

The logo for Marvelous Inc. features the word "MARVELOUS!" in a bold, orange, sans-serif font. The letters are slightly slanted to the right, giving it a dynamic feel. The background of the slide has abstract, flowing orange and grey curves that complement the logo's color.

**Stock Code: 7844**  
**(First Section of Tokyo Stock Exchange)**

**Marvelous Inc.**

**Fiscal Year Ending March 31, 2016**  
**First Quarter**

# **Results Briefing Materials**

**July 31, 2015**

This document contains forward-looking statements which are based on information currently available to the Company and which may change as a result of numerous factors including the macroeconomic environment and industry trends relevant to the Company. Therefore, these forward-looking statements are made subject to certain risks and uncertainties which could cause results including actual business performance to differ materially from those presented.

-  **Fiscal Year Ending March 2016, First Quarter Results Summary**
-  **Fiscal Year Ending March 2016, Full-Year Business Forecast**
-  **Segment Results**

A vertical orange bar with a white diagonal line, serving as a decorative element for the title.

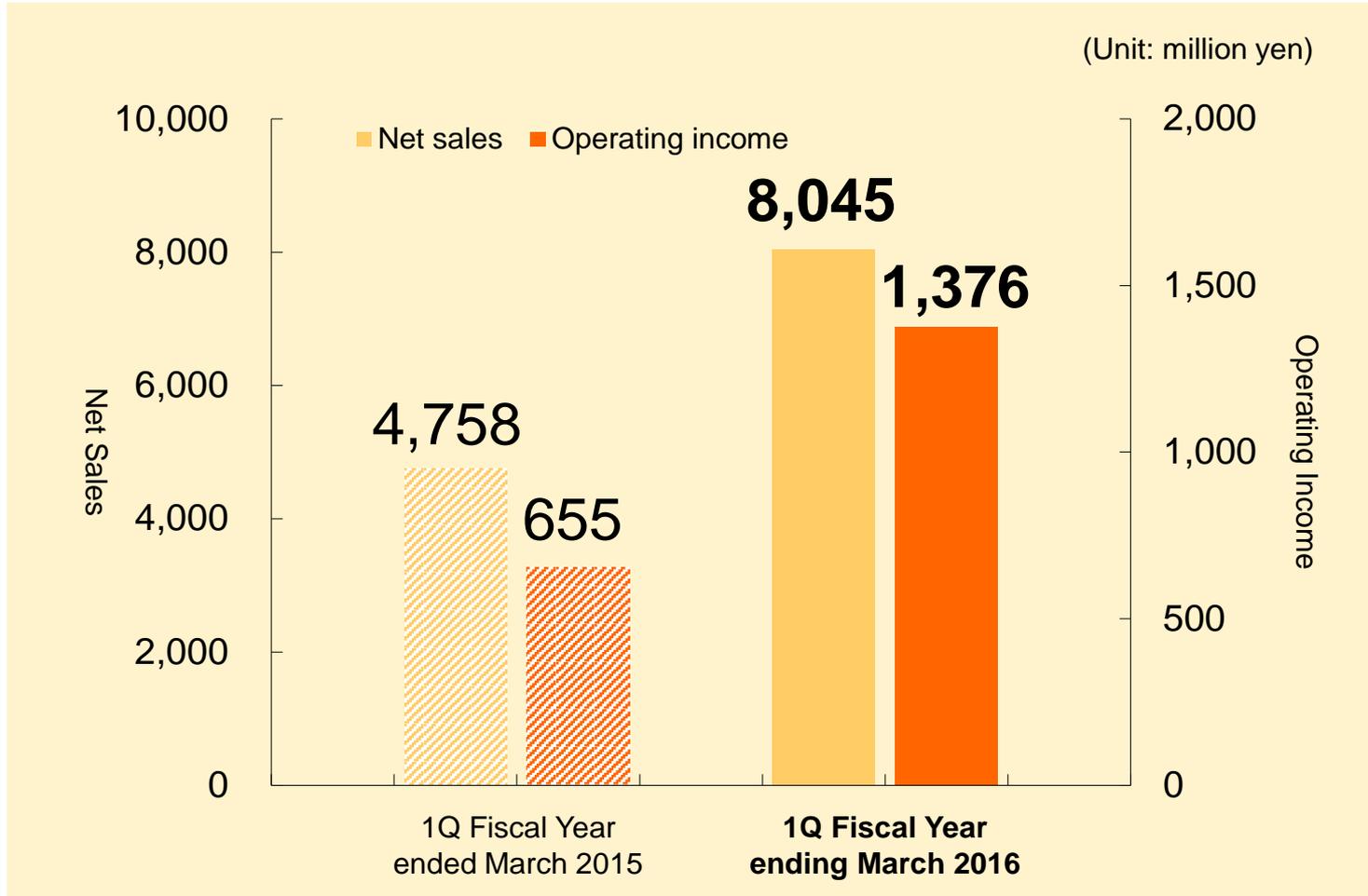
# **Fiscal Year Ending March 2016, First Quarter Results Summary**

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# Earnings Highlights



- The first quarter of fiscal year ending March 2016 marked net sales and operating income growth of **169.1%** and **209.9%**, respectively, compared with the year-earlier period
- App games continue favorably, boosting the online game business compared with the year-earlier period and driving overall results



# Income Statement



- Strong growth in sales and earnings compared with the year-earlier period, even with higher advertising expenses from stepped-up apps games promotion
- Remarkable earnings growth marking an income expansion of more than two-fold with enhanced profit margins

(Unit: million yen)

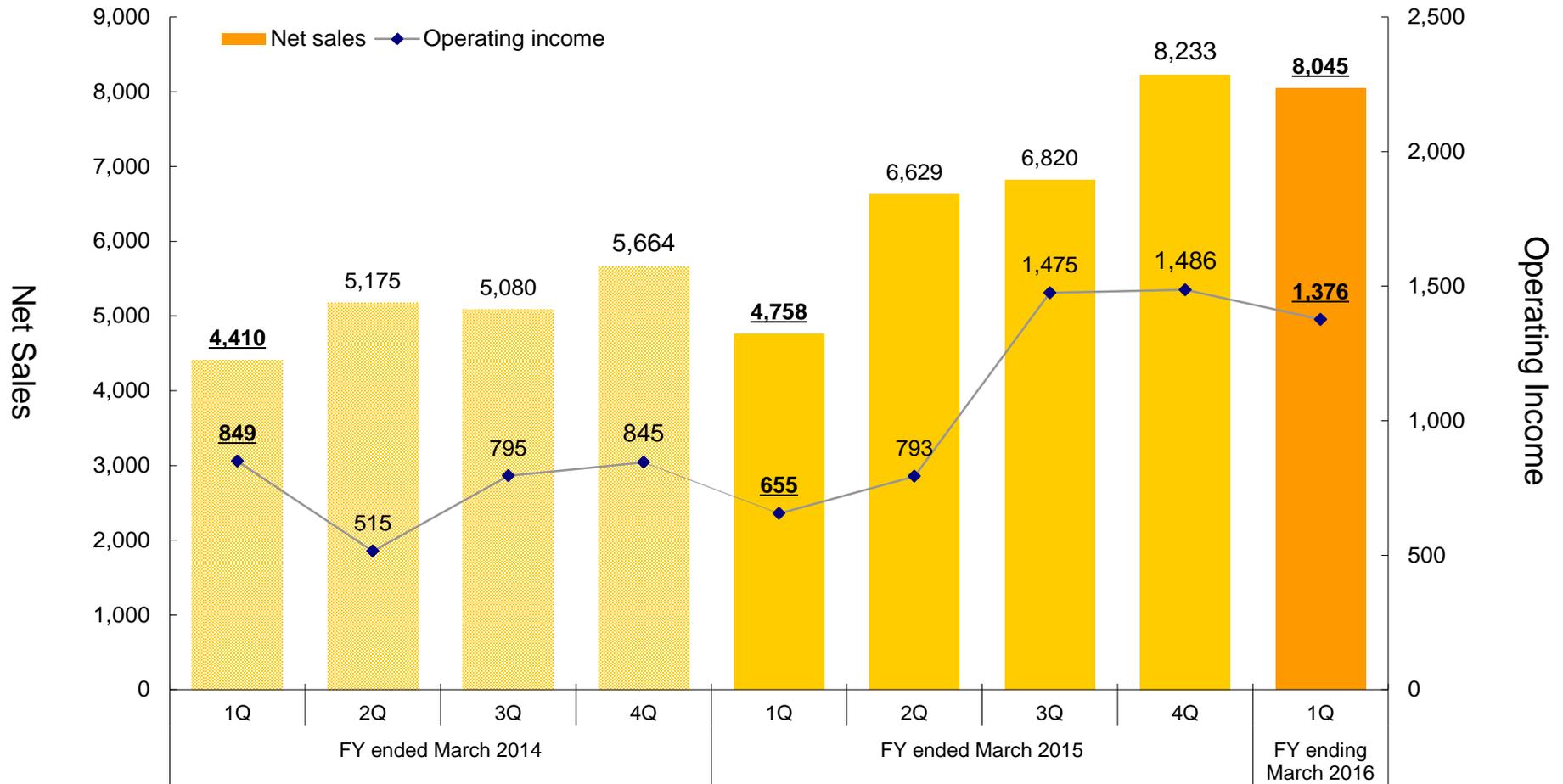
	1Q FY ended March 2015		1Q FY ending March 2016		YOY change	
	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
<b>Net sales</b>	<b>4,758</b>	-	<b>8,045</b>	-	<b>3,286</b>	169.1%
Cost of sales	2,033	-	2,835	-	802	139.5%
SGA expenses	2,069	-	3,832	-	1,763	185.2%
Thereof advertising expenses	338	-	993	-	655	293.7%
<b>Operating income</b>	<b>655</b>	<b>13.8%</b>	<b>1,376</b>	<b>17.1%</b>	<b>720</b>	209.9%
Non-operating income/losses	-6	-	60	-	66	-
<b>Ordinary income</b>	<b>649</b>	<b>13.7%</b>	<b>1,436</b>	<b>17.9%</b>	<b>787</b>	221.2%
Extraordinary income/losses	-10	-	-52	-	-42	-
Income taxes	215	-	391	-	176	181.8%
<b>Profit attributable to owners of parent</b>	<b>424</b>	<b>8.9%</b>	<b>992</b>	<b>12.3%</b>	<b>567</b>	233.9%

# Development of Net Sales and Operating Income (Quarterly)



- Attained highest-ever sales and earnings in any first quarter
- Sales approached peak level normally seen only in 4th quarter year-end period

(Unit: million yen)



# Segment Results



(Unit: million yen)

		1Q FY ended March 2015	1Q FY ending March 2016	YOY change	
		Actual	Actual	(Amount)	(%)
Net Sales	● Online Game Business	2,656	5,479	2,823	206.3%
	● Consumer Game Business	1,278	1,655	377	129.5%
	● Audio & Visual Business	825	912	86	110.5%
	Total	4,758	8,045	3,286	169.1%
Segment Income	● Online Game Business	395	1,125	730	284.8%
	● Consumer Game Business	298	263	-34	88.3%
	● Audio & Visual Business	228	306	77	134.1%
	Total	922	1,695	773	183.9%
Adjustments & eliminations		-266	-318	-52	119.7%
Operating Income Total		655	1,376	720	209.9%

## POINT

### ● Online Game Business

- Continued favorable app games result in strong earnings expansion

### ● Consumer Game Business

- New title introductions lift sales but costs are higher

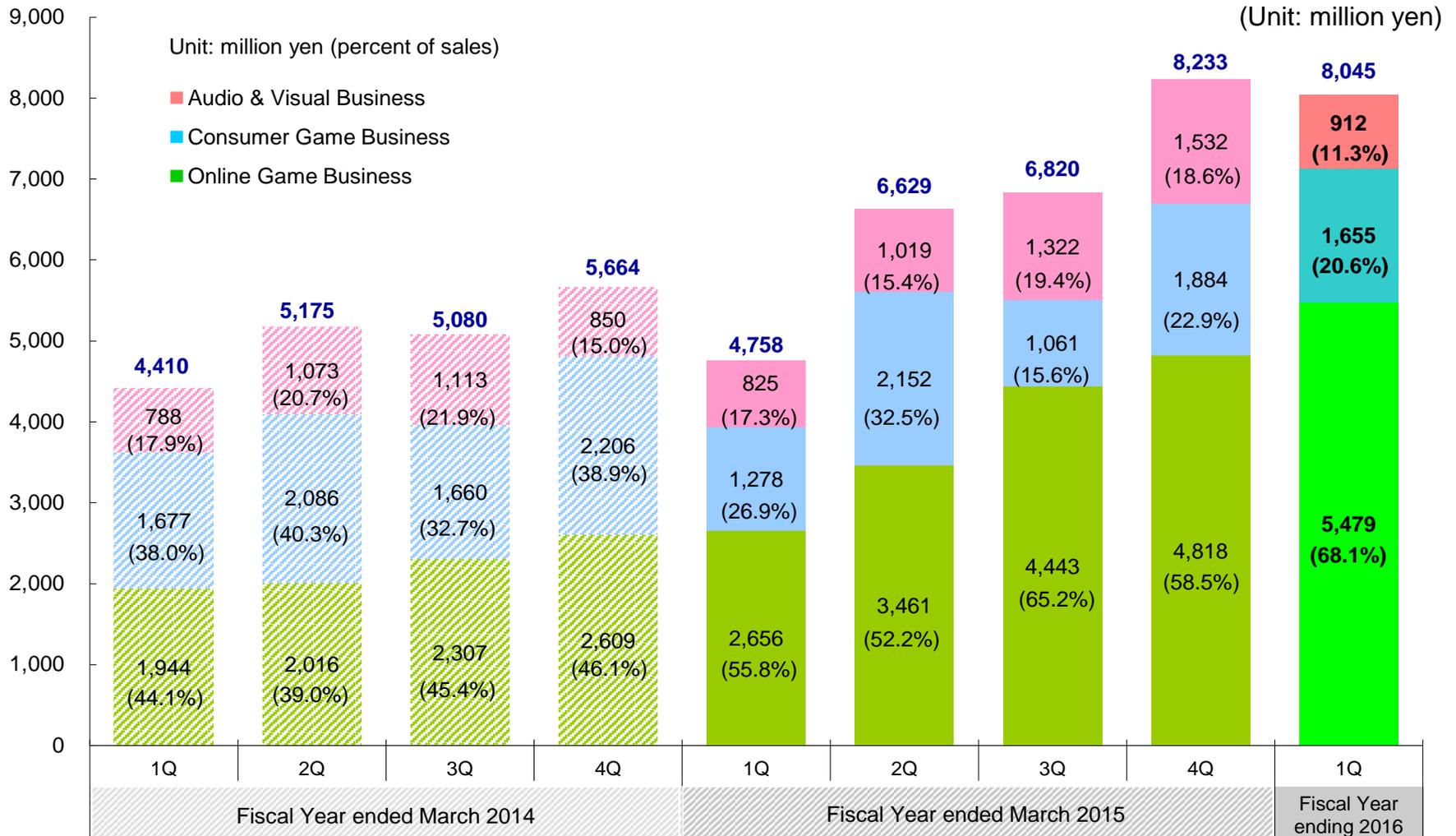
### ● Audio & Visual Business

- In addition to stage performances being highly popular, new *anime* products also display favorable start

# Sales Structure by Segment (Quarterly)



- Top-priority online game business continues to post quarterly growth



# Balance Sheet (Summary)

- Reduced cash and deposits due to income tax and dividend payments and acquisition of share capital of G-MODE Corporation resulted in lower current assets
- Accounting recognition of goodwill associated with acquisition of share capital of G-MODE Corporation resulted in higher noncurrent assets
- Payment of accrued income taxes resulted in lower current liabilities

(Unit: million yen)

	End of March 2015	End of June 2015	Change
<b>Current assets (total)</b>	18,624	16,325	-2,298
<b>Noncurrent assets (total)</b>	3,414	4,626	1,212
<b>Total Assets</b>	<b>22,039</b>	<b>20,952</b>	<b>-1,086</b>
<b>Current liabilities (total)</b>	8,535	7,764	-771
<b>Noncurrent liabilities (total)</b>	52	42	-10
<b>Total Liabilities</b>	<b>8,588</b>	<b>7,807</b>	<b>-781</b>
<b>Net Assets (total)</b>	<b>13,450</b>	<b>13,145</b>	<b>-305</b>



# **Fiscal Year Ending March 2016, Full-Year Business Forecast**

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# Fiscal Year Ending March 2016, Full-Year Business Forecast

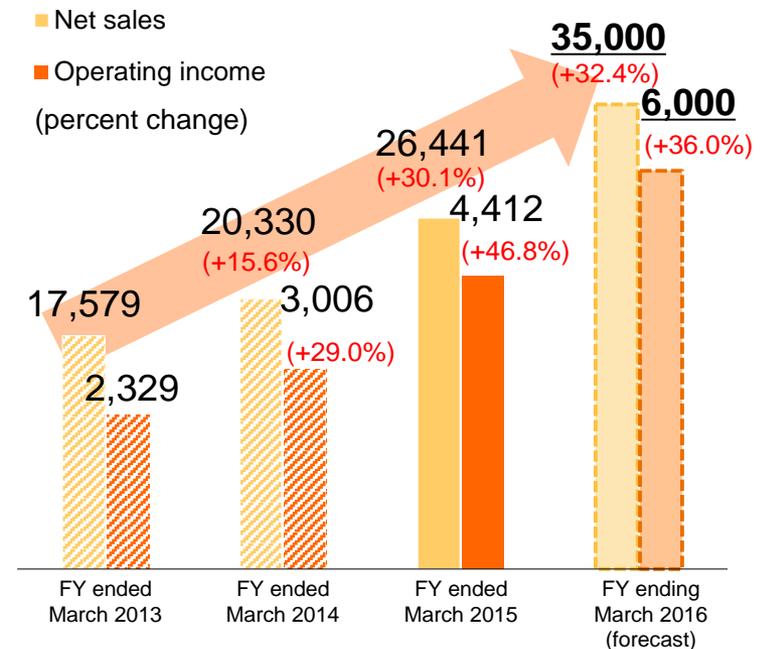


		Full Year			
		FY ended March 2015	FY ending March 2016	YOY change	
		Actual	Forecast	(Amount)	(%)
Net Sales	● Online Game Business	15,379	23,000	7,620	149.5%
	● Consumer Game Business	6,376	7,200	823	112.9%
	● Audio & Visual Business	4,699	4,800	100	102.1%
	<b>Total</b>	26,441	35,000	8,558	132.4%
Segment Income	● Online Game Business	3,815	5,550	1,734	145.5%
	● Consumer Game Business	502	550	47	109.5%
	● Audio & Visual Business	1,089	1,100	10	100.9%
	<b>Total</b>	5,407	7,200	1,792	133.1%
Adjustments & eliminations		-995	-1,200	-204	120.6%
<b>Operating Income</b>		4,412	6,000	1,587	136.0%
<b>Ordinary Income</b>		4,583	6,000	1,416	130.9%
<b>Profit attributable to owners of parent</b>		2,178	4,100	1,921	188.2%

- Based on further strengthening of business systems, plans call for net sales of **¥35 billion** and operating income of **¥6 billion**, marking **30%-plus growth from the year-earlier** and **double-digit gains for the fourth consecutive year**
- Expecting increased full-year revenues and profits in all segments.

Online game business on track for more growth continuing from fiscal year ended March 2015.

## Development in Net Sales and Operating Income (Annual) (Unit: million yen)





# Segment Results

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# Online Game Business: FY Ending March 2016 Progress Status



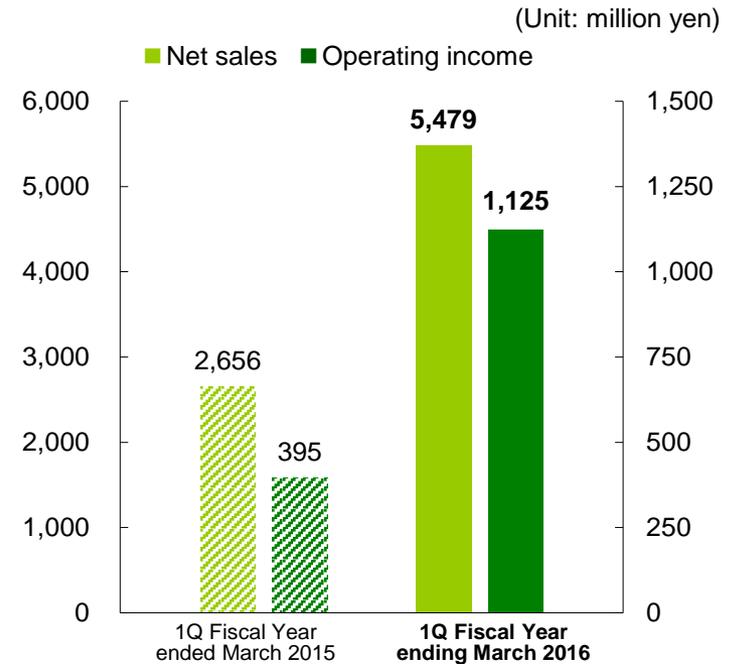
## 1Q Results for FY Ending March 2016

Net sales: Increase from favorable app games

Profits: Strong growth from enhanced profit margins

## Title Performance

- “Logres of Swords and Sorcery: Goddess of Ancient” continues to show strong performance  
6 million downloads (cumulative) surpassed in April
- “Disney Magic Castle Dream Island,” aired in TV commercial in June, surpassed 3 million downloads (cumulative)
- Existing PC and mobile browser games remain stable



## 〈Title Rollouts〉

### “Logres of Swords and Sorcery: Goddess of Ancient”

(native app)

Service launched in December 2013



©Marvelous Inc. Aiming Inc.

### “Browser Sangokushi”

(PC browser)

Service launched in July 2009



©Marvelous Inc.

### “Ikki-Tousen Burst Fight”

(mobile browser)

Service launched in May 2012



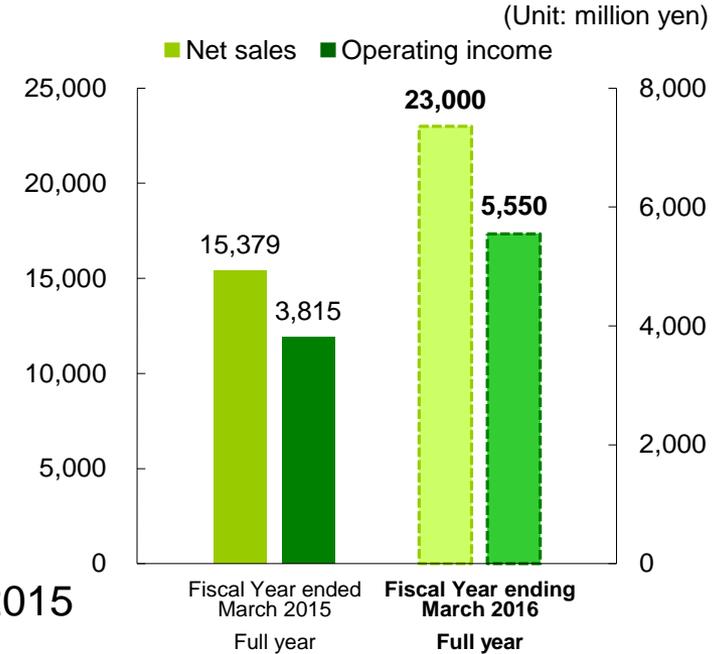
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# Online Game Business: Initiatives Starting in 2Q of FY Ending March 2016



## TOPICS

- Dissemination of “NBA CLUTCH TIME” started in Australia and New Zealand from July 29
- Dissemination of “Logres of Swords and Sorcery: Goddess of Ancient” in Taiwan, Hong Kong, and Macau scheduled in 2015
- Advance registration for Social Game “VALKYRIE DRIVE -SIREN-” started on Mobage and GREE from July 24
- Smartphone app “Samurai Jam -Bakumatsu Rock-: Ultimate Soul” scheduled for release in the summer of 2015



## <Title Rollouts>

### Overseas Initiatives

#### NBA CLUTCH TIME

Currently being disseminated in Taiwan, Hong Kong, Macau, Australia and New Zealand



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#### Logres of Swords and Sorcery: Goddess of Ancient

Dissemination in Taiwan, Hong Kong, and Macau scheduled in 2015



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#### VALKYRIE DRIVE -SIREN-

Advance registration started July 24, 2015



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#### Samurai Jam -Bakumatsu Rock-: Ultimate Soul

Scheduled for release in the summer of 2015



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# Consumer Game Business: FY Ending March 2016 Progress Status



## 1Q Results for FY Ending March 2016

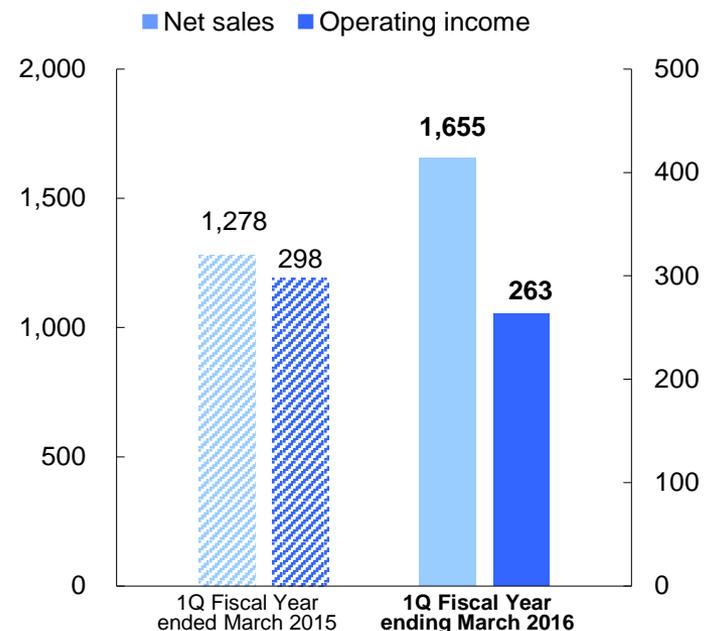
**Net sales:** Higher sales from the release of new titles (No new products released in the year-earlier first quarter)

**Profits:** Preceding costs from new product development and advertising

## Title Performance

- Release of 3DS software “POPOLOCROIS BOKUJO MONOGATARI” on June 18
- 3DS software “STORY OF SEASONS” (Japanese name: “BOKUJO MONOGATARI TSUNAGARU SHINTENCHI”) marketed by US subsidiary Marvelous USA, Inc. marks sustained successful repeat sales
- Successful start of new amusement machine “MONSTER HUNTER SPIRITS” launched on June 25

(Unit: million yen)



## <Title Rollouts>

### POPOLOCROIS BOKUJO MONOGATARI (3DS)

Released June 18, 2015



©Yohsuke Tamori ©Yoshifumi Hashimoto (Marvelous Inc.)  
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### STORY OF SEASONS (3DS)

Released March 31, 2015 (North America)



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### MONSTER HUNTER SPIRITS (Amusement)

Launched June 25, 2015



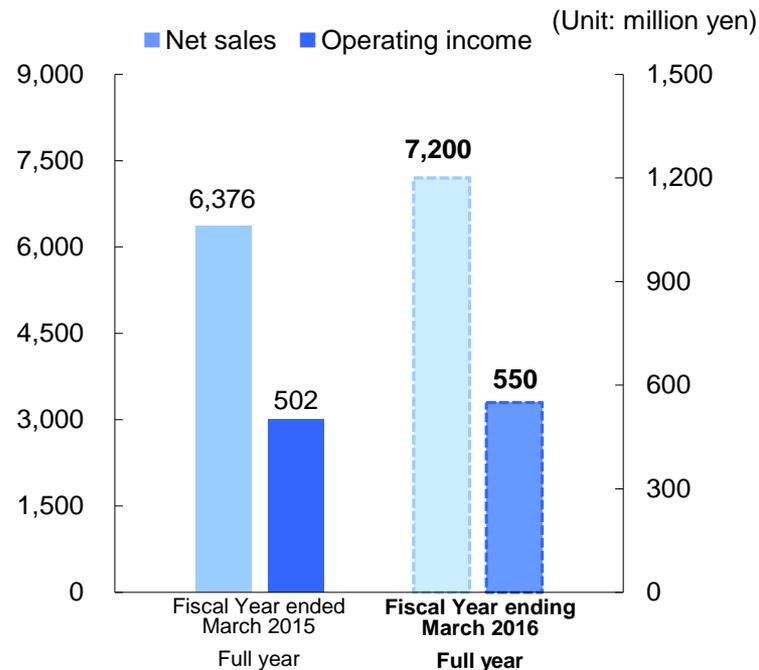
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# Consumer Game Business: Initiatives Starting in 2Q of FY Ending March 2016



## TOPICS

- Release of “IA/VT - COLORFUL” on July 30
- Release of “Luminous Arc Infinity” scheduled for August 6
- Release of “NET HIGH” scheduled for November 26
- Release of “NITRO+BLASTERZ -HEROINES INFINITE DUEL-” scheduled for December 10
- Release of “VALKYRIE DRIVE -BHIKKHUNI-” scheduled in 2015



## 〈Title Rollouts〉

### IA/VT -COLORFUL- (PS Vita)

Released July 30, 2015



©2015 Marvelous Inc./  
1st PLACE Co Ltd. | IA PROJECT

### Luminous Arc Infinity (PS Vita)

Scheduled for release  
August 6, 2015



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### NET HIGH (PS Vita)

Scheduled for release  
November 26, 2015



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### NITRO+BLASTERZ -HEROINES INFINITE DUEL- (PS4/PS3)

Scheduled for release  
December 10, 2015



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EXAMU Inc.

### VALKYRIE DRIVE -BHIKKHUNI- (PS Vita)

Scheduled for release in 2015



©2015 Marvelous Inc.  
©VALKYRIE DRIVE PROJECT

# Audio & Visual Business: FY Ending March 2016 Progress Status



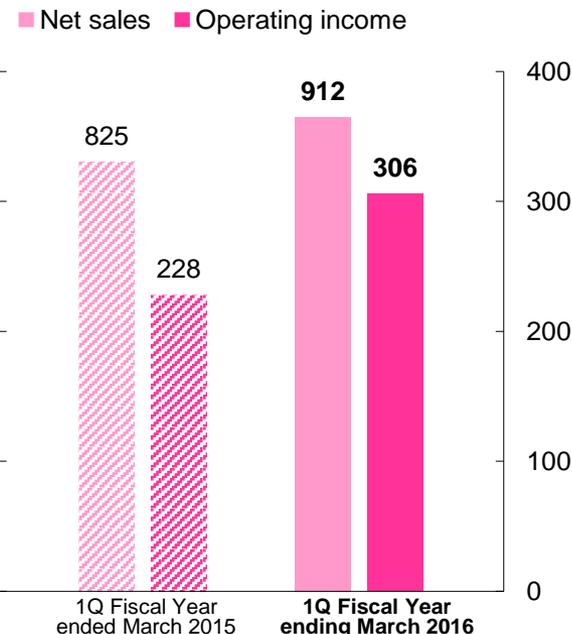
## 1Q Results for FY Ending March 2016

Net sales/Profits: Stage performances remain hugely popular and results for related DVD products are steady. New TV *anime* also a smash-hit, connecting to increased revenues and profits.

### Title Performance

- Commercialization of package products for “Tokyo Ghoul √A,” “Yona of the Dawn,” and “PRETTY CURE” series
- Successful package sales launch of TV *anime* “My Teen Romantic Comedy SNAFU TOO!” which started being broadcast in April
- “Stage [Yowamushi Pedal] Ep. Inter High School The WINNER” takes top slot in overall weekly DVD sales ranking of trend information media Oricon Style (July 27)
- Performances of “Musical HAKUOKI” in May to June

(Unit: million yen)



## <Title Rollouts>

### Tokyo Ghoul √A

Sales launch of the first volume on March 27, 2015



©Sui Ishida/Shueisha, Tokyo Ghoul Production Committee

### My Teen Romantic Comedy SNAFU TOO!

Sales launch of the first volume on June 24, 2015



©WATARU WATARI, SHOGAKUKAN / OREGAIRU2 PRODUCTION COMMITTEE

### Stage [Yowamushi Pedal] Ep. Inter High School The WINNER

Released July 15, 2015



©Wataru Watanabe (Akitashoten) 2008 / Yowamushi Pedal GR Film Partners  
©Wataru Watanabe (Akitashoten) 2008 / Marvelous, TOHO, DXL CREATION

### Musical HAKUOKI

Performances in May to June 2015



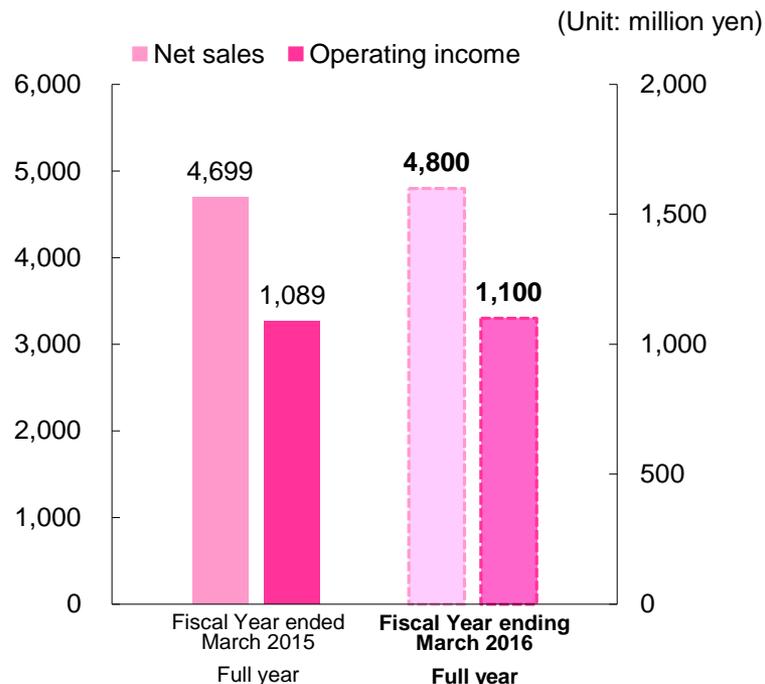
©IDEA FACTORY•DESIGN FACTORY/Musical HAKUOKI Project

# Audio & Visual Business: Initiatives Starting in 2Q of FY Ending March 2016



## TOPICS

- Release of OVA Tokyo Ghoul “JACK” and “PINTO,” and stage performance of new production “Tokyo Ghoul the Stage” in July
- Stage performances of “Stage K II -AROUSAL OF KING-,” the sequel to “Stage K” performed in August 2014, scheduled for August
- “ULTRA MUSICAL Samurai Jam -Bakumatsu Rock-” performed in December 2014 scheduled for stage performance revival as “HYPER MUSICAL Samurai Jam -Bakumatsu Rock-” in August
- Performances of “MUSICAL THE PRINCE OF TENNIS 3rd Season SEIGAKU vs St.RUDOLPH” scheduled from September



## <Title Rollouts>

### Tokyo Ghoul the Stage

Performances in July 2015



©Sui Ishida/Shueisha.©Tokyo Ghoul the Stage Production Committee

### Stage K II -AROUSAL OF KING-

Performances scheduled in August 2015



©GoRA-GoHands/k-project  
©GoRA-GoHands/stage k-project

### HYPER MUSICAL Samurai Jam -Bakumatsu Rock-

Performances scheduled in August 2015



©2014 Marvelous Inc./BakumatsuRock Production Committee  
©2014 Marvelous Inc./ULTRA MUSICAL BakumatsuRock Production Committee

### MUSICAL THE PRINCE OF TENNIS 3rd Season SEIGAKU vs St.RUDOLPH

Performances scheduled  
September to November 2015



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Thank you for your attention.

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