



**ROUND ONE Corporation**

FY2025.3 3Q Financial Results Presentation

February 12, 2025

## Event Summary

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<b>[Company Name]</b>	ROUND ONE Corporation	
<b>[Company ID]</b>	4680-QCODE	
<b>[Event Language]</b>	JPN	
<b>[Event Type]</b>	Earnings Announcement	
<b>[Event Name]</b>	3Q Financial Results Briefing for the Fiscal Year Ending March 2025	
<b>[Fiscal Period]</b>	FY2025 3Q	
<b>[Date]</b>	February 12, 2025	
<b>[Number of Pages]</b>	22	
<b>[Time]</b>	15:30 – 16:26 (Total: 56 minutes, Presentation: 32 minutes, Q&A: 24 minutes)	
<b>[Venue]</b>	Webcast	
<b>[Venue Size]</b>		
<b>[Participants]</b>		
<b>[Number of Speakers]</b>	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
<b>[Analyst Names]*</b>	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

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**Moderator:** It is time to commence the financial result briefing of ROUND ONE Corporation. This briefing will be a hybrid of on-site and live-streamed sessions.

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

**Sugino:** Thank you.

**Moderator:** Shinji Sasae, Executive Vice President.

**Sasae:** Thank you.

**Moderator:** Jun Okamoto, Director and Chief Financial Officer and General Manager of Administration.

**Okamoto:** Thank you.

**Moderator:** Today, President Sugino is going to give a presentation. After the presentation, there will be time for a question-and-answer session for the audience at the venue. Afterwards, we will take questions from those who join us online.

Mr. Sugino, please go ahead.

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



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

	Unit	FY2024.3 Actual [2023.4-2023.12]	FY2025.3 Actual [2024.4-2024.12]	Dif.(%)
Total stores at the end of term ①	Store	153	158	+3.3
No. of all stores' operating months ①	Month	1,365	1,397	+2.3

① [Differ in number]

Store : Japan 1 store opened and 1 store closed  
The USA 6 stores opened and 1 store closed  
Operating months : Japan +3 months, The USA +29 months

② [Ordinary profit] ※

FY2024.3 3Q Actual	Ordinary profit	¥13.23bn
◆Japan Ordinary profit & loss		+¥1.26bn
■[Breakdown]		
Increase in Sales		+¥3.36bn
Increase in Personnel exp.		¥(1.11)bn
Increase in Repair exp.		¥(0.42)bn
Increase in Lease Fee for amusement machines		¥(0.31)bn
Increase in Promotion exp.		¥(0.29)bn
Increase in Amusement prize exp.		¥(0.14)bn
Decrease in Other exp.		+¥0.17bn
◆The USA Ordinary profit & loss		+¥2.09bn
■[Breakdown]		
Increase in Existing stores profit		+¥0.41bn
Increase in Profit due to increase in number of Operating months		+¥1.48bn
Increase in Initial investment		¥(0.33)bn
Effect of Exchange rate fluctuations		+¥0.53bn
◆China and Other		¥(0.18)bn
FY2025.3 3Q Actual	Ordinary profit	¥16.40bn

		FY2024.3 Actual [2023.4-2023.12]	FY2025.3 Actual [2024.4-2024.12]	Dif.(%)
P/L	Bowling	19.21	20.84	+8.5
	Amusement	68.38	76.42	+11.7
	Karaoke, Food	11.32	13.41	+18.4
	Spo-cha	12.00	13.35	+11.2
	Others	2.45	2.61	+6.2
	<b>Total sales</b>	<b>113.39</b>	<b>126.63</b>	<b>+11.7</b>
	Cost of sales	96.09	105.85	+10.2
	<b>Gross profit</b>	<b>17.29</b>	<b>20.77</b>	<b>+20.1</b>
	S.G.A. expenses	3.94	4.68	+18.8
	<b>Operating profit</b>	<b>13.35</b>	<b>16.08</b>	<b>+20.5</b>
	Non-operating income & expenses	(0.12)	0.31	—
	<b>Ordinary profit ②</b>	<b>13.23</b>	<b>16.40</b>	<b>+23.9</b>
	<b>Ordinary profit margin</b>	<b>11.7%</b>	<b>13.0%</b>	<b>—</b>
	Extraordinary income & loss ③	0.50	(0.14)	—
	<b>Profit before income taxes</b>	<b>13.73</b>	<b>16.25</b>	<b>+18.3</b>
	Income taxes	4.19	5.04	+20.2
	<b>Profit</b>	<b>9.54</b>	<b>11.21</b>	<b>+17.5</b>

※ Ordinary profit is compared excluding royalty.  
Royalty from The USA is ¥2.59bn.

③ [Extraordinary income & loss breakdown]

FY2024.3 3Q Actual	Extraordinary income & loss	¥(0.50)bn
· Impairment loss		¥(0.06)bn
· Loss on retirement of non-current assets, etc.		¥(0.31)bn
· Gain on sale of shares of associates		¥0.15bn
· Compensation income		¥0.72bn
FY2025.3 3Q Actual	Extraordinary income & loss	¥(0.14)bn
· Loss on retirement of non-current assets, etc.		¥(0.14)bn

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**Sugino:** I will review an overview of the financial results for 3Q of the fiscal year ending March 31<sup>st</sup>, 2025 and the future prospects. As usual, I will walk you through these materials.

The results for the period in question are shown in the blue boxes.

The number of stores has increased a little, not by much, but by two or three stores in real terms.

Sales were JPY126.6 billion compared to JPY113.3 billion in the previous year, operating profit was JPY16 billion compared to JPY13.3 billion, ordinary profit was JPY16.4 billion compared to JPY13.2 billion, and net profit was JPY11.2 billion compared to JPY9.5 billion.

The number one thing is that sales have been growing both in Japan and the US. We have increased our sales considerably last year as well, so sales hurdles have been high both in Japan and in the US, and Amusement sales have increased by especially crane games.

In terms of the cost for this increase, the cost of the prize for crane game in Amusement is growing. In addition, the crane game is rather labor-intensive as it requires replenishment of products, resulting in an increase in personnel expenses. Such a situation is continuing to date.

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



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

	Unit	FY2025.3 Plan [2024.4-2024.12]	FY2025.3 Actual [2024.4-2024.12]	Dif.(%)
Total stores at the end of term ①	Store	160	158	(1.3)
No. of all stores' operating months ①	Month	1,406	1,397	(0.6)

P/L		FY2025.3 Plan	FY2025.3 Actual	Dif.(%)
		Bowling	20.22	20.84
	Amusement	73.89	76.42	+3.4
	Karaoke, Food	12.67	13.41	+5.8
	Spo-cha	12.66	13.35	+5.4
	Others	2.46	2.61	+5.8
	<b>Total sales</b>	<b>121.93</b>	<b>126.63</b>	<b>+3.9</b>
	Cost of sales	102.35	105.85	+3.4
	<b>Gross profit</b>	<b>19.57</b>	<b>20.77</b>	<b>+6.1</b>
	S.G.A. expenses	4.60	4.68	+1.9
	<b>Operating profit</b>	<b>14.97</b>	<b>16.08</b>	<b>+7.4</b>
	Non-operating income & expenses	(0.44)	0.31	-
	<b>Ordinary profit ②</b>	<b>14.53</b>	<b>16.40</b>	<b>+12.9</b>
	<b>Ordinary profit margin</b>	<b>11.9%</b>	<b>13.0%</b>	-
	Extraordinary income & loss ③	(0.20)	(0.14)	-
	<b>Profit before income taxes</b>	<b>14.32</b>	<b>16.25</b>	<b>+13.5</b>
	Income taxes	4.55	5.04	+10.8
	<b>Profit</b>	<b>9.76</b>	<b>11.21</b>	<b>+14.8</b>

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① [Differ in number]

Store : Japan (2 Stores)  
Operating months : Japan (7 months) The USA(2 months)

② [Ordinary profit] ※1

FY2025.3 3Q Plan	Ordinary profit	¥14.53bn
◆Japan Ordinary profit & loss		
+¥1.96bn		
[Breakdown]	Increase in Sales	+¥2.37bn
	Decrease in Depreciation exp.	+¥0.41bn
	Increase in Repair exp.	¥(0.64)bn
	Increase Personnel exp.	¥(0.42)bn
	Increase in Amusement prize exp.	¥(0.30)bn
	Increase in Lease Fee for amusement machines	+¥0.29bn
	Decrease in Other exp.	+¥0.25bn
◆The USA Ordinary profit & loss		
※2 ¥(0.33)bn		
[Breakdown]	Increase in Sales	+¥0.24bn
	Increase in Personnel exp.	¥(0.74)bn
	Decrease in Amusement prize exp.	+¥0.06bn
	Decrease in Other exp. ※3	+¥0.11bn
◆China and Other		
+¥0.24bn		

FY2025.3 3Q Actual	Ordinary profit	¥16.40bn
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※1 Ordinary profit is compared excluding royalty.

Royalty from The USA is ¥2.59bn.

※2 Please refer to page 3 for details.

※3 Other exp. includes the increased profit due to exchange rate fluctuations.

③ [Extraordinary income & loss breakdown]

FY2025.3 3Q Plan Extraordinary income & loss ¥(0.13)bn

· Loss on retirement of non-current assets, etc. ¥(0.13)bn

FY2025.3 3Q Actual Extraordinary income & loss ¥(0.14)bn

· Loss on retirement of non-current assets, etc. ¥(0.14)bn

The next page shows an analysis of consolidated operating results against the plan.

The plan was originally formulated about a year ago and projected operating income of JPY14.9 billion, and so far, it is JPY16 billion. The amount is exceeding the plan by about JPY1 billion now.

4Q, January, is the highest month of the year for both sales and profits, both in Japan and the US. This January has passed, and we are already in the middle of February. March is the month of spring break, and the next largest sales month after January is August and the next is March in both Japan and the US. Although March will be coming, I believe that the profit trend will remain unchanged unless there is a major change. This is the current situation.

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## Analysis of [The USA] FY2025.3 3Q Actual [Comparison with Plan]



FY2025.3 3Q (YTD) Ordinary Profit (PvA)  $\Delta$ ¥0.33bn [Plan ¥9.06bn  $\Rightarrow$  Actual ¥8.73bn]

### ◆Details of comparison between actual results with the plan for 1Q to 3Q◆

The results of exchanging the actual figures at the end of each quarters using the planned exchange rate of ¥145. For details, please refer to the "Factors" section. Additionally, the actual ordinary profit figures have been calculated using the average exchange rate at the end of each quarters.

(Unit:bn) ※Figures less than ¥0.01bn are rounded down

	1Q	2Q	3Q	YTD
<b>FY2025.3 Plan Ordinary Profit</b>	<b>¥3.08bn</b>	<b>¥3.41bn</b>	<b>¥2.57bn</b>	<b>¥9.06bn</b>
Change in Sales	(¥0.27bn)	(¥0.02bn)	+¥0.54bn	+¥0.24bn
Change in Personnel exp.	(¥0.17bn)	(¥0.15bn)	(¥0.42bn)	(¥0.74bn)
Change in Amusement prize exp.	+¥0.06bn	+¥0.10bn	(¥0.12bn)	+¥0.06bn
The other exp. and Factors such as Effect of Exchange rate fluctuations※1	+¥0.10bn	+¥0.07bn	(¥0.06bn)	+¥0.11bn
<b>FY2025.3 Actual Ordinary Profit</b>	<b>¥2.80bn</b>	<b>¥3.41bn</b>	<b>¥2.51bn</b>	<b>¥8.73bn</b>
<b>Variance</b>	<b>(¥0.28bn)</b>	<b>+0.00bn</b>	<b>(¥0.06bn)</b>	<b>(¥0.33bn)</b>

※1 Includes profit increase due to exchange rate fluctuations

※ The expense figures enclosed in ( ) indicate an increase in costs

### ◆Detail of 4Q in FY2025.3◆

The sales for January were in line with the plan when adjusted for the effect of exchange rate fluctuations.

Furthermore, approximately 4% price revisions are under consideration, and taking into account the impact of the price revisions, Ordinary Profit for Q4 is expected to be in line with the plan.

#### ◆Factors◆

##### [Sales]

In 1Q, Amusement sales fell short of the plan. However, despite delays in new store openings from 2Q onward, sales at new stores were strong after launch the stores. As a result, revenue increased by ¥0.24bn on a cumulative basis.

##### [Personnel Exp.]

Due to the factors such as a wage increase, the expense exceeded the plan.

##### [Amusement Prize Exp.]

In 1Q, Amusement sales fell short of the plan, leading to decrease in Amusement prize expenses. In 3Q, sales were strong due to factors such as an increase in the number of mini crane game machines. As a result, Amusement prize expenses increased.

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Page three shows a comparison with the plan in the US.

In particular for personnel expenses, we have a little more than we expected just about a year ago. Various economic indicators, such as the unemployment rate, changes in hourly earnings from the previous year and the previous month, have been solid. So, the US is strong. Thus, personnel expenses have incurred in 3Q more than originally estimated.

On the other hand, sales have also been growing moderately, and in the end, we expect that sales in North America will probably be in line with the plan. We won't know that until it is over, but I think so.

Costs are still rising and expected to increase more and more. Therefore, we plan to raise the price by 4% in both Japan and the US in 4Q, around the end of this month or the beginning of next month.

In the case of Japan, it is not possible to raise the price of arcade games. However, since we have already raised the price of medals at the end of the year, we are planning to raise the prices of other items such as Bowling, Spo-cha, and Karaoke by about 4% starting around March.

The price in the US will be also raised. We plan to raise the price for everything including Food and Drinks, Amusement, Bowling, and the others. The increase will be in the range of 4% and bit more than 4% for all sections.

We have not yet made a final decision, but since we need to give our customers two weeks' notice, we are likely to make announcement around next week and have indicated it in the material.

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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

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There is no change in the figures on page four. We don't expect much deviations. That is the direction I think we are going in line with the plan.

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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	Actual	Actual	Plan	Actual	Dif.(%)	Plan	Plan	Plan
Bowling	¥bn	5.29	5.77	11.07	4.87	4.96	+1.9	6.54	11.42	22.11
Amusement	¥bn	11.29	13.89	25.18	11.59	11.80	+1.8	13.33	24.92	49.52
Karaoke	¥bn	1.94	2.19	4.14	1.81	1.88	+3.6	2.13	3.94	8.03
Spo-cha	¥bn	3.79	4.73	8.53	3.14	3.32	+6.0	5.17	8.31	16.20
Others	¥bn	0.85	0.91	1.77	0.78	0.83	+5.6	0.96	1.75	3.43
Total sales	¥bn	23.18	27.52	50.71	22.20	22.81	+2.7	28.15	50.36	99.30
Total stores at the end of each term		100	100	100	102	100	—	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	Actual	Actual	Plan	Actual	Dif.(%)	Plan	Plan	Plan
Bowling	%	+10.3	+8.9	+9.6	+2.8	+4.8	+2.0	+3.4	+3.1	+4.4
Amusement	%	+0.1	+3.6	+2.0	(3.4)	+0.8	+4.2	(1.9)	(2.6)	(2.0)
Karaoke	%	+10.1	+7.5	+8.7	+3.1	+6.8	+3.7	+0.4	+1.6	+4.4
Spo-cha	%	+8.9	+19.0	+14.3	(3.7)	+2.2	+5.9	+0.0	(1.4)	+1.9
Others	%	+8.2	+10.0	+9.1	+2.0	+7.7	+5.7	+2.7	+2.4	+2.7
Total sales	%	+4.8	+7.6	+6.3	(1.4)	+2.5	+3.9	+0.0	(0.6)	+0.7
No. of Sat./Sun./Holidays over previous year	Days	±0	±0	±0	(2)	(2)	—	±0	(2)	(2)
Total existing stores at the end of each term		98	99	99	99	99	—	99	99	99

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Page five shows domestic results. We included a plan as well.

We have been improving our performance after COVID-19. We think we are now in a very difficult situation to continue to improve our performance in the next fiscal year and beyond unless we come up with effective campaigns

As for how to incorporate costs, we will have to deal with it by price increase taking into consideration the situation of customers. For instance, whether it will be accepted by customers including the price increase this time. We will have to continue to take the cost rationalization measures.

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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	1Q	2Q	1st half	3Q			4Q	2nd half	Term
		Actual	Actual	Actual	Plan	Actual	Dif.(%)	Plan	Plan	Plan
Bowling	¥bn	1.55	1.57	3.13	1.48	1.59	+7.9	1.80	3.28	6.34
Amusement	¥bn	12.42	13.31	25.73	11.84	12.89	+8.9	15.37	27.21	51.94
Food, Party, etc.	¥bn	2.34	2.33	4.68	2.40	2.65	+10.4	2.94	5.34	9.65
Spo-cha	¥bn	0.45	0.43	0.89	0.39	0.36	(7.4)	0.49	0.88	1.78
Total sales	¥bn	16.78	17.65	34.44	16.12	17.51	+8.6	20.61	36.73	69.73
Total stores at the end of each term		51	52	52	54	54	—	57	57	57

※ Forex : Plan 1 USD = 145.00 JPY Actual 1 USD = 152.64 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	1Q	2Q	1st half	3Q			4Q	2nd half	Term
		Actual	Actual	Actual	Plan	Actual	Dif.(%)	Plan	Plan	Plan
Bowling	%	(0.4)	(2.8)	(1.6)	+2.6	+2.7	+0.1	+2.0	+2.3	+2.8
Amusement	%	+1.3	(1.5)	(0.1)	+3.4	+6.2	+2.8	+3.1	+3.2	+3.1
Food, Party, etc.	%	+13.2	+8.5	+10.8	+6.9	+10.0	+3.1	+6.4	+6.6	+7.2
Spo-cha	%	(0.3)	+3.8	+1.8	+4.2	+3.0	(1.2)	(0.0)	+1.6	+3.0
Total sales	%	+2.6	(0.2)	+1.2	+3.8	+6.3	+2.5	+3.4	+3.6	+3.6
Total existing stores at the end of each term		47	47	47	47	47	—	48	48	48

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Please see page six about North America.

We have introduced crane games machines and mini-cranes game machines as well to exceed performance. Of the approximately 4,000 units planned, about 1,000 have been installed by the end of the last year. We intend to finish installing all of the remaining 3,000 in the next eight months from this 4Q to 2Q of the new fiscal year.

Remaining task is about the prizes. If we can create an environment in which manufacturers can introduce more and more prizes with Japanese characters to the US, I think there is a good chance that our business will grow a little more.

However, if there is an element of growth in the next fiscal year compared to last year and the year before, it will depend on the prizes of the crane games machines in North America. We do not need so-called "hit products", but if we can increase the number of variations of Japanese characters that can be purchased in the US, our business performance will naturally exceed. That is the current situation.

Therefore, when both Japan and the US achieve such performance over the next fiscal year, we think that it is not a good idea for Japan to continue to build more and more stores in the long term. Since North America is doing very well right now, we have the idea of concentrating our investments in North America.

It does not mean that we will not open new stores in Japan at all, but even if we open more and more, it may be good for one or two years, but we do not think it will be good in the medium to long term. We will not open too many stores in Japan and China basically. We are now moving forward in such a way that we would like to concentrate our store openings in the US and, accelerate it more and more if possible.

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# Plans and Policies for new store openings



## Plans for new store openings after April 2024

Store Name [Tentative] / Region	Operating Floor Area	SP	AM	FH	Opening Date
<b>Japan</b>					
Machida Jorna / Machida, Tokyo	1,488㎡		●		April 2024
<b>The USA</b>					
Las Vegas South Premium Outlets / Nevada	2,428㎡		●		April 2024
Plaza Bonita / California	5,443㎡				June 2024
Gurnee Mills / Illinois	6,551㎡				July 2024
Mission Viejo / California	1,901㎡		●		November 2024
Stonestown / California	4,837㎡				November 2024
Chandler / Arizona	6,081㎡				February 2025
Deerbrook / Texas	2,195㎡		●		February 2025 (est.)
The Mills at Jersey Gardens / New Jersey	3,830㎡				March 2025 (est.)
Willowbrook / Texas	9,689㎡	●			3Q FY2026 (est.)
Pacific View / California	5,668㎡			●	4Q FY2026 (est.)
Menlo Park / New Jersey	5,072㎡				3Q FY2026 (est.)
North County / California	8,856㎡	●		●	3Q FY2026 (est.)
Twelve Oak Mall / Michigan	5,453㎡				FY2027 (est.)
Florida / Florida	7,159㎡			●	FY2027 (est.)
Haywood Mall / South Carolina	7,900㎡	●			FY2027 (est.)
Skyview / New York	7,450㎡				FY2027 (est.)

Store Name [Tentative] / Region	Operating Floor Area	SP	AM	FH	Opening Date
<b>China</b>					
No.5	—		●		1Q FY2026 (est.)
<b>Delicious</b>					
1st Unit./ California	1,367㎡	—	—	—	3Q FY2026 (est.)
2nd Unit./ Nevada	—	—	—	—	3Q FY2026 (est.)
3rd Unit./ New York	—	—	—	—	4Q FY2026 (est.)
4th Unit./ New York	—	—	—	—	4Q FY2026 (est.)

## 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 16 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.
- [Delicious]** Please refer to page 13 for details.

- ※ The name of the stores scheduled to open are stated as tentative names.
- ※ Stores with "●" in the "AM" column above will be opened as small stores with mainly amusement machines.
- ※ Stores with "●" in the "SP" column above will be opened as stores featuring Spo-cha.
- ※ Stores with "●" in the "FH" column above will be opened as stores featuring Food Hall.
- ※ In addition to the above, 25 stores are under negotiation in The USA. (FY2026 : 7 stores / FY2027 : 2 stores / TBD : 16 stores)
- ※ No.5 is under negotiation in China.

-15-

I would like to explain opening new stores first. Please go to page 15.

This quarter, the stores in this shaded area have been opened. And we have two more stores, or rather, this one should be open soon. Therefore, total eight stores will open in North America for this fiscal year under the plan.

In the next fiscal year, we have eight stores that are currently scheduled to open. We have closed the contract with eight stores, but as you can see on the second line from the bottom, we are negotiating lease agreements to open seven more stores in the next fiscal year. We do not think that we will be able to open all seven stores, so we expect to open about half of them. Therefore, we think we will open about 11 new stores in total. That part will be the only driver for the growth.

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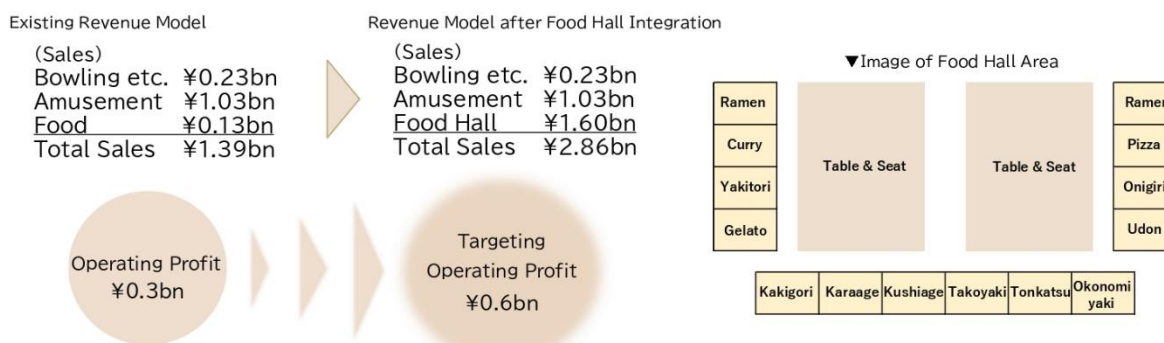
## Launching Japanese Food Hall Stores



In FY2026, ROUND ONE will start to launch stores featuring "Japanese Food Hall" in the United States. "The Japanese Food Hall" brings together only the highest-quality gourmet selections across various food genres such as "Ramen", "Udon", and "Takoyaki", which are widely loved in Japan. By establishing central kitchens in each region, we will be able to offer the authentic flavors of renowned restaurants that have received the highest ratings in Japan, maintaining their original quality. Furthermore, by integrating the food hall into our conventional store model, we aim to enhance customer attraction and diversify our store formats in the U.S. market, accelerating our expansion.

### ◆Details of Store Openings◆

We plan to expand into four regions in the U.S.—California, Texas, Florida, and the New York-New Jersey area—with a goal of opening approximately 10 to 15 stores featuring Food Hall annually within three years. The first store is scheduled to open in the winter of FY2026. As a result, we aim to open up to 20 stores including stores without a food hall per year in the U.S.



-12-

In addition, it is Food Hall that we have written about in a little more detail. Please see page 12.

The stores we are currently operating in North America basically include Amusement, Bowling, Billiards, Darts, Food and Drinks, although some stores include Spo-cha. We now have more than 50 stores that are in operation while selling french fries, fried chicken, pizza, hot dogs, and beers.

The average profit per store is about JPY300 million based on the exchange rate of JPY150 per dollar, which means that each store is making about JPY300 million in operating income now and we expect it to continue in the future.

There is one rival company, Dave & Buster's, Inc. We have more than 50 stores, and they have about 220 stores. We have been trying to differentiate ourselves from them for more than a decade, ever since we opened our stores, by offering a full lineup of game machines.

Dave & Buster's, Inc, a rival company, mainly operates a restaurant business, and has been selling to mostly young adults in their 30s and 40s. They have been operating their business in a style that allows customers to drink, eat, and occasionally play games.

We have been working with the idea that we will not follow the same path, and as a result, we are now in a highly profitable position.

However, we think the current model is actually the same business model we created in Japan over 30 years ago, and we are implementing it in the US. It would be fine if this position continues in the same 10, 15, or 20 years from now, but we would like to add some different types of attraction.

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It would be the stores where you can actually visit with your family, friends, or partner. You enjoy yourself there and pay the fee. I think food will be very important in attracting people for this kind of style.

What we are trying to do this time is not the ultra-premium Japanese cuisine of ROUND ONE Delicious that we announced just a year ago. We are now working concurrently in a way that has nothing to do with affinity with ROUND ONE stores. We will open them one by one from this fall to the end of the year.

Being completely different from that, we are currently applying such style in the US, although not at the scale of Dave & Buster's, Inc, that we sell American food such as pizza, hot dogs, beer, fried chicken and the customers enjoy playing Bowling, Karaoke, and Amusement while eating and drinking.

In fact, there are about 1,000 large malls in the US that are in this style, but most of our stores in such malls have small food courts where we sell food and beverage. There are at most five, six, or seven small food stores within the food court, with about 200 seats and tables in the middle. These food stores have been performing a little poorly due to the impact of COVID-19 and have been closed from six to four, making it a rather unattractive food court.

However, some malls have been beautifully renovated, and the malls manage well with the food court that has seven or eight food store tenants. The food courts are attractive to customers and the malls are active.

What we are trying to do is to provide the class B or C gourmet food among the Japanese food listed here such as ramen, curry, pizza, yakitori, udon, takoyaki, which you need to be in line for two or three hours to eat. The stores are often described as "100 best restaurants," on websites that rate restaurants or described as "three stars" or "two stars" on overseas gourmet websites. The class B or C gourmet foods are described in these sites in the way not using stars.

We divided these top-class food categories in Japan to the team of A and B for instance, one curry store and three ramen stores. Including 14 stores in such style, we have 28 stores in total, of which for 25 stores we completed signing the contract. In ROUND ONE stores that will be opened from the end of this year with food court, we plan to have food stores that are not American food but the food I described above next to the Bowling and Amusement.

Of course, we do not have such knowledge, so we contract with such cooperating merchants and use a central kitchen system. We will have one central kitchen for each of the four areas of New York/New Jersey, California, Texas, and Florida, where we are still weak. From there, we send the dishes that are 99% cooked to each food store, where they do the final 1% of cooking and serve to the customers. Moreover, in terms of price, we are assuming about USD20 per-customer price, which is slightly higher than the price of a typical food court.

The regular food court is mainly for lunch. In general, a food court in a mall is busy from 11:00 AM to 3:00 PM on weekends. We estimate that we have two additional peak hours. The first is in the time range of 6:00 PM to 8:00 PM for dinner. And, the second is from 9:00 PM to 1:00 AM or 2:00 AM for eating and drinking in our existing stores.

We will open the food courts with the grade B and grade C Japanese gourmet that have comfortable interiors to be used in these three peak hours. Of course, we will serve beers.

The purpose of this project is to increase revenue from these stores themselves, but there are our existing stores in the four majors urban regions. We would like to create new ROUND ONE stores that can attract customers by themselves in a way that does not affect the existing stores.

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Also, the size of new stores should be as little impact as possible on the existing stores. If there is no impact, we will open full size stores, and if there is likely to be an impact, we would like to open small stores as possible mainly with crane and redemption machines. That's the way to greatly increase the number of stores.

For the revenue model of these stores, we would like to earn the double of current per-store operating profit in existing stores which is around JPY300 million.

That is the additional JPY300 million by Food Hall alone, not including sales of Bowling or Amusement. In fact, we are hoping that Bowling and Amusement sales will increase a little more as customer attraction will increase.

In any case, we are planning to open three stores in the next fiscal year, between the end of this year and the beginning of the next year, so we will be able to see how much sales and how much profit we can make after a year, and we hope to be able to accelerate the move further depending on the result.

Also, in the existing stores, if a space next to our store becomes available around 200 tsubo or 300 tsubo and the performance is well, we would naturally switch this space to the one instead of the current American food court. However, the only regions that we do this are New York-New Jersey area, Texas, Florida, and California. We will limit to these four regions for now.

I think the enjoyment of eating itself is quite high value now and in the future. By combining these elements, I hope to create a new type of business as a ROUND ONE-like format in the US. For now, the purpose is to make Amusement popular effected by the Food Hall, based on the assumption that the food court alone is sufficient to generate some revenue.

There are 1,000 malls in the US, and the majority of them are having a lot of trouble attracting tenants to eat. We do not expect all these 1,000 malls will accept us, but if about 20% to 30% of them accept our stores and our new stores become successful in these malls, that would be great. That is what we aim for.

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# 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.

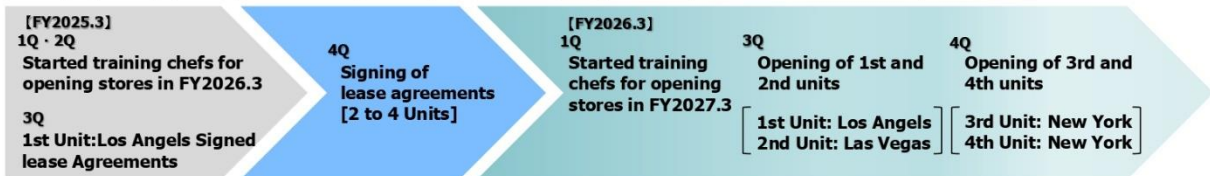
**At ROUND ONE Delicious, you can taste "authentic Japanese cuisine" of various genres.**

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 North America from the autumn in 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.**

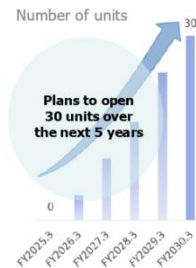
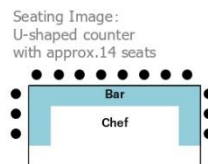
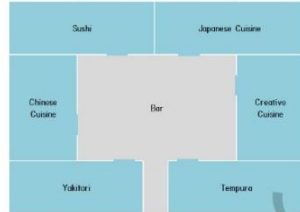
As a first step toward global expansion, we aim to open stores in major U.S. cities [New York, Los Angeles, San Francisco, Honolulu, Las Vegas, Chicago, Dallas, and Washington DC]. In the future, we plan to expand our business to Europe and around the world.



## ◆ Business plan per store ◆

- Investment amount: Approx. 700,000 USD
- Number of seats: Approx. 14 seats
- Operation: Open 360 days a year
- Average customer spend: Avg. 700 USD per customer (400-1,000 USD)
- Annual customer attraction: 5,040 people
- Annual sales: 3.5 million USD
- Number of employees: 10 people [Store Manager/Chef/Part-time worker]

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



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

Moving onto ROUND ONE Delicious on page 13.

This has nothing to do with ROUND ONE's core business at all. We are in the process of training our chefs at each of our cooperating merchants. We plan to open two units in Los Angeles and Las Vegas respectively in 3Q of next fiscal year, and two more units in New York in 4Q.

The construction cost per store, as in Japan, has risen considerably over the past year or so, and we will need to make modifications to such costs. As you know, the price per customer in Japan now is unbelievable. If we eat Sushi in Ginza, it will generally cost JPY50,000, and even JPY100,000 in some Sushi restaurants. That is in Japan.

When this comes to North America, some stores are now charging unusual per-customer prices. They are JPY200,000 or JPY300,000 including alcohol, which is unbelievable. However, there are many customers who are willing to make such a payment in reality, and this is the trend in the world.

We assume that the store with 14 seats will generate about JPY1 billion in operating profit based on the assumption that there is one turnover of customers. We assume the stores of not starting all at once as in Japan, but starting as needed. We would like to start with the price per-customer based on this assumption.

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# ROUND ONE Delicious - Cooperating merchants



[As of February 1<sup>st</sup>]

<b>Sushi</b>  <b>鮨 あらい</b> Sushi Arai Tokyo Ginza "The Tabelog Award 2025" Gold Awarded "Restaurant Guide 2020" 1 Star Awarded				 <b>照寿司 TERUZUSHI</b> Fukuoka Kitakyusyu "The Tabelog Award 2025" Bronze Awarded "Restaurant Guide 2014" Listed		 <b>菊膳 Kikumushi</b> Fukuoka Kasuga "The Tabelog Award 2025" Silver Awarded "Restaurant Guide 2019" 1 Star Awarded		 <b>鮨駒 SUSHIKOMA</b> Akita Yurihonjo "The Tabelog Award 2025" Silver Awarded		<b>Innovative</b>  <b>蒼 Aoi</b> Tokyo Nishiazabu "The Tabelog Award 2025" Gold Awarded		 <b>CHIUnE</b> Tokyo Kioi "The Tabelog Award 2025" Silver Awarded "The Tabelog Award 2023" Gold Awarded		
<b>Japanese Cuisine</b>  <b>銀座しのはら</b> Ginza Shinohara Tokyo Ginza "The Tabelog Award 2025" Gold Awarded "Restaurant Guide 2025" 2 Stars Awarded			 <b>片折</b> Katsori Ishikawa Kanazawa "The Tabelog Award 2025" Gold Awarded "Restaurant Guide 2021" 2 Stars Awarded			 <b>鈴田式</b> SUZUTASHIKI Tokyo Nishiazabu "The Tabelog Award 2025" Bronze Awarded			<b>Tempura</b>  <b>成生</b> Naruse Shizuoka Aoi "The Tabelog Award 2025" Gold Awarded		 <b>たきや</b> Takiya Tokyo Azabujuban "The Tabelog Award 2025" Silver Awarded "The Tabelog Award 2024" Gold Awarded		 <b>ぬま田</b> Numata Osaka Kitashinchi "The Tabelog Award 2025" Silver Awarded "Restaurant Guide 2024" 2 Stars Awarded	
<b>Chinese Cuisine</b>  <b>銀座上瀧</b> Ginza JOTAKI Tokyo Ginza "The Tabelog Award 2025" Bronze Awarded "Restaurant Guide 2014" 1 Star Awarded		<b>Yakitori</b>  <b>新島新神戸</b> Maikoto Shinkobe Tokyo Akasaka "The Tabelog Award 2025" Silver Awarded "The Tabelog Award 2023" Gold Awarded		 <b>鳥之ん</b> Torien New York "Restaurant Guide 2024" 1 Star Awarded		 <b>吾一</b> Goichi Osaka Higobashi "The Tabelog Award 2025" Bronze Awarded "Restaurant Guide 2018" Gold Awarded		<b>Bar</b>  <b>BAR CENTIFOLIA</b> Tokyo Azabu-Juban SUNTORY The Cocktail Award Cocktail Award 2014 Awarded						

-14- Listed

Page 14 are the cooperating merchants who have joined and are supporting us. Most of these restaurants have received awards from various guidebooks.

The newest addition is the bar. That is the bar called CENTIFOLIA, which is rather very popular among foreigners, and it is funny that you have to make a reservation with the bar, but in reality, sometimes you can't get a reservation, and it is run by a very famous bartender.

We will always include such bar as a bar for waiting in the stores in the US. That is how we are now proceeding with the store.

The main focus of our future growth will be in North America. Domestically, there are now about 1.1 million college students per generation. It is certain that in 20 years, that number will be around 700,000. It is difficult to find an environment in Japan that allows for rapid growth.

However, I believe that North America is clearly the only market that has enough potential to grow as an attractive market in the future. I believe that North America has a potential that is perhaps 10 or 15 times greater than Japan's potential, not only three times greater than Japan's potential taking into population.

In particular, we will focus on our core business and try to imagine what kind of restaurant will still be visited 10 years to 15 years from now, and we will not change our stance of reflecting this in our stores. In any case, we intend to create stores that will still be visited by families, friends, and partners 15 years from now.

We can't say at this point whether Amusement will be the main focus, Food Hall will grow even more at that time, or how it will be. However, in the current situation where we have steady performance, we would like to create a new style of store with unique feature of ROUND ONE, and match or surpass Dave & Buster's, which is regarded as the leader in the US, to eventually dominate the US.

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I think one of the touchstones in this process will be the Food Hall store that will open at the end of this year. We would like to make sure that we are well prepared for that, and if it becomes okay this time, we will increase the number of stores. We think that we will need to allocate a little more development staff for the project.

In Japan, I think it will be difficult to achieve significant growth without increasing the number of stores, so I do not expect much growth in Japan.

However, the stores in Japan are also doing very well right now. The average operating profit per store for about 100 stores is about JPY150 million, which is not as high as the stores in the US, but it is still the highest per store in the past. We would like to develop various plans taking advantage of this current situation. We would like to attract customers by taking advantage of the strength of the complex or large store both in Japan and the US.

Instead of ROUND ONE being the place where people would go particularly for bowling, game center, or Karaoke, we would like to establish ROUND ONE as the one and only place where people would go to ROUND ONE itself. In order to do so, we will boldly change its model gradually. I would like to create and build up a new model.

That's all.

**Moderator:** Thank you for your explanation.

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## Question & Answer

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**Moderator [M]:** Now, as announced, we would like to begin the question-and-answer session for those in the venue. If you have any questions, please raise your hand and the person in charge will bring the microphone.

**Oda [Q]:** This is Oda from SMBC Nikko Securities. I would like to ask three questions, please. I would appreciate it if you could answer one question at a time.

First, I asked you the same question three months ago, but you mentioned that you would like to see more expansion of Japanese characters in North America. I am well aware that this is not the matter of your company only, as it involves publishers and IP sources. However, you have expanded to 50 stores in the US, and I think you have created a situation in which you can sell the products.

What are your thoughts on the current challenges and bottlenecks in this area, and if it were to work, what kind of situation would make it possible to sell more of these Japanese character products in the US?

**Sugino [A]:** Even if nothing is done, there will always be a certain number of American consumers who want the Japanese characters all the time. Their number is not decreasing and is increasing more and more. Since publishers and manufacturers are aware of this, I believe that the number of their products in the US will increase greatly, regardless of its speed.

On the other hand, in terms of whether we, ROUND ONE, can do so on our own, we may be able to do to certain extent, but not in large numbers.

Therefore, the number of companies selling goods, mass merchandisers, and game companies, companies that sell prizes to game centers that are in bowling alleys will continue to increase without decreasing, so we will buy them in the same way as they do. But the volume of purchases is by far the largest at ROUND ONE.

We will naturally take such an approach, but it would be difficult for the companies to produce the products only for us, when considering us as a sales channel. There will be more companies who decide to try as they can sell the products to other mass merchandisers as well. So, we just have to wait for that.

We collaborated with hololive, a VTuber group. What made the collaboration a very interesting way of selling is that instead of simply putting the prizes in the crane game or using coins that cost JPY100 or USD1, in the case of ROUND ONE in the US, the customers charge their own money on the game card, which is called pre-charge.

The customers charge the amount of USD50 or USD100 on the game card, and if they charge USD100, they can get a novelty of that character, or they can get a special offer to buy a limited number of different goods, and so on. The sales of these game cards increased dramatically just last November, three or four months ago. We already have such success stories.

There was a company that proposed to sell the product of the Japanese character A for trial at ROUND ONE, which is the success story we made this time. There is a possibility that we see more and more of these stories but the volume of goods to sell would be too small if ROUND ONE is the only sales channel. If companies see the possibility to sell products to other mass merchandisers besides us, they will take up the challenge. I think we will have to wait a bit for that. I don't think it will decrease.

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## Measures taken for existing stores

# ROUND1

### [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 free bowling remote lessons for elementary/junior high school students.

#### ◆ 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.

#### ◆ 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 from March 2024. Currently, 2 stores are being tested. Not available at medal exchangers. Additionally, credit card payments & QR code payments were added as new pre-charge payments methods from February 2025.

#### ◆ Increase in the number of mini crane game machines ◆

- Approx. 4,000 mini crane game machines have already been installed from June to December 2024. Additionally, approx. 2,000 units will be installed until the end of March 2025.

#### ◆ Installment of new amusement machines ◆

- Music game "GITADORA -ARENA MODEL-" (Konami Amusement) ... Starting Operation is scheduled in March 2025.

#### ◆ Consideration of Price Revision ◆

- A price revision of approximately 4% is under consideration. (Except for Amusement)



©Konami Amusement

### [The USA] Measures taken for existing stores

#### ◆ Increase in the number of mini crane game machines ◆

- Approx. 1,000 units of mini crane game machines have already been installed from July to December 2024. Additionally, approx. 3,000 units will be installed until the end of July 2025.

#### ◆ Consideration of Price Revision ◆

- A price revision of approximately 4% is under consideration.

-11-

**Oda [Q]:** The second one. On page 11 of the document, I understand very well that there is still a long way to go, but in the discussion of cost measures and price increases in Japan, there is a fourth point. While game card charging will continue to be tried, I believe that the new statement that you will try some charges by credit card or QR code starting in February has been added to the list.

I'm not sure if there is a sense of the scale of the trial or the response since it has just started, but if you have any explanations, please let me know.

**Sugino [A]:** We have been testing the pre-charge system, for a long time, and I can say that at this point in time, we have found that stores with many first-time customers, such as downtown stores or stores in shopping centers with many customers who are just passing through, are most likely to use this the pre-charge system, which is the same as the pre-charge system used in other countries. It is not the way to exchange JPY100 to play games but the way to charge money on game card to play games.

By doing this, we will be able to raise prices a little when, for example, the consumption tax is going up 15% next time, or when costs are rising rapidly as they are now. In the US, you can raise the price by as little as 0%, but in the case of Japan, you cannot. We could only offer JPY100, and next time JPY200 per play. We have done this boldly but as a result, the current situation is not good.

Any possible better case would be at roadside stores in countryside, where there are many customers who come with a purpose. For the time being, mainly with these stores, we will continue to explore ways to make profits as much as that in the period before introducing the pre-charge system without causing loss.

As one of the measures, we are currently in the process of exploring what we can do if we can combine payments such as QR code and electronic money.

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The reason why we did not do this at the beginning was that we knew that the 2% payment fee would be necessary, in North America as same as in Japan. Since credit card payments exceed 70% of payment in North America, we knew that this would be a base cost. In the first place, in Japan, 2% cost would be a negative impact on revenue when we raise the price to increase sales by 10%. That is the reason we did not apply it at all.

Since the results of those tests are not good, we started doing it with the idea that we will try to do what we can in the current situation. We have not seen a slight rise or fall in the results at this stage yet, so we will be able to talk more around May when we discuss the guidance.

**Oda [Q]:** You mentioned that you are considering a 4% price increase in Japan and the US. I believe that this is a countermeasure to the rising personnel expenses in North America and elsewhere. I think Japan is somewhat in that situation as well.

There may be some overlap, but I would like to ask you about the background of this price increase, if you have any key points.

**Sugino [A]:** The number one thing is, quite simply, the costs. The most ideal approach would be to use other means to raise the top line, but in a situation where it is difficult to see the excess in the performance by new project or the introduction of new machines, we are forced to take a measure of raising prices.

Even if we don't raise it, it's by no means a bad performance if we just look at the current situation. However, when we look at the next six months, we have judged that we will likely suffer if we do not raise the price by around 4%, given the current trend of surging personnel expenses in North America. Domestic situation is actually similar to that. The costs are rising in a similar trend in both Japan and the US, largely the personnel expenses in particular, at present time.

If we assume a certain level of a revenue is to be secured, it may become difficult to maintain the current business performance unless we raise the price by that level. That is the reason we plan to raise the price this time.

**Participant [Q]:** I have three questions.

The first is that about three years to four years have passed since you have the project of the crane game or Giga Crane Stadium. I would like to confirm whether it is correct to expect that the depreciation of the machines or the lease of the machines will be mostly over, and the costs will start to decline in the fiscal year ending March 2027 or so. If possible, please let me know roughly how much it will go down.

The second is the cost of opening ROUND ONE Delicious. You wrote that the opening cost for Food Hall is JPY50 million per store, but how much should we expect for ROUND ONE Delicious?

The third, I know that for Food Hall, the additional investment is JPY700 million, and that it will take bit less than five years to recover the investment with the increase of JPY1.4 billion in sales and JPY300 million in operating profit. How much should we estimate to invest for central kitchen?

**Sugino [A]:** First, we pay finance lease fees for crane game machines in Japan. Just about three years ago, we started introducing more and more crane game machines as Giga Crane Stadium. The lease-up or depreciation burden for them will be removed in the fiscal year ending March 2045. If we assume that no investment was made during that period, there is a possibility that we will probably have an excess revenue of the JPY3 billion level for the fiscal year ending March 2027. It is a cost reduction.

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On the other hand, we are also continuing to introduce mini-cranes game machines, so assuming the maximum excess revenue is JPY3 billion, it is possible that actual excess will be slightly less than that, but it will still lead to cost reduction.

We will naturally buy, apart from new machines produced by the manufacturer, music, medals, and other video games, but the number of machines we will be replacing will be extremely limited than before. Therefore, the depreciation burden will be reduced by that amount, which may lead to an increase in revenue of the level of JPY3 billion as maximum per year starting from the fiscal year ending March 2027.

Next, we are still in the process of examining the level of investment in Food Hall and the level of interior finishing, but the food halls have already been done in the way American food is done now.

If we expand the space that has bar counter, kitchen, and dining spaces from the current 200 tsubo level to 450 tsubo, and assuming that we were to spend an extra JPY300,000 per tsubo, you can assume that the cost will increase by that amount for the space we increase.

If the cost per tsubo is JPY300,000 and if we expand the space by 300 tsubo, the extra cost will be about JPY100 million. Then, if we do a little more work on the interior, we can spend another JPY50 million, or something like that.

We are still in the middle of the design process, and it will be up to us to determine what level we can accommodate, but we do not anticipate a large investment, much larger than the existing ROUND ONE stores to date, since it will only be a proportional increase to the area. I hope you can imagine it being replaced.

And one more, the area used per store is just under half of this room for central kitchen. In each store, for example, most Ramen stores in Japan make their products inside the store, in the kitchen, where they put a large stockpot and make the soup.

Talking about the number of central kitchens within the stores we will build that are capable to perform the same such cooking for five stores or seven stores, we will have one central kitchen for each of the four areas of New York/New Jersey, California, Texas, and Florida. We will make two teams that each team consists of 14 cooperating merchants, resulting in a total of 28 cooperating merchants. It would be half of this room, so the opening costs of investment is not actually a large amount of money. If we assume that each cooperating merchants spent JPY20 million for the central kitchen, the total cost for 28 food stores would be about JPY500 million. This will be necessary for each region, and we have four regions at maximum, so it will be JPY500 million x four which is JPY2 billion. You can assume this is the maximum cost we will need for central kitchen.

**Sekiguchi [Q]:** My name is Sekiguchi from UBS.

I have a general question. What is your company's, the President's, view on the Trump administration and what impact is likely to be expected on your company? I would be grateful if you could give me some kind of insight on this point.

**Sugino [A]:** I have to admit that it is unpredictable. We do not know what kind of policies will be implemented how. The major policies are being implemented currently with the campaign pledge as a first priority. As a result, for example, we may have to pay an extra 10% in tariffs on amusement prizes in response to China's additional 10% tariffs. This is the issue that may actually come up. Such an impact is mostly within expectation.

We also have not seen the actual case in terms of the immigration policy, as to how the administration plans to deport immigrants who are called illegal. I know that several hundred people have been deported as an example, but we have no idea how such policies will be implemented in the future.

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Moreover, it is certain that this is an administration that will place economic measures at the forefront, but it is difficult to tell what the primary focus of these measures is. The measures to boost the economy itself will no doubt be taken, but we don't know where the priority lies. It is uncertain whether they are going to focus on large companies, or the middle class, or people below that. I don't know how the US will go about it, whether it will reintroduce pork barreling policy or whether it will tolerate inflation, and many other things combined.

The only thing I can say is that there are at least only a few countries that feel negatively about the future of the US, and everyone in the overwhelming majority of countries, including Japan, is praying that the US will slowly and gradually get better without necessarily taking drastic measures. There is no doubt about that. In other words, I believe that the current administration will surely change its course in such a way that it will land in that direction.

Therefore, I think that Trump will not be the one who does things eccentrically differently. That's what I hope. However, it is possible that temporarily, especially for the first six months or so, a drastic approach will be taken. I think there is a possibility that I could be swept up in that a little bit.

The results it will produce which we are most concerned about are the unemployment rate. It will be very tough for us to see it going up. Another is also true of immigration policy. If they take drastic action for that, the impact on our service industry could be significant. That is true for customers as well as for employment. As for both sides, I am also a little concerned about how far Trump will go with that.

However, when it comes to what we can do about it, there is really nothing we can do. I think the only way to get through it is to accept it and work through it. We will keep a close eye on this, and I think the only way is to respond to it in turn, including our own sales, operations, hiring, fee structure, planning, and so on. What will happen is not at all clear as to the outlook.

**Moderator [M]:** We have a question online and the moderator will read your question on your behalf.

**Participant [Q]:** I would like to get your comments regarding the future potential of simultaneous US-Japan collaboration.

**Sugino [A]:** It was a collaboration with hololive, a VTuber group, which we started in mid-October, and that project was very good. Especially in the US more than in Japan, as I mentioned a little earlier, there is a new business model.

In Japan, in general, you collaborate on a special menu with drinks or foods. For example, if you go to Karaoke or Bowling, you will receive a clear file, or something like that. Or, we have more collaborations in Japan with prizes in crane game machines, and things like that.

In the case of the US, the pre-charge system. We have discovered a new revenue model, or rather, a new way of doing things in the event this time in which they offer a special benefit to those who charge USD100 on a charge card, where normally only USD20 or USD30 would be charged.

I believe that this type of collaboration will be possible in the future with this new way, although mainly in the US. We would like to find a partner who is willing to do so. You will never know if you will be successful or not until you try it.

**Moderator [M]:** It seems that all the questions have been answered, so I would like to conclude the financial results briefing. Thank you very much for your explanation, Mr. Sugino.

**Sugino [M]:** Thank you very much.

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**Moderator [M]:** Thank you very much for your participation.

[END]

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