments	(1,903)	(1,905)
Total cash flow from financing activities	(34,564)	(66,200)
Effect of exchange rate changes on cash and cash equivalent	45	30
Increase(decrease) in cash and cash equivalents	(3,729)	898
Cash and cash equivalents at beginning of term	28,003	24,274
Cash and cash equivalents at end of Interim	24,274	25,172

Note : Figures are rounded down to the nearest million yen.