



NEWS RELEASE

Mar 8, 2010

R&I Assigns BBB+: Round One Corp. Shelf Reg.

Rating and Investment Information, Inc. (R&I) has announced the following:

ISSUER: Round One Corp. (Sec. Code: 4680)
Preliminary Rating for the Shelf Registration (Bonds)

R&I RATING: BBB+ (Assigned)

RATIONALE:

Round One Corp. operates leisure complexes, primarily those with bowling alleys. The company's strengths are facilities that boast scale and a variety of amusements, and low-cost management backed by efficient operations.

Nevertheless, owing to the oversupply conditions in the market, the company is in a severe competition environment. Its monthly sales of existing facilities have been declining year-on-year from December 2006. Especially, since the latter half of 2008, the decline has become even sharper due mainly to the sluggish personal consumption following the recession and the emergence of the new influenza. Its consolidated sales are expected to increase during FY2009 from the previous year thanks to the opening of new facilities; however, its operating income and ordinary income are expected to drop due to the poor performance of the existing facilities. With the environment for employment and personal income in Japan still harsh, R&I believes that Round One's earnings and cash flow generating capacities will remain under pressure for the time being.

On the other hand, Round One's debt has been expanding since the company has been continuing investments for new facilities exceeding 30 billion yen annually on a consolidated basis. The net debt (including non-recourse loans, excluding lease transactions) in the end of March 2010 is expected to surpass 120 billion yen, and the debt burden is increasing even against the cash flow level. The company will also have to deal with the refinancing of non-recourse loans. R&I favorably evaluates the fact that the company has decent competitiveness in the management of leisure facilities; however, given the harsh business environment, it will not be easy to improve the balance between its debt and cash flow. R&I therefore believes the downward pressure on Round One's rating is increasing gradually. After assessing Round One's profits and financials in the medium term, R&I will incorporate such factors in the rating.

The primary rating methodology applied to this rating is provided at "Basic Methodologies for R&I's Credit Rating". The methodology is available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

<http://www.r-i.co.jp/eng/rating/rating/methodology.html>

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NEWS RELEASE

R&I RATINGS:

ISSUER: Round One Corp. (Sec. Code: 4680)
ISSUE: Preliminary Rating for the Shelf Registration (Bonds)
Issue Amount: Yen 20,000 million (Shelf Amount)
Issue Period: Two years from Mar 12, 2010

R&I RATING: **BBB+ (Assigned)**

Formal rating will be assigned to individual bonds issued under the scheme on confirmation of the issuing contract and the purpose for which the funds will be used, etc.

ISSUER RATING: **BBB+**
RATING OUTLOOK: **Stable**

In principle, an Issuer Rating is R&I's opinion on an issuer's overall capacity to repay its financial obligations as agreed and is assigned to all issuers. The rating of individual obligations includes the prospect of recovery and reflects the terms and conditions of the agreement and it may be lower or higher than the Issuer Rating.

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