

Financial Results for the year ended March 31, 2020

May 11, 2020

ROUND ONE corporation

TSE First section

Code No.4680 URL <http://www.round1.co.jp/>

C.E.O. and President

Masahiko Sugino

Senior Executive Director Head of Administration Unit

Shinji Sasae

Tel : +81-6-6647-6600

Expected date of Regular General Shareholder's Meeting : June 26, 2020.

Expected date of presentation of securities report : June 29, 2020.

Expected date of dividend payment : June 29, 2020.

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

1. Business Results for the year ended in March 2020. (April 1, 2019 to March 31, 2020)

(1) Operating Results

(% is percentage change comparing to previous term.)

	Sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
FY2019 (2020/3)	104,779	3.4	8,880	(22.4)	8,721	(22.3)	4,794	(33.0)
FY2018 (2019/3)	101,318	5.6	11,443	8.6	11,220	9.3	7,159	(14.9)

(Note) Comprehensive income FY2019 : ¥4,375mn Δ 43.3% FY2018 : ¥7,716mn Δ 0.0%

	Earnings per share	Net income per share, fully diluted	Return on equity	Ordinary income to total assets ratio	Operating income to sales ratio
	¥		%	%	%
FY2019 (2020/3)	50.33	—	7.5	6.9	8.5
FY2018 (2019/3)	75.15	—	12.0	10.0	11.3

(Note) Investment gains and losses by the equity method FY 2019 : ¥(5)mn , FY 2018 : None

(2) Financial Status

	Total assets	Net assets	Equity ratio	Net assets per share
	¥mn	¥mn	%	¥
FY2019 (2020/3)	135,839	65,141	47.8	681.91
FY2018 (2019/3)	117,346	62,604	53.3	655.99

(Note) Shareholder's equity FY2019 : ¥64,958mn , FY2018 : ¥62,490mn

(3) Cash Flow

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of period
	¥mn	¥mn	¥mn	¥mn
FY2019 (2020/3)	20,585	(12,108)	3,626	34,515
FY2018 (2019/3)	20,871	(10,783)	(11,159)	22,524

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	%	%
FY2018 (2019/3)	—	10.00	—	10.00	20.00	1,905	26.6	3.2
FY2019 (2020/3)	—	10.00	—	10.00	20.00	1,905	39.7	3.0
FY2020(2021/3)(estimate)	—	10.00	—	10.00	20.00		—	

3.Forecasts for the FY2020. (April 1, 2020 to March 31, 2021)

ROUND ONE Corporation has decided to close all of our stores and amusement facilities for the time being from April to avoid our customers and our employee get infected by the novel coronavirus disease (COVID-19). Forecasts of consolidated business results for the fiscal year ending March 31, 2021 is to be determined, as it is difficult to reasonably calculate the impact of the spread of the novel coronavirus disease (COVID-19) on business activities and business results. The information will be disclosed once it is possible to make rational calculations in future.

4.Others

- (1) The change of the important subsidiary during the term. (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.

FY2019	95,452,914	FY2018	95,452,914
FY2019	193,415	FY2018	191,240
FY2019	95,260,640	FY2018	95,262,491

(Reference) Non-consolidate business results

1. Business Results for the year ended in March 2020. (April 1, 2019 to March 31, 2020)

(1) Operating Results

(% is percentage change comparing to previous term.)

	Sales		Operating Income		Ordinary Income		Net Income	
	¥mn	%	¥mn	%	¥mn	%	¥mn	%
FY2019 (2020/3)	84,233	(0.9)	8,770	(10.1)	8,839	(9.5)	5,349	(16.8)
FY2018 (2019/3)	84,976	0.8	9,761	4.0	9,769	4.7	6,429	(14.4)

	Earnings per Share	Net Income per share, fully diluted
	¥	
FY2019 (2020/3)	56.15	—
FY2018 (2019/3)	67.49	—

(2) Financial Status

	Total Assets	Net Assets	Shareholder's Equity Ratio	Shareholder's Equity Per Share
	¥mn	¥mn	%	¥
FY2019 (2020/3)	122,131	64,119	52.4	671.18
FY2018 (2019/3)	104,491	60,609	57.9	635.04

(Note) Shareholder's equity FY2019(2020/3) : ¥63,936mn , FY2018(2019/3) : ¥60,495mn

※ This report is not included in the scope of audit.

※ 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, no warranty is given as to the realization of the forecasts.
- Future events may cause the actual results to be significantly different from the forecasts.

Consolidated Balance sheet - 1

(million of yen)

Item	Term	End of Previous Term (as of March 31, 2019)	End of Current Term (as of March 31, 2020)
		Amount	Amount
(Assets)			
Current assets			
Cash and deposits		22,524	34,515
Accounts receivable		1,182	971
Merchandises		429	414
Supplies		2,105	2,194
Other		2,429	4,134
Current assets total		28,671	42,230
Non-current assets			
Property, plant and equipment			
Buildings and structures		78,669	82,289
Accumulated depreciation		(38,121)	(40,780)
Buildings and structures(Net)		40,547	41,508
Bowling equipment		7,108	7,856
Accumulated depreciation		(3,579)	(4,318)
Bowling equipment(Net)		3,528	3,537
Amusement machines		6,139	11,181
Accumulated depreciation		(4,885)	(6,154)
Amusement machines(Net)		1,254	5,026
Land		5,736	5,736
Leased assets		30,990	29,711
Accumulated depreciation		(12,968)	(11,874)
Leased assets(Net)		18,021	17,837
Other		14,174	17,295
Accumulated depreciation		(9,356)	(10,585)
Other(Net)		4,817	6,709
Property, plant and equipment total		73,905	80,355
Intangible assets		690	737
Investments and other assets			
Deferred tax assets		4,571	3,368
Guarantee deposits		9,323	8,802
Other		182	343
Investments and other assets total		14,078	12,515
Non-current assets total		88,674	93,608
Total assets		117,346	135,839

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

Consolidated Balance sheet - 2

(million of yen)

Item	Term	End of Previous Term (as of March 31, 2019)	End of Current Term (as of March 31, 2020)
		Amount	Amount
(Liabilities)			
Current liabilities			
Accounts payable		350	204
Short-term loans payable		1,441	1,561
Current portion of bonds		825	1,167
Current portion of long-term loans payable		2,899	6,398
Lease obligations		9,497	8,533
Income taxes payable etc.		1,208	997
Other		8,865	9,114
Current liabilities total		25,088	27,977
Non-current liabilities			
Bonds payable		1,675	2,507
Long-term loans payable		6,675	15,776
Lease obligations		9,568	9,697
Deferred tax liabilities		184	—
Asset retirement obligations		6,099	6,105
Long-term guarantee deposited		461	456
Other		4,989	8,176
Non-current liabilities total		29,653	42,720
Liabilities total		54,741	70,697
(Net assets)			
Shareholder's equity			
Capital stock		25,021	25,021
Capital surplus		22,638	22,638
Retained earnings		14,767	17,657
Treasury shares		(337)	(340)
Shareholder's equity total		62,089	64,976
Accumulated other comprehensive income			
Revaluation reserve for land		(138)	(138)
Foreign currency translation adjustment		539	119
Accumulated other comprehensive income total		400	(18)
Share acquisition rights		114	183
Non-controlling interests		—	0
Net assets total		62,604	65,141
Total liabilities and net assets		117,346	135,839

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

Consolidated Income Statement

(million of yen)

	Previous Term	Current Term
	From April 1, 2018 to March 31, 2019	From April 1, 2019 to March 31, 2020
	Amount	Amount
Net sales	101,318	104,779
Cost of sales	86,858	92,401
Gross profit	14,460	12,377
Selling, general and administrative expenses	3,016	3,497
Operating income	11,443	8,880
Non-operating income		
Interest and dividend income	16	12
Reward for sales cooperation	35	43
Operations consignment fee	47	56
Insurance claim income	8	91
Subsidy income	71	82
Other	138	110
Non-operating income total	318	395
Non-operating expenses		
Interest expenses	471	483
Share of loss of entities accounted for using equity method	—	5
Other	70	65
Non-operating expenses total	541	553
Ordinary income	11,220	8,721
Extraordinary losses		
Loss on sales of non-current assets	75	—
Loss on retirement of non-current assets	453	467
Impairment loss	602	1,086
Extraordinary losses total	1,131	1,553
Pretax net income for the current term	10,089	7,168
Income taxes - current	1,523	1,350
Income taxes - deferred	1,405	1,022
Total income taxes	2,929	2,373
Profit	7,159	4,794
Loss attributable to non-controlling interests	—	(0)
Profit attributable to owners of parent	7,159	4,794

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

Profit	7,159	4,794
Other comprehensive income		
Foreign currency translation adjustments	556	(419)
Total other comprehensive income	556	(419)
Comprehensive income	7,716	4,375
(Detail)		
Comprehensive income attributable to owner of the parent	7,716	4,375
Comprehensive income attributable to non controlling interest	—	(0)

Consolidated Statement of changes in Shareholders Equity

Previous Term (From April 1,2018 to March 31,2019)

(million of yen)

	Shareholders' equity				Total shareholders' equity
	Capital stock	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of current period	25,021	22,638	9,513	(334)	56,838
Changes of items during period					
Dividends of surplus			(1,905)		(1,905)
Profit attributable to owners of parent			7,159		7,159
Purchase of treasury shares				(3)	(3)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	5,254	(3)	5,250
Balance at end of current period	25,021	22,638	14,767	(337)	62,089

	Accumulated other Comprehensive income			Share acquisition rights	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of current period	(138)	(17)	(156)	37	56,720
Changes of items during period					
Dividends of surplus					(1,905)
Profit attributable to owners of parent					7,159
Purchase of treasury shares					(3)
Net changes of items other than shareholders' equity		556	556	76	633
Total changes of items during period	—	556	556	76	5,884
Balance at end of current period	(138)	539	400	114	62,604

Consolidated Statement of changes in Shareholders Equity

Current Term (From April 1,2019 to March 31,2020)

(million of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	25,021	22,638	14,767	(337)	62,089
Changes of items during period					
Dividends of surplus			(1,905)		(1,905)
Profit attributable to owners of parent			4,794		4,794
Purchase of treasury shares				(2)	(2)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	2,889	(2)	2,886
Balance at end of current period	25,021	22,638	17,657	(340)	64,976

	Accumulated other Comprehensive income			Share acquisition rights	Non-controlling interests	Total net assets
	Revaluation reserve for land	Foreign currency translation adjustment	Total accumulated other comprehensive income			
Balance at beginning of current period	(138)	539	400	114	—	62,604
Changes of items during period						
Dividends of surplus						(1,905)
Profit attributable to owners of parent						4,794
Purchase of treasury shares						(2)
Net changes of items other than shareholders' equity		(419)	(419)	68	0	(350)
Total changes of items during period	—	(419)	(419)	68	0	2,536
Balance at end of current period	(138)	119	(18)	183	0	65,141

Consolidated Statement of Cash Flow

(million of yen)

	Previous Term From April 1, 2018 to March 31, 2019	Current Term From April 1, 2019 to March 31, 2020
	Amount	Amount
Cash flow from operating activities		
Net income before taxes	10,089	7,168
Depreciation expenses	12,481	14,241
Impairment loss	602	1,086
Increase(decrease) in officer's retirement allowance	(282)	—
Interest and dividend received	(16)	(8)
Interest paid	471	483
Fixed assets sales loss(gain)	75	—
Fixed assets disposal losses	453	467
Decrease(increase) in account receivables	(244)	205
Decrease(increase) in inventory	(640)	(98)
Increase(decrease) in account payable	(638)	(145)
Increase (decrease) in accrued consumption taxes	(893)	561
Other	1,760	(548)
Subtotal	23,217	23,412
Interest and dividends received	5	0
Interest paid	(463)	(483)
Corporate taxes refund	—	2
Corporate taxes paid	(1,888)	(2,347)
Total cash flow from operating activities	20,871	20,585
Cash flow from investing activities		
Payment for acquisition of fixed asset investment	(10,892)	(12,184)
Proceeds from sales of fixed asset	5	—
Payments for asset retirement obligation	(115)	(135)
Payment for guarantee deposits	(113)	(194)
Payments for investments in capital of subsidiaries and associates	—	(203)
Proceeds from collection of guarantee deposits	514	712
Other	(181)	(103)
Total cash flow from investing activities	(10,783)	13,581
Cash flow from financing activities		
Increase(decrease) in short-term loan	521	119
Payment for lease obligation	(10,298)	(9,958)
Proceeds from long-term loans	3,300	15,800
Payment for long-term loans	(5,584)	(3,199)
Proceeds from issuance of bonds	2,500	2,000
Redemption of bonds	(935)	(825)
Repayments deposits received	(74)	(30)
Proceeds deposits received	1,320	1,628
Proceeds from share issuance to non-controlling shareholders	—	0
Payment for acquisition treasury stock	(3)	(2)
Dividend payments	(1,905)	(1,905)
Total cash flow from financing activities	(11,159)	3,626
Effect of exchange rate changes on cash and cash equivalents	156	(112)
Increase(decrease) in cash and cash equivalents	(915)	11,990
Cash and cash equivalents at beginning of period	23,439	22,524
Cash and cash equivalents at end of period	22,524	34,515

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