

Fact Sheet

Fiscal Year Ended March 31, 2016

Marvelous Inc.

Stock Exchange Listing: First Section of Tokyo Stock Exchange Stock Code: 7844 URL: <http://www.marv.jp/>
Contact: Administration Division, Corporate Planning Department TEL: +81-3-5769-7447

In line with our management philosophy of the "'Amazement' and 'Emotion' to the world with New Entertainment," Marvelous Inc. is a comprehensive entertainment company which develops online games, game software, amusement games, audio & visual content, stage and musical performances, and other products and services.

MARVELOUS!

Summary of Consolidated Quarterly financial information (Unit: million yen)

	1Q (3 months)	2Q (6 months)	3Q (9 months)	4Q (full-year)
Net Sales	8,045	16,447	24,229	31,820
Operating Income	1,376	2,841	3,972	5,418
Ordinary Income	1,436	2,793	3,940	5,228
Profit Attributable to Owners of Parent	992	1,910	2,690	3,602
Net Income Per Share (yen)	18.57	35.92	51.06	68.68

Results of Operations

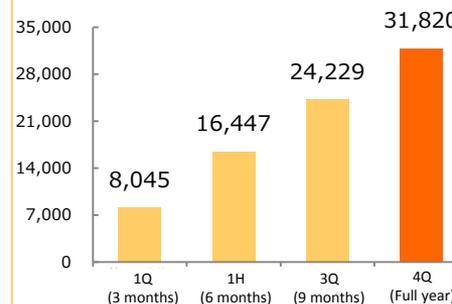
The entertainment industry in the period under review saw in the domestic apps game market a gradually intensifying competitive market environment caused by factors such as the emergence of popular IP titles, and game companies in Japan, the U.S., Europe, and Asian countries entering each other's markets. In the overseas app game markets, expectations are for sustained growth in step with proliferating smartphones especially in emerging economies. In the market for home-use games, business was thriving overseas but in the domestic realm overall, the contracting trend continued. In the market for arcade games, although the market environment remains hostile, machines featuring popular IP themes performed well. In the audio & visual sectors, new music and video dissemination offerings by domestic and overseas subscription services (monthly subscription charges) continued expanding. Moreover, "2.5 dimensional musical" format, which transforms the two-dimensional world of manga, *anime*, and games into stage performance contents, has established itself in Japan as a full-fledged genre, with ongoing gains in market scale along with rising numbers of performances and personnel.

Under these circumstances, the Group has been operating as a comprehensive entertainment provider deploying a "multi-content, multi-use, and multi-device" strategy to deliver diverse entertainment content in all business segments and on a variety of devices. In order to establish robust IPs, the Group has been driving its strategy in the three key areas of branding, alliances, and global business, and is working to offer content that generates "buzz" among today's users while endeavoring to enhance its services.

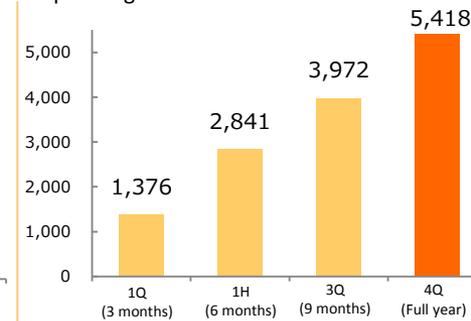
As a result, the Group's consolidated operating results for the current term (April 1, 2015 to March 31, 2016) came to net sales of 31,820 million yen (up 20.3% from the previous fiscal year), operating income of 5,418 million yen (up 22.8% from the previous fiscal year), and ordinary income of 5,228 million yen (up 14.1% from the previous fiscal year). Net income attributable to shareholders of the parent company for the term was 3,602 million yen (up 65.4% from the previous fiscal year).

Fourth Quarter (full-year) Financial Results (Unit: million yen)

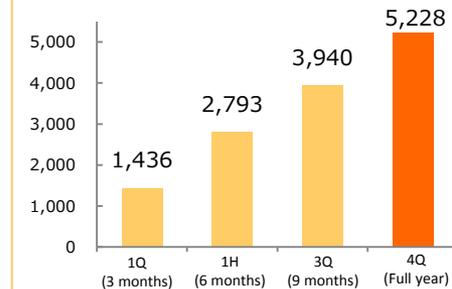
Net Sales



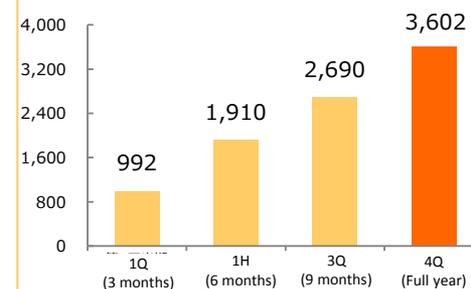
Operating Income



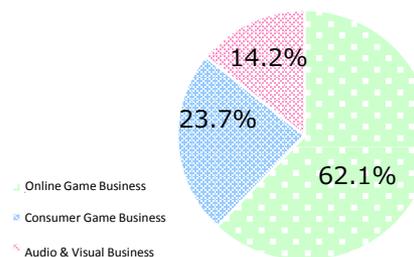
Ordinary Income



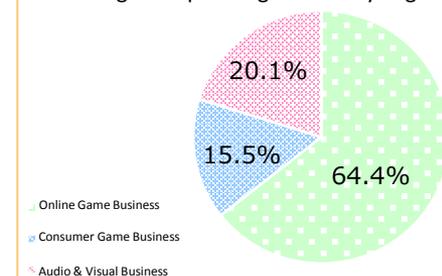
Profit Attributable to Owners of Parent



Percentage of Net Sales by Segment



Percentage of Operating Income by Segment



Online Game Business

Consumer Game Business

Audio & Visual Business

Leading Titles

Logres of Swords and Sorcery: Goddess of Ancient

劍與魔法王國-遠古的女神 (Logres of Swords and Sorcery: Goddess of Ancient)

VALKYRIE DRIVE -BHIKKHUNI-

STORY OF SEASONS

MONSTER HUNTER SPIRITS

My Teen Romantic Comedy SNAFU TOO!

Stage [Yowamushi Pedal] "A New Team, Beginning"



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©WATARU WATANABE (AKITASHOTEN) GREGARIOUS PRODUCTION COMMITTEE

©Wataru Watanabe (Akitashoten) 2008/"Yowamushi Pedal" GR Production Committee 2014 ©Wataru Watanabe (Akitashoten) 2008 /Marvelous, TOHO, SEGA LIVE CREATION

Remarks about Performance

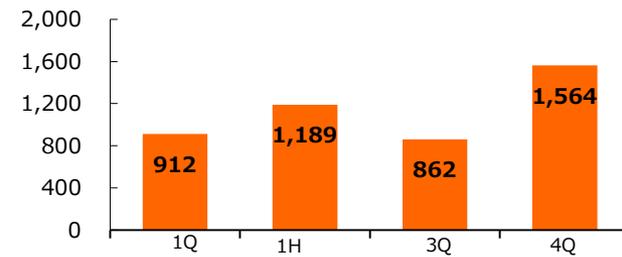
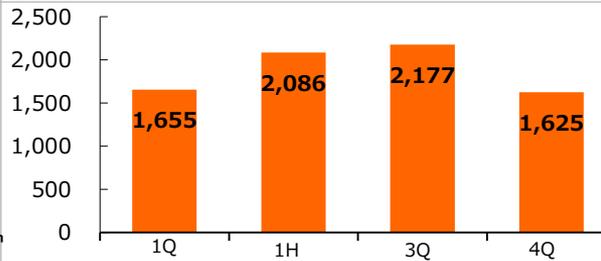
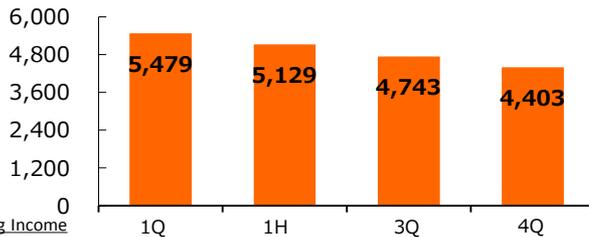
In native apps, "Logres of Swords and Sorcery: Goddess of Ancient" continued to perform well with substantial contributions to income for the period. Service for this title was initiated on October 22, 2015, through Garena Online Private Limited in Taiwan, Hong Kong, and Macau. Performance has developed favorably from the time of the release, and as of December 4, 2015, this title attained in Taiwan the No. 1 position in the App Store sales ranking. Additionally, dissemination of "CHRONO DRAGON" started on August 28, 2015, and "Samurai Jam -Bakumatsu Rock-: Ultimate Soul" on September 10, 2015. In browser games, service for "VALKYRIE DRIVE -SIREN-" launched on November 25, 2015, with existing titles showing solid performance. As a result, segment net sales totaled 19,755 million yen (up 28.5% from the previous fiscal year) with segment operating income at 4,182 million yen (up 9.6% from the previous fiscal year).

At the Company's sales sector of the Consumer Game Business segment, altogether six new titles were released consisting of one title for Nintendo 3DS, four titles for PS Vita, and one title for PS3/PS4. Furthermore, U.S. subsidiary Marvelous USA, Inc. posted repeat-sales of the year-earlier launched "STORY OF SEASONS (Nintendo 3DS)" along with hugely successful sales of "SENTRAN KAGURA ESTIVAL VERSUS (PS Vita/PS4)" launched on March 15, 2016, resulting in the subsidiary's highest sales on record to date. At the amusement division, solid performance was reported regarding its new machine model "MONSTER HUNTER SPIRITS" put into operation on June 25, 2015, along with continued good numbers also from the release of new sequel versions of "Pokémon TRETTA." As a result, segment net sales totaled 7,544 million yen (up 18.3% from the previous fiscal year), with segment operating income of 1,006 million yen (up 100.4% from the previous fiscal year).

The audio & visual production sector of the Audio & Visual business segment implemented the video commercialization of "My Teen Romantic Comedy SNAFU TOO!," a TV anime lead-managed by the Company, with favorable sales performance. Additionally, income from secondary usage such as video dissemination sales and program sales, respectively from the Company's library, also developed favorably. The stage production division reported good results from leading titles such as "MUSICAL THE PRINCE OF TENNIS Series" and "Stage [Yowamushi Pedal] Series" and from a large number of performances of new titles "Tokyo Ghoul the Stage," "MUSICAL AO HARUTETSUDO," and "musical-au revoir, Sorcier-." As a result, segment net sales totaled 4,527 million yen (down 3.7% from the previous fiscal year), with segment operating income of 1,308 million yen (up 20.1% from the previous fiscal year).

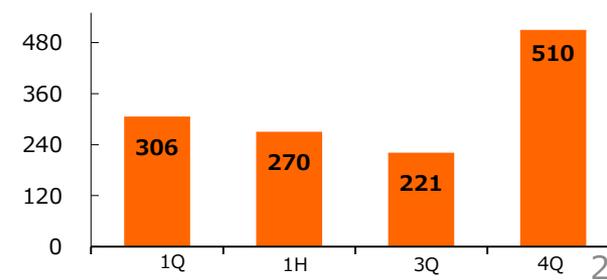
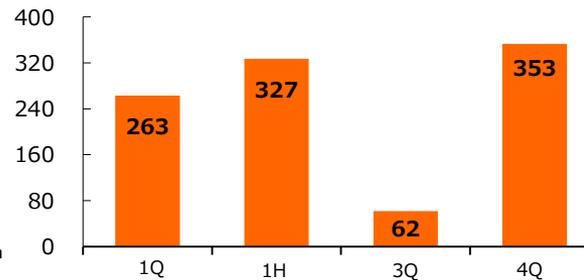
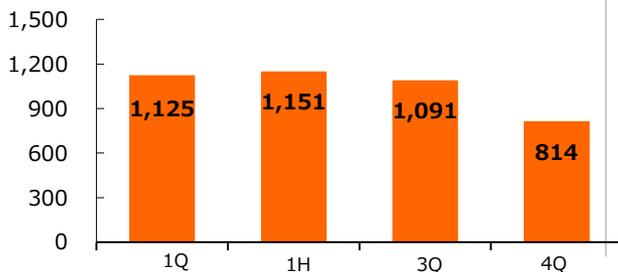
Net Sales

(Unit: million yen)



Operating Income

(Unit: million yen)



[Consolidated Statement of Income]

(Unit: million yen)

	2012.3	2013.3	2014.3	2015.3	2016.3
Net Sales	10,423	17,579	20,330	26,441	31,820
Gross Operating Income	4,491	8,116	9,946	14,975	19,211
Operating Income	1,044	2,329	3,006	4,412	5,418
Ordinary Income	1,025	2,325	3,041	4,583	5,228
Profit Attributable to Owners of Parent	3,533	1,919	1,882	2,178	3,602

[Consolidated Balance Sheet]

(Unit: million yen)

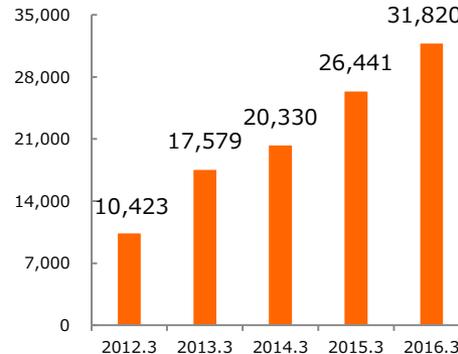
	2012.3	2013.3	2014.3	2015.3	2016.3
Current Assets	11,932	12,593	14,583	18,624	16,204
Fixed Assets	1,734	2,748	2,233	3,414	4,165
Total Assets	13,667	15,341	16,816	22,039	20,370
Current Liabilities	4,361	4,570	4,840	8,535	6,421
Long-Term Liabilities	202	76	54	52	27
Net Assets	9,102	10,694	11,921	13,450	13,921
Shareholders' Equity	9,102	10,694	11,921	13,450	13,904

[Cash Flow Statement]

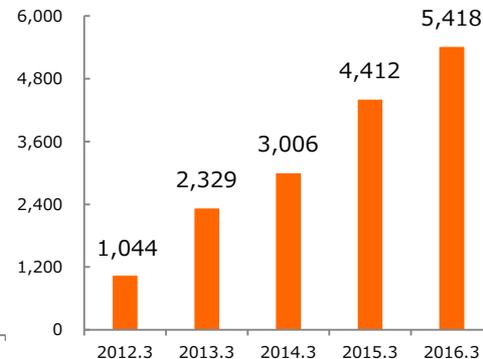
(Unit: million yen)

	2012.3	2013.3	2014.3	2015.3	2016.3
Cash flows from Operating activities	1,399	2,817	3,852	4,031	5,986
Cash flows from Investing activities	435	-2,130	-634	-2,218	-2,874
Cash flows from Financing activities	-479	-975	-873	-1,146	-3,086
Cash and Cash Equivalents at End of Period	5,979	5,723	8,120	8,937	8,786

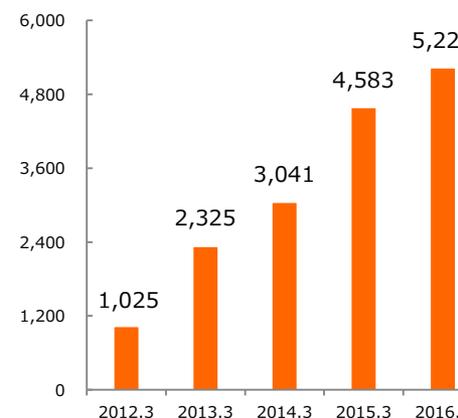
Net Sales (million yen)



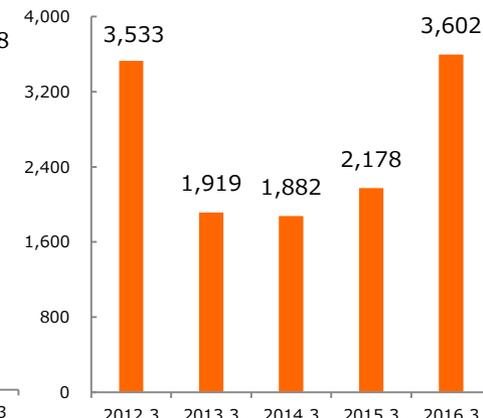
Operating Income (million yen)



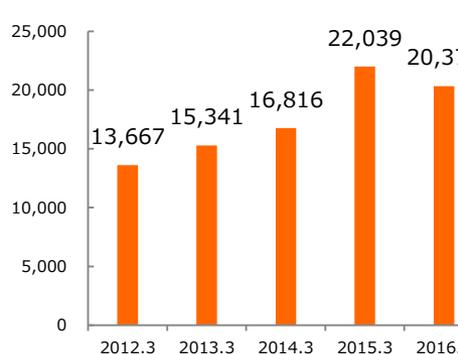
Ordinary Income (million yen)



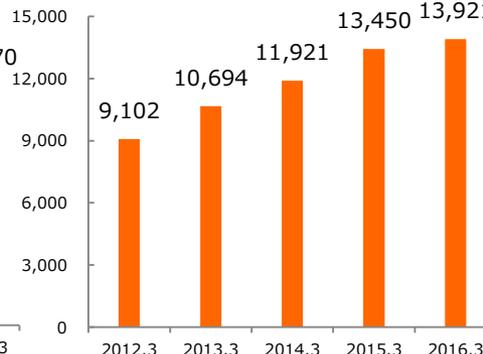
Profit Attributable to Owners of Parent (million yen)



Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

	2012.3	2013.3	2014.3	2015.3	2016.3
Net income per share (yen)	107.62	35.90	35.21	40.74	68.68
Net assets per share (yen)	170.29	200.07	223.02	251.55	268.84

[Profitability]

	2012.3	2013.3	2014.3	2015.3	2016.3
Gross profit rate (%)	43.1	46.2	48.9	56.6	60.4
Operating profit ratio (%)	10.0	13.3	14.8	16.7	17.0
Ordinary profit ratio (%)	9.8	13.2	15.0	17.3	16.4
Net profit ratio (%)	33.9	10.9	9.3	8.2	11.3

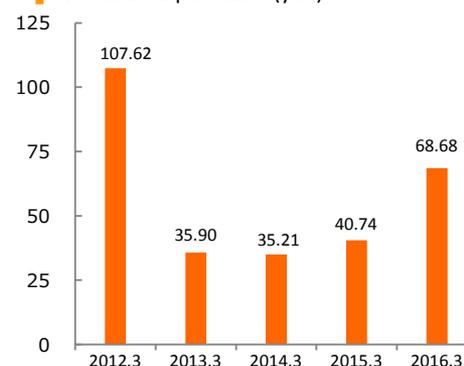
[Efficiency & Security]

	2012.3	2013.3	2014.3	2015.3	2016.3
ROE (%)	75.0	19.4	16.6	17.2	26.3
ROA (%)	11.6	16.0	18.9	23.6	24.7
Capital ratio (%)	66.6	69.7	70.9	61.0	68.3
D/E ratio (%)	15.2	7.9	5.5	1.5	1.2

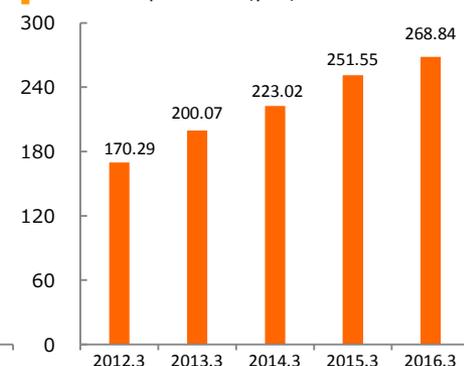
[Return to Shareholders]

	2012.3	2013.3	2014.3	2015.3	2016.3
Dividend (million yen)	323	668	694	1,069	1,551
DOE (%)	6.1	6.8	6.1	8.4	11.5
Dividend payout ratio (%)	5.6	34.8	36.9	49.1	43.7

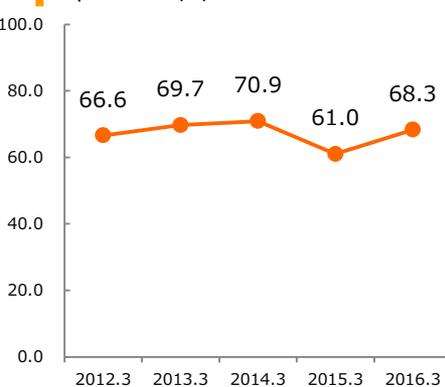
Net income per share (yen)



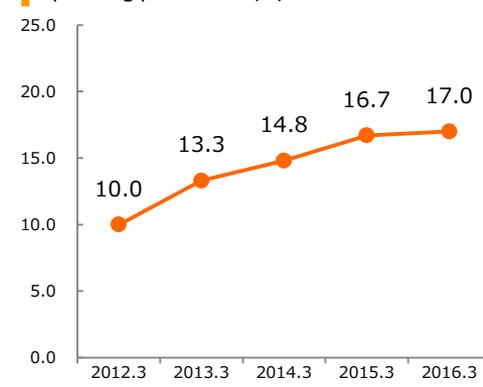
Net assets per share (yen)



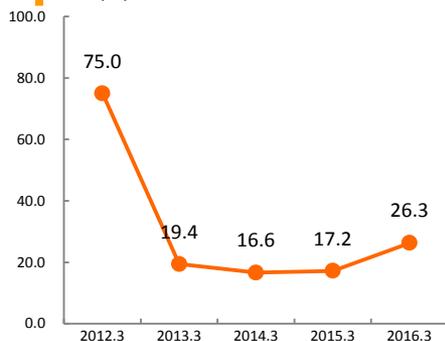
Capital ratio (%)



Operating profit ratio (%)



ROE (%)



ROA (%)



Future Developments & Outlook for Fiscal Year Ending March 2017

The Company has been deploying a "multi-content, multi-use, and multi-device" strategy to deliver diverse entertainment content in all business segments and a variety of devices. In order to establish robust IP, the Company has been proactively advancing its branding strategies, alliance strategies, and global strategies, and is working to offer content that generates "buzz" among today's users while endeavoring to enhance its services. Drawing on the strengths as a comprehensive entertainment provider, the Company will continue to increase enterprise value by establishing the Marvelous brand and work to attain sustained business growth.

In its business initiatives for the fiscal year ending March 2017, the Group will take steps to extend the successful performance of existing hit titles and work to generate income through overseas initiatives and new title launches. In the Consumer Game Business, the Group plans at the amusement division the service start of amusement consoles using strong IP titles and have also in the package software division lined up new titles from popular series. The Group is therefore aiming at significant growth in revenues and earnings. In the Audio & Visual Business, the Group has likewise a line-up of promising new *anime* products and stage performances, and expects continued solid performance.

Based on these efforts, full-term consolidated results projections for the current fiscal year call for net sales of 34,000 million yen, operating income of 6,000 million yen, and ordinary income of 5,850 million yen, with 4,150 million yen in profit attributable to owners of parent.

Creating added value "Distinctive of the Marvelous Brand" for the world's entertainment



Establishing the "Marvelous Brand"

Basic Information

Company Profile (As of April 1, 2016)

- Company Name: Marvelous Inc.
- Head Office: Shinagawa Seaside East Tower, 4-12-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo, Japan
- Established: June 25, 1997
- Capital: ¥1,128 million
- Officers:

Chairman, President and CEO Vice Chairman Representative Director, Executive Vice President and COO Managing Director Director and CFO Director (External) Director (External) Standing Statutory Auditor Corporate Auditor (External) Corporate Auditor (External) Corporate Auditor (External)	Haruki Nakayama Shuichi Motoda Toshinori Aoki Yoshiaki Matsumoto Seiichiro Kato Shunichi Nakamura Ken Kutaragi Toshio Nago Katsuhiko Nishimura Tadahiko Ono Hisashi Miyazaki
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Business Activities

Online Game Business

Proposing, developing, producing and marketing games capitalizing on the Company's proprietary intellectual property and other companies' promising intellectual property for various platforms

Consumer Game Business

Proposing, developing, producing and marketing game software for home game consoles and game machines for amusement facilities

Audio & Visual Business

Proposing, producing, and marketing a variety of contents including audio and visual, as well as proposing, producing, and exhibiting stage and musical performances

Stock Information (As of March 31, 2016)

- End of term: March 31
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 21,604
- Shares per unit: 100

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.99 %
• Amuse Capital Inc.	12.87 %
• Haruki Nakayama	10.59 %
• Amuse Capital Investment, K.K.	3.55 %
• Japan Trustee Services Bank, Ltd. (Trust Account)	2.08 %
• TOHOKUSHINSHA FILM CORPORATION	1.50 %
• Goldman Sachs International	0.85 %
• The Master Trust Bank of Japan, Ltd. (Trust Account)	0.82 %
• State Street Bank and Trust Company 505044	0.80 %
• Japan Trustee Services Bank, Ltd. (Trust Account 1)	0.68 %

*1. Shareholding ratios are calculated after deduction of treasure stock (1,872,400 shares).

*2. Shareholding ratios are truncated after three decimal places.

[Stock Quote] (As of May 12, 2016)

- Stock Quote: 955 yen
- Market Cap: 51,181 million yen