

Fact Sheet

Fiscal Year Ended March 31, 2015

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

Marvelous Inc.

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, games for amusement consoles, audio & visual software, 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	4,758	11,387	18,208	26,441
Operating Income	655	1,449	2,925	4,412
Ordinary Income	649	1,514	3,112	4,583
Net Income	424	934	1,875	2,178
Net Income Per Share (yen)	7.93	17.48	35.08	40.74

Results of Operations

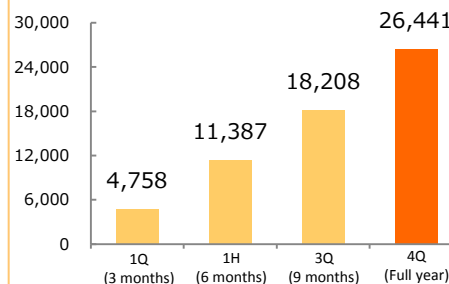
In the period under review, the entertainment industry saw continued growth in the applications market driven by the widespread adoption of smartphones, combined with increased user numbers along with a diversity of titles. Moreover, the Japanese market, the world's largest, has been attracting much interest from foreign companies and prompted a string of market entries of foreign-made content, associated with intensifying competition. In the domestic market for home-use games, high-performance dedicated game machines remain highly popular centered on core users. However, market scale has been losing out to the smartphone market and remains under intense pressure. In the market for arcade games, amid a diversity of games for young children, a number of strong contents offerings continued to monopolize the market. In the audio & visual sectors, sales of package products remain under the impact of an unfavorable environment, contrasted by steadily growing demand in the live entertainment business.

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.

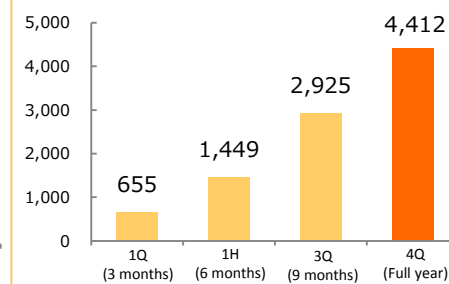
As a result, the Group's consolidated operating results for the current term (April 1, 2014 to March 31, 2015) came to net sales of 26,441 million yen (up 30.1% from the previous fiscal year), operating income of 4,412 million yen (up 46.8% from the previous fiscal year), and ordinary income of 4,583 million yen (up 50.7% from the previous fiscal year). Net income for the term was 2,178 million yen (up 15.7% from the previous fiscal year).

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

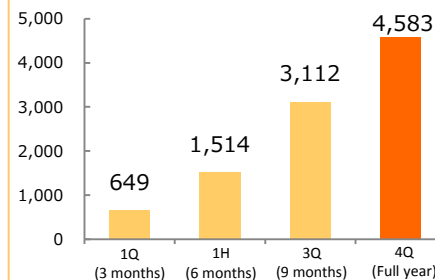
Net Sales



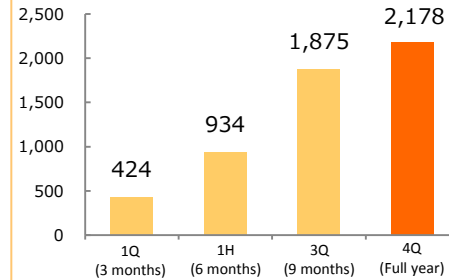
Operating Income



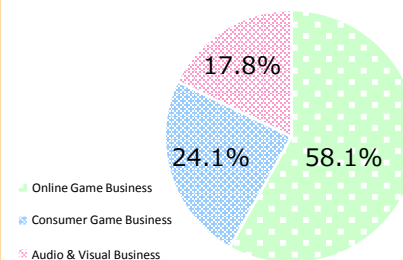
Ordinary Income



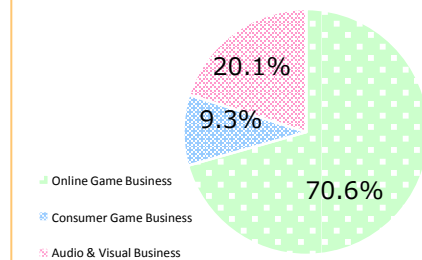
Net Income



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

Browser Sangokushi



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SENTRAN KAGURA
ESTIVAL VERSUS

PUZZLE & DRAGONS Z
Tamer Battle V2



©2015 Marvelous Inc.

© GungHo Online Entertainment, Inc. / Marvelous Inc.

Samurai Jam
-Bakumatsu Rock-

Stage [Yowamushi Pedal]
Ep. HAKOGAKU
The beast on the road



©2014 Marvelous Inc. / BakumatsuRock Production Committee

©Wataru Watanabe (Aikashoten) 2008 / Yowamushi Pedal GR Film Partners ©Wataru Watanabe (Aikashoten) 2008 / Marvelous, TOKYO, DM CREATION

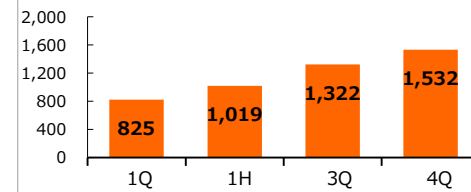
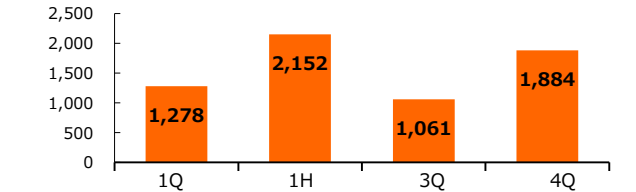
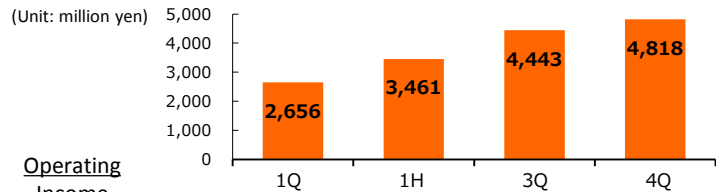
Remarks about Performance

In the online game business, existing major titles continued to perform well. Although the PC browser games market itself has been contracting, performance has been robust centered on "Browser Sangokushi," a long-selling hit title. Likewise, existing titles performed well also in mobile browser games, exemplified by rising sales of "Ikki-Tousen Burst Fight." In native apps, sales have continued expanding for "Logres of Swords and Sorcery: Goddess of Ancient" released in December 2013, with significant contributions to income for the period. As new titles of app games, we launched "NBA CLUTCH TIME" in November 2014 in Japan, and in January 2015 started dissemination of a Chinese language version of that title in Taiwan, Hong Kong, and Macau. Subsequently in February 2015 we launched "Disney Magic Castle Dream Island" under a license agreement with The Walt Disney Company (Japan) Ltd. Additionally, we released two new app games titles. As a result, segment net sales totaled 15,379 million yen (up 73.2% from the previous fiscal year) with segment operating income at 3,815 million yen (up 413.7% from the previous fiscal year).

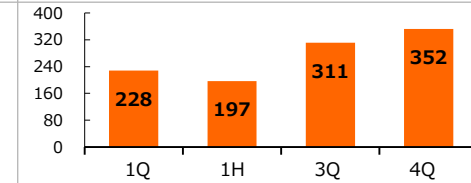
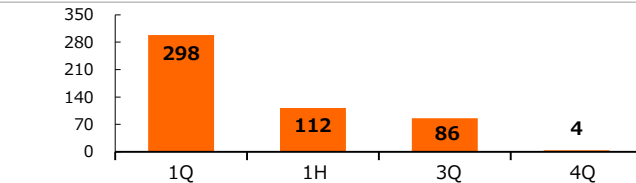
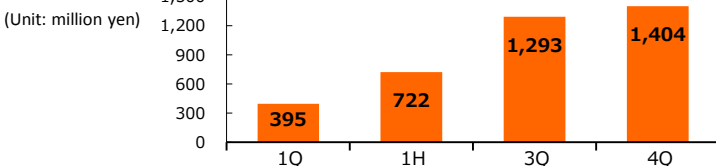
At the Company's sales sector of the Consumer Game Business segment, sales launches of "SENTRAN KAGURA 2 (Nintendo 3DS)" in August 2014, "Samurai Jam -Bakumatsu Rock-: Ultra Soul (PS Vita/PSP)" in September, and "KINKI NO MAGNA (Nintendo 3DS)" in October of the same year have been in an uphill struggle. Likewise, sales targets were missed for both the package version of "DEKAMORI SENRAN KAGURA (PS Vita)," which used to be on sale as a download version only, launched in November 2014 and the new title "SENTRAN KAGURA ESTIVAL VERSUS (PS4/PS Vita)," which was launched in March 2015. Furthermore, regarding "KAIO", a development started with a view to creating a powerful original IP of the Company, the development effort was terminated and a development termination extraordinary loss recognized to account for the written-off work in progress. This move was due to a drastic change in market environments and unfavorable conditions rendering the formation of the initially projected media mix initiative impracticable. At the amusement division, a significant delay occurred in the originally projected contributions to earnings from the "PUZZLE & DRAGONS Z Tamer Battle" kids' amusement console launched in June 2014. As the result of a careful assessment of the recoverability of the stated asset value based on estimates of future cash flow, an asset impairment extraordinary loss was recognized in the amount of the remaining asset balance. As a result, segment net sales totaled 6,376 million yen (down 16.4% from the previous fiscal year), with segment operating income of 502 million yen (down 77.9% from the previous fiscal year).

The audio & visual production sector of the Audio & Visual business segment implemented the audio-visual product commercialization of the TV animation products "Samurai Jam -Bakumatsu Rock-" and "Tokyo Ghoul," both lead-managed by the Company. However, under the impact of a deteriorated market environment, sales of package products fell short of target. On the other hand, the stage production division reported significant growth for the standard "MUSICAL THE PRINCE OF TENNIS" as well as for "Stage Yowamushi Pedal," which solidified its position as a major title of the Company. Moreover, "Musical HAKUOKI" and "ULTRA MUSICAL Samurai Jam -Bakumatsu Rock-" have remained highly popular and performances of all titles have turned out hits. In addition to ticket sales, related goods and DVDs have been selling extremely well. As a result, segment net sales totaled 4,699 million yen (up 22.9% from the previous fiscal year), with segment operating income of 1,089 million yen (up 18.3% from the previous fiscal year).

Net Sales



Operating Income



[Consolidated Statement of Income]

(Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3
Net Sales	Former MMV	6,965	10,423	17,579	20,330	26,441
	Former AQI	7,239				
Gross Operating Income	Former MMV	1,740	4,491	8,116	9,946	14,975
	Former AQI	3,644				
Operating Income	Former MMV	202	1,044	2,329	3,006	4,412
	Former AQI	1,070				
Ordinary Income	Former MMV	147	1,025	2,325	3,041	4,583
	Former AQI	1,041				
Net Income	Former MMV	131	3,533	1,919	1,882	2,178
	Former AQI	537				

[Consolidated Balance Sheet]

(Unit: million yen)

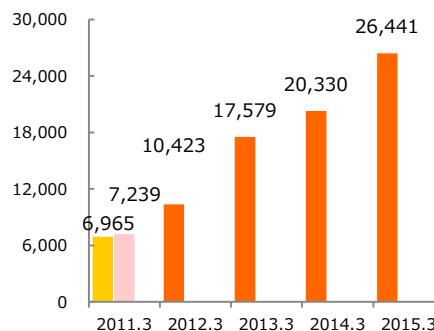
		2011.3	2012.3	2013.3	2014.3	2015.3
Current Assets	Former MMV	3,271	11,932	12,593	14,583	18,624
	Former AQI	7,231				
Fixed Assets	Former MMV	820	1,734	2,748	2,233	3,414
	Former AQI	1,003				
Total Assets	Former MMV	4,092	13,667	15,341	16,816	22,039
	Former AQI	8,235				
Current Liabilities	Former MMV	3,496	4,361	4,570	4,840	8,535
	Former AQI	1,320				
Long-Term Liabilities	Former MMV	271	202	76	54	52
	Former AQI	35				
Net Assets	Former MMV	325	9,102	10,694	11,921	13,450
	Former AQI	6,878				
Shareholders' Equity	Former MMV	325	9,102	10,694	11,921	13,450
	Former AQI	6,878				

[Cash Flow Statement]

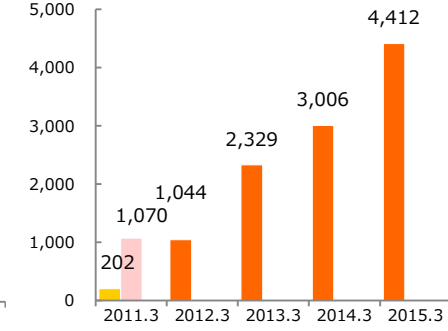
(Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3
Cash flows from Operating activities	Former MMV	1,360	1,399	2,817	3,852	4,031
	Former AQI	2,904				
Cash flows from Investing activities	Former MMV	-246	435	-2,130	-634	-2,218
	Former AQI	-2,762				
Cash flows from Financing activities	Former MMV	-237	-479	-975	-873	-1,146
	Former AQI	-216				
Cash and Cash Equivalents at End of Period	Former MMV	1,749	5,979	5,723	8,120	8,937
	Former AQI	2,401				

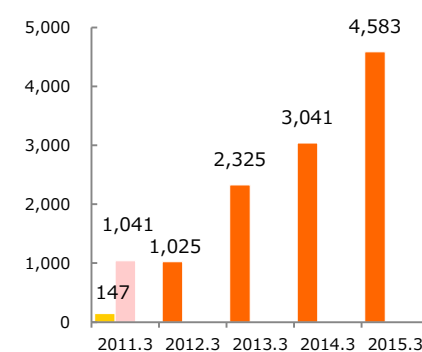
Net Sales (million yen)



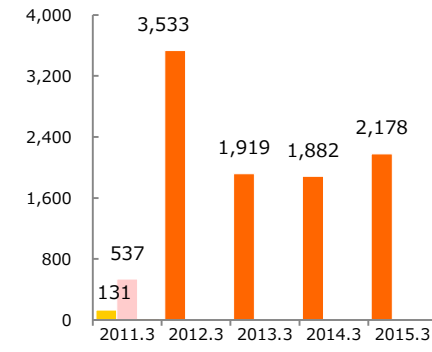
Operating Income (million yen)



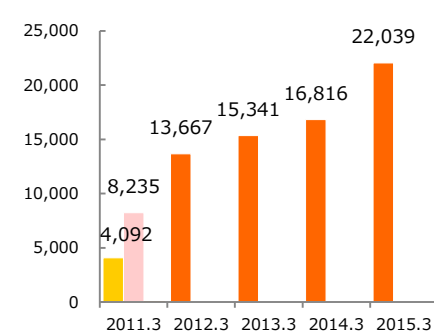
Ordinary Income (million yen)



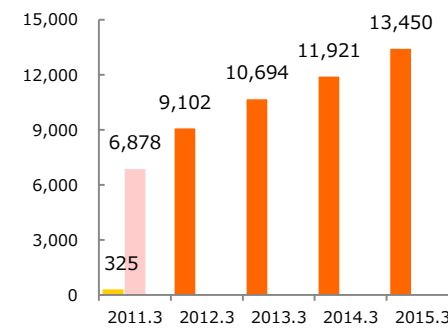
Net Income (million yen)



Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

		2011.3	2012.3	2013.3	2014.3	2015.3
Net income per share (yen)	Former MMV	10.76				
	Former AQI	98.73	107.62	35.90	35.21	40.74
Net assets per share (yen)	Former MMV	26.65				
	Former AQI	1,261.95	170.29	200.07	223.02	251.55

[Profitability]

		2011.3	2012.3	2013.3	2014.3	2015.3
Gross profit rate (%)	Former MMV	25.0				
	Former AQI	50.3	43.1	46.2	48.9	56.6
Operating profit ratio (%)	Former MMV	2.9				
	Former AQI	14.8	10.0	13.3	14.8	16.7
Ordinary profit ratio (%)	Former MMV	2.1				
	Former AQI	14.4	9.8	13.2	15.0	17.3
Net profit ratio (%)	Former MMV	1.9				
	Former AQI	7.4	33.9	10.9	9.3	8.2

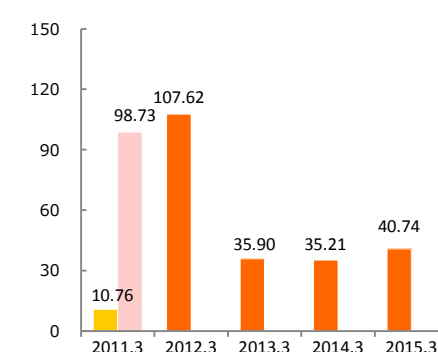
[Efficiency & Security]

		2011.3	2012.3	2013.3	2014.3	2015.3
ROE (%)	Former MMV	50.6				
	Former AQI	8.1	75.0	19.4	16.6	17.2
ROA (%)	Former MMV	3.4				
	Former AQI	13.0	11.6	16.0	18.9	23.6
Capital ratio (%)	Former MMV	7.9				
	Former AQI	83.5	66.6	69.7	70.9	61.0
D/E ratio (%)	Former MMV	559.7				
	Former AQI	1.1	15.2	7.9	5.5	1.5

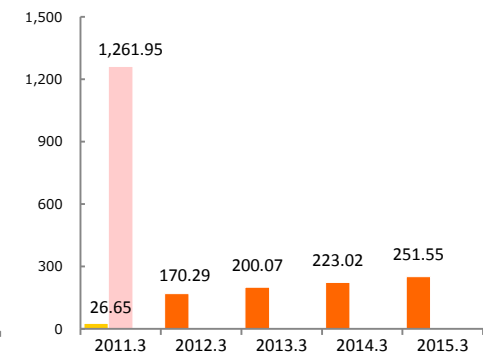
[Return to Shareholders]

		2011.3	2012.3	2013.3	2014.3	2015.3
Dividend (million yen)	Former MMV	0				
	Former AQI	201	323	668	694	1,069
DOE (%)	Former MMV	0.0				
	Former AQI	2.9	6.1	6.8	6.1	8.4
Dividend payout ratio (%)	Former MMV	0.0				
	Former AQI	37.5	5.6	34.8	36.9	49.1

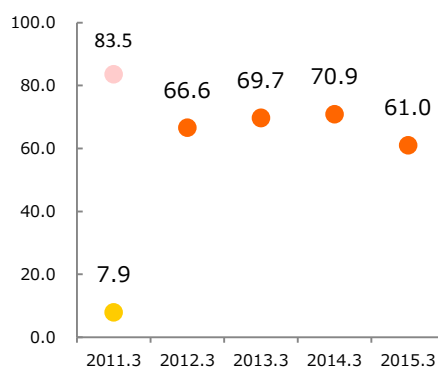
Net income per share (yen)



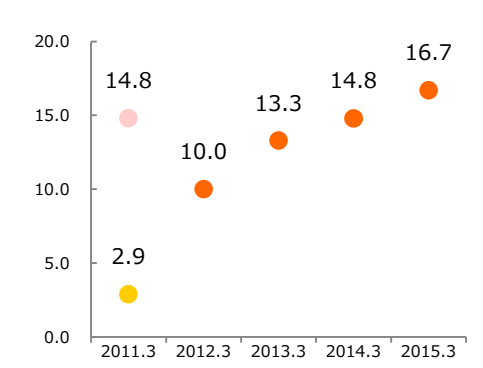
Net assets per share (yen)



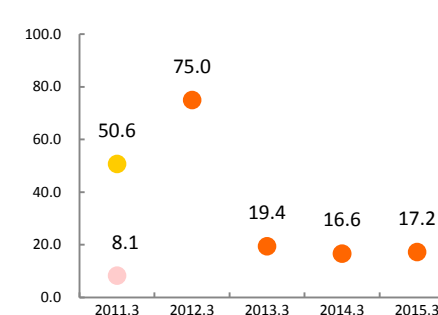
Capital ratio (%)



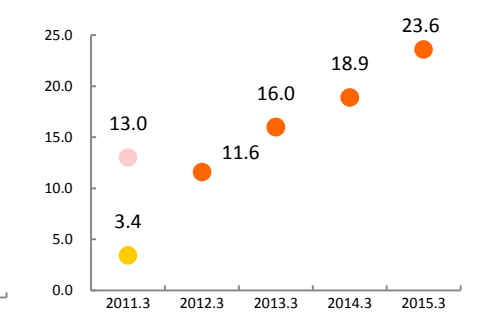
Operating profit ratio (%)



ROE (%)



ROA (%)



Future Developments & Outlook for Fiscal Year Ending March 2016

In order to strengthen the development frameworks of the online game business, a business mainstay of the Company, effective April 1, 2015, the Company integrated as a new subsidiary G-MODE Corporation, which is a company engaged in creating application development frameworks including investments in development platforms for native apps. Moreover, aiming at further enhancement of financial results, the Company took steps to reinforce management systems and aims to establish the "Marvelous Brand" by creating added value for the world's entertainment that is "Distinctive of the Marvelous Brand."

In its business initiatives for the fiscal year ending March 2016, the Group will focus on achieving further growth in app games, which have been sustaining strong performance in the Online Game Business, accompanied by continuing efforts to maintain the popularity of existing titles. In the Consumer Game Business and the Audio & Visual Business, where operating environments remain adverse, the Group will use its special strength in planning abilities to best effect with the aim of achieving sales and earnings growth compared with the fiscal year under review.

As a result of the aforementioned efforts, consolidated results for the next term are forecast to achieve net sales of 35,000 million yen, operating income of 6,000 million yen, ordinary income of 6,000 million yen, and net income of 4,100 million yen.

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, 2015)

• 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 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 Yoshiteru Yamaguchi Seiichiro Kato Shunichi Nakamura Ken Kutaragi Toshio Nago Isamu Tsuji Iwao Nishi Katsuhiko Nishimura

Business Activities

Online Game Business	Developing apps and 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, 2015)

- End of term: March 31
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 19,817
- Shares per unit: 100

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.32%
• Amuse Capital Inc.	12.50%
• Haruki Nakayama	10.22%
• Amuse Capital Investment, K.K.	3.43%
• MSCO CUSTOMER SECURITIES	1.81%
• TOHOKUSHINSHA FILM CORPORATION	1.45%
• Rakuten Securities, Inc.	1.41%
• Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	0.87%
• Credit Suisse Securities (Europe) Limited main account	0.74%
• JPMCB NA ITS LONDON CLIENTS AC MORGAN STANLEY AND CO INTERNATIONAL LIMITED	0.73%

[Stock Quote] (As of May 12, 2015)

- Stock Quote: 1,739 yen
- Market Cap: 93,198 million yen