



MARVELOUS!

Marvelous Inc.

Stock Code: 7844

(First Section of Tokyo Stock Exchange)

**Fiscal Year Ending March 31, 2015
First Half**

Results Briefing Materials

November 10, 2014

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.

I. Fiscal Year Ending March 2015, First-Half Results Summary

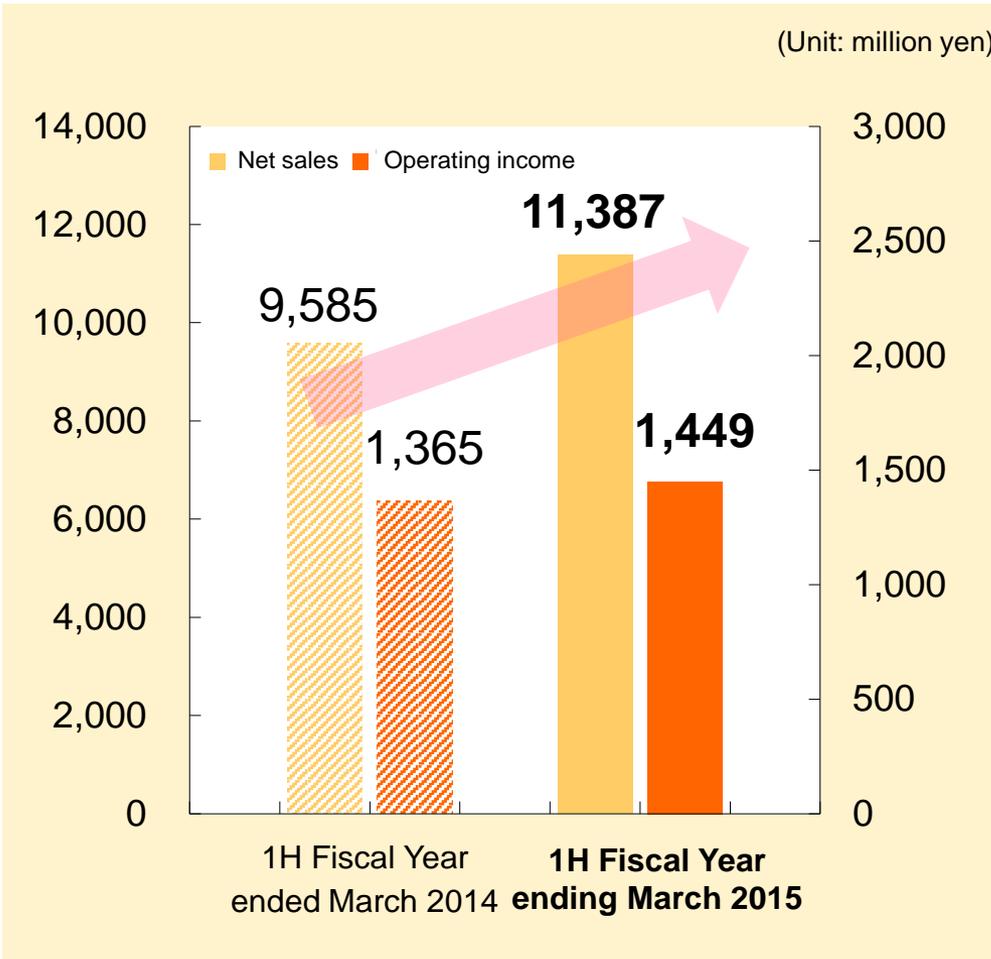
II. Fiscal Year Ending March 2015 Business Forecast

III. Segment Results

I. Fiscal Year Ending March 2015, First-Half Results Summary

I-1. Earnings Highlights

- First-half net sales **up 18.8%** and operating income **up 6.2%** from the year-earlier period
- Online game business expanded strongly thanks to favorable performance of native apps
Higher sales and earnings as online game business covered for declines in the consumer game business



TOPICS

Online RPG for Smartphones
“Logres of Swords and Sorcery: Goddess of Ancient”



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4 million downloads reached!

Increased number of downloads and active users through TV commercials for promotion.
 Advertising broadcasts to be added on an ongoing basis for further promotion.

I-2. Financial Highlights (P/L)

- Overall results driven by strong performance of the online game business with sales and earnings up from the year-earlier period
- Weakness in the consumer game business responsible for moderately lower profit ratios

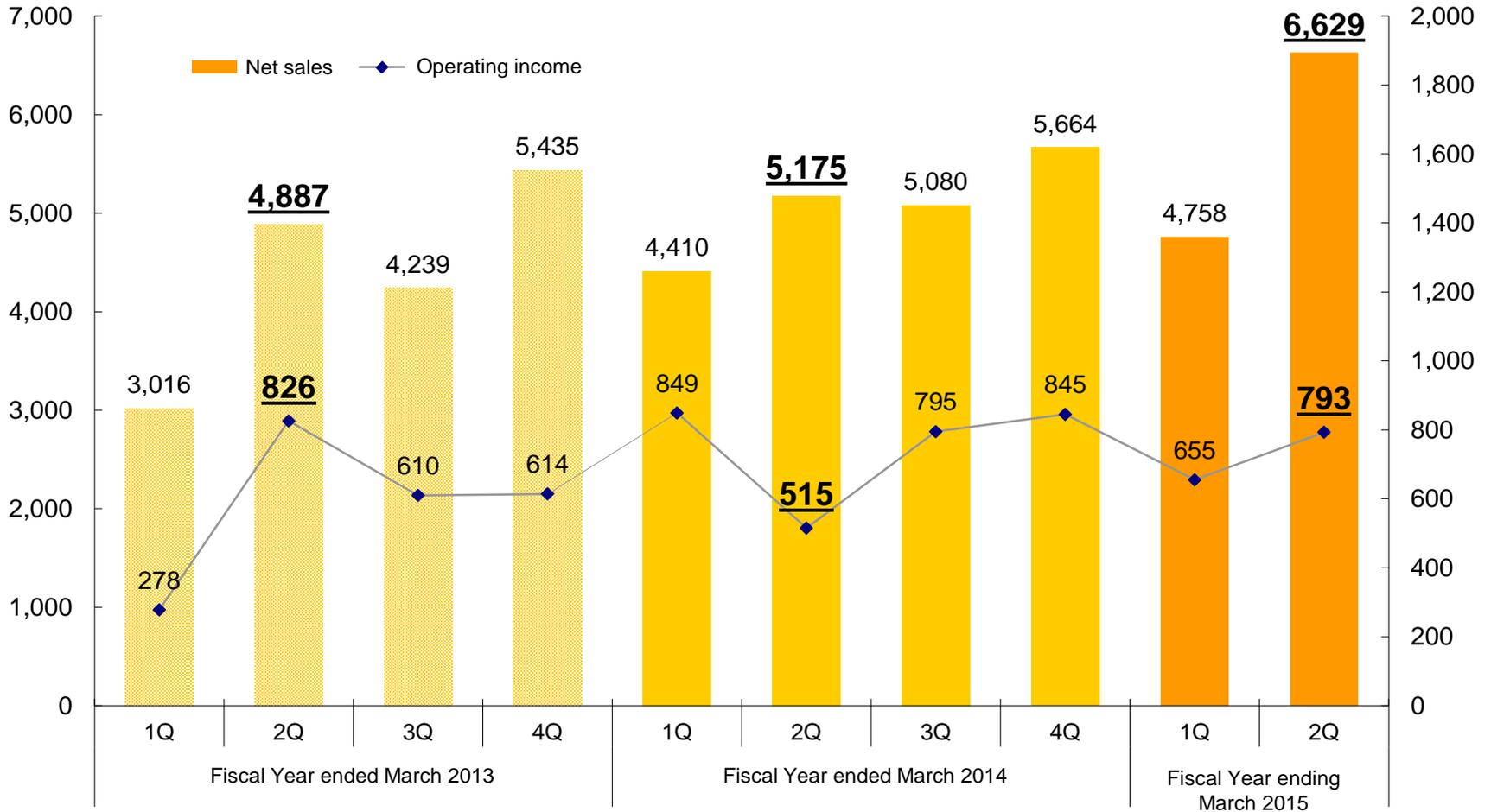
(Unit: million yen)

	1H FY ended March 2014		1H Fiscal Year ending March 2015			
	Actual	Profit ratio	Actual	Profit ratio	YOY change	YOY change (%)
Net sales	9,585		11,387		1,802	119%
Cost of sales	4,903		5,307		404	108%
SGA expenses	3,317		4,630		1,312	140%
Operating income	1,365	14.2%	1,449	12.7%	84	106%
Non-operating income/losses	20		64		44	—
Ordinary income	1,385	14.5%	1,514	13.3%	129	109%
Extraordinary income/losses	-12		-10		2	—
Income taxes	512		569		57	111%
Net income	860	9.0%	934	8.2%	74	109%

I-3. Financial Highlights (by Quarter)

- First-half net sales showing steady growth over the year-earlier period
- Operating income up compared with the year-earlier period

(Unit: million yen)



I-4. Financial Highlights (Segment Results)

		1H Fiscal Year ended March 2014	1H Fiscal Year ending March 2015		
		Actual	Actual	YOY change	
(Unit: million yen)				(Amount)	(%)
Net Sales	● Online Game Business	3,960	6,117	2,156	154%
	● Consumer Game Business	3,763	3,430	-333	91%
	● Audio & Visual Business	1,861	1,844	-16	99%
	Total	9,585	11,387	1,802	119%
Segment Income	● Online Game Business	218	1,117	899	511%
	● Consumer Game Business	1,273	411	-862	32%
	● Audio & Visual Business	350	425	75	122%
	Total	1,842	1,954	112	106%
Adjustments & eliminations		-477	-505	-27	106%
Operating Income Total		1,365	1,449	84	106%

POINT

● Online Game Business

- Higher sales due to favorable game apps
- Existing titles keep up solid performance

● Consumer Game Business

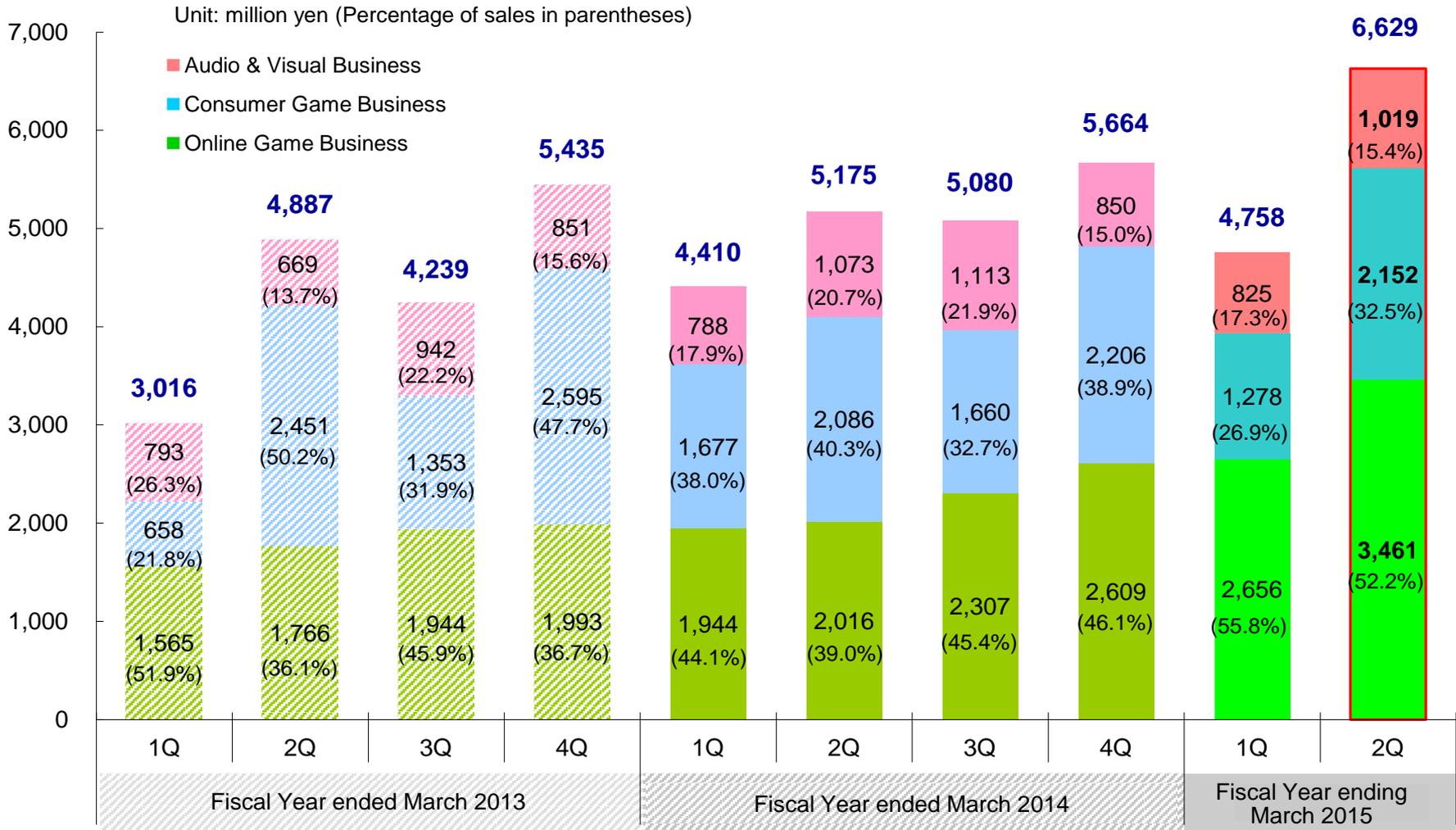
- Weak sales of package software
- Amusement sector underperforming

● Audio & Visual Business

- Robust sales of tickets for stage performances
- Continued strong sales of DVD productions related to stage performances

I-5. Financial Highlights (Sales Breakdown by Quarter)

- Online game business generating steady annual sales growth



I-6. Balance Sheet Highlights

- Increase in current assets due to higher accounts receivable-trade in step with growing online sales
- Increase in noncurrent assets due to capitalization of “PUZZLE & DRAGONS Z Tamer Battle” consoles
- Increase in current liabilities due to accrued sales commissions payable in step with growing online sales

(Unit: million yen)

	End of March 2014	End of September 2014	Change
Current assets (total)	14,583	15,322	738
Noncurrent assets (total)	2,233	2,909	675
Total Assets	16,816	18,231	1,414
Current liabilities (total)	4,840	5,990	1,149
Noncurrent liabilities (total)	54	60	5
Total Liabilities	4,895	6,051	1,155
Net Assets (total)	11,921	12,180	259

II. Fiscal Year Ending March 2015 Business Forecast

II-1. Fiscal Year Ending March 2015 Business Forecast

- Unchanged results projections for the full fiscal year despite the strong online game business considering weakness in the consumer game business

〈Fiscal Year Ending March 2015〉

(Unit: million yen)	First Half	Second Half	Full Year		YOY change	
	(Actual)	(Forecast)	(Forecast)	(Profit ratio)	(Amount)	(%)
Net sales	11,387	13,612	25,000	—	4,669	123.0%
Operating income	1,449	2,350	3,800	15.2%	793	126.4%
Ordinary income	1,514	2,275	3,790	15.2%	748	124.6%
Net income	934	1,339	2,274	9.1%	391	120.8%

(Reference) Results for
Fiscal Year ended March 2014

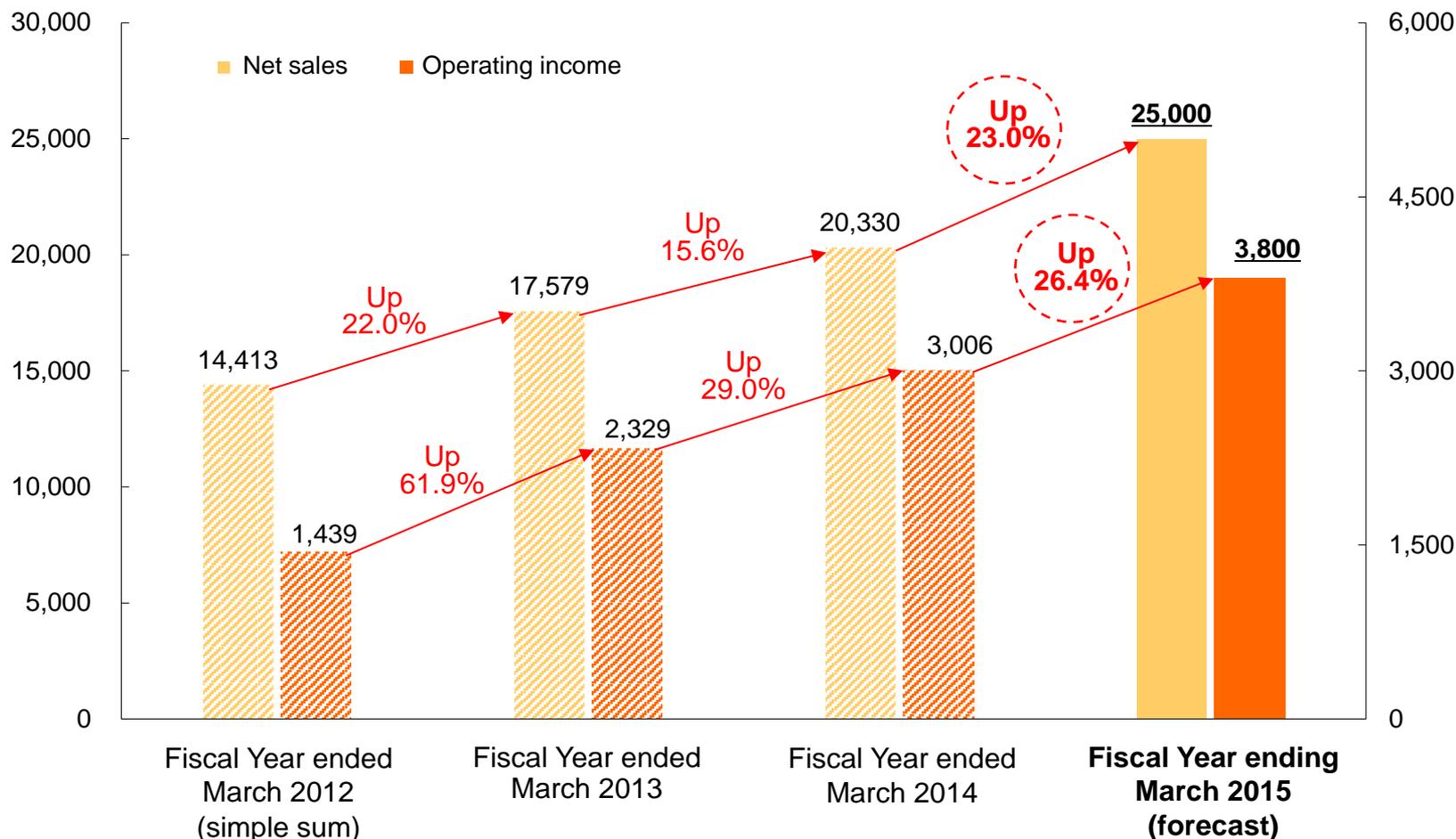
(Unit: million yen)	First Half	Second Half	Full Year	
	(Actual)	(Actual)	(Actual)	(Profit ratio)
Net sales	9,585	10,744	20,330	—
Operating income	1,365	1,641	3,006	14.8%
Ordinary income	1,385	1,656	3,041	15.0%
Net income	860	1,021	1,882	9.3%

II-2. Fiscal Year Ending March 2015 Business Forecast



- Expectations for three consecutive fiscal years of double-digit growth
- Expectations for sales and earnings growth in excess of 20%

(Unit: million yen)



II-3. Fiscal Year Ending March 2015 Segment Forecasts

- Revision of results projection details by segment
- Online game business results projections revised up based on strong performance of game apps
- Consumer game business results projections revised down based on weak package software and amusement business

(Unit: million yen)

Fiscal Year ending March 2015 (forecast)							Fiscal Year ended March 2014 (actual)		
		1H	2H	Full Year			1H	2H	Full Year
		(Actual)	(Projections)	(Revised projections)	(Previous projections)	(Difference)			
Net Sales	● Online Game Business	6,117	7,882	14,000	10,500	3,500	3,960	4,917	8,877
	● Consumer Game Business	3,430	3,369	6,800	10,300	-3500	3,763	3,866	7,630
	● Audio & Visual Business	1,844	2,355	4,200	4,200	0	1,861	1,963	3,825
	Total	11,387	13,612	25,000	25,000	0	9,585	10,744	20,330
Segment Income	● Online Game Business	1,117	1,912	3,030	1,440	1,590	218	524	742
	● Consumer Game Business	411	488	900	2,520	-1620	1,273	994	2,268
	● Audio & Visual Business	425	494	920	920	0	350	571	921
	Total	1,954	2,895	4,850	4,880	-30	1,842	2,089	3,932
Adjustments & eliminations		-505	-544	-1050	-1080	30	-477	-448	-925
Operating Income Total		1,449	2,350	3,800	3,800	0	1,365	1,641	3,006

III. Segment Results

III-1-1. FY Ending March 2015 Progress Status

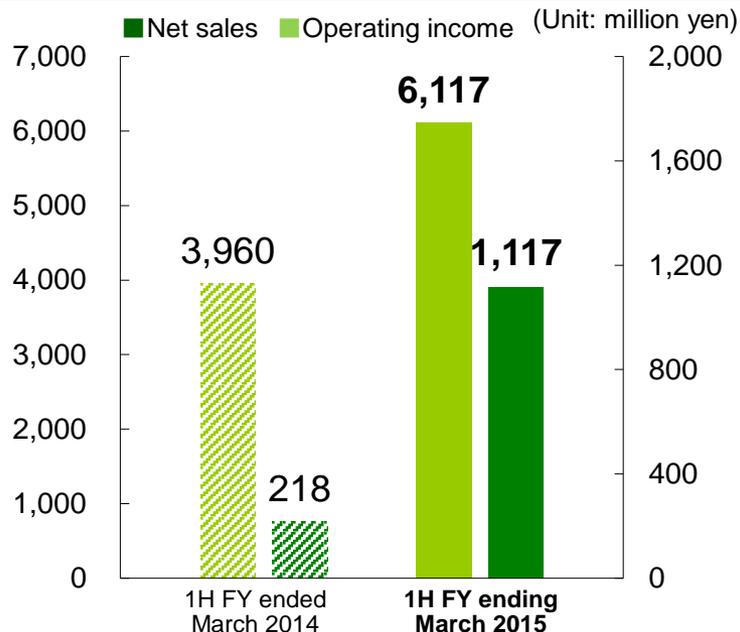
1H Results

Net sales: Strong growth on favorable performance of game apps

Profits: Profit ratios up on enhanced profitability

Title Performance

- Strong performance of “Logres of Swords and Sorcery: Goddess of Ancient” with higher sales; reflecting effects of commercials
- Browser game classics also have strong performance
- Termination of lengthy development of the “Browser EVANGELION” with preparatory development costs written off in a lump-sum



“Logres of Swords and Sorcery: Goddess of Ancient” – A huge hit!

(Native app)

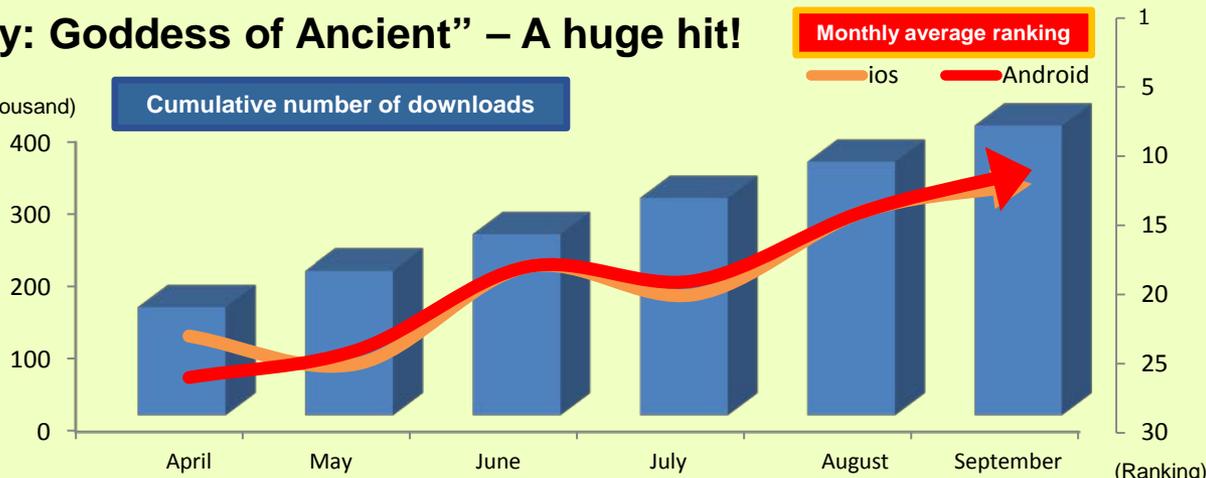
Service launched in December 2013



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(Unit: ten thousand)

Cumulative number of downloads



III-1-2. Fiscal Year Ending March 2015 Further Action

TOPICS

- Television commercial for “Logres of Swords and Sorcery: Goddess of Ancient” to continue
- Official service start of “Sangokushi PHX” and “NBA CLUTCH TIME” in November
- Planning and development of new titles to continue centered on native apps

Title Rollouts

HIGH SCHOOL D×D NEWFIGHT (PS Vita)

Service launched in August 2014



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NBA CLUTCH TIME (native app)

Service launched in November 2014



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Sangokushi PHX (Sangokushi Phoenix) (PC browser)

Service launched in November 2014



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IP for the world
(native app)

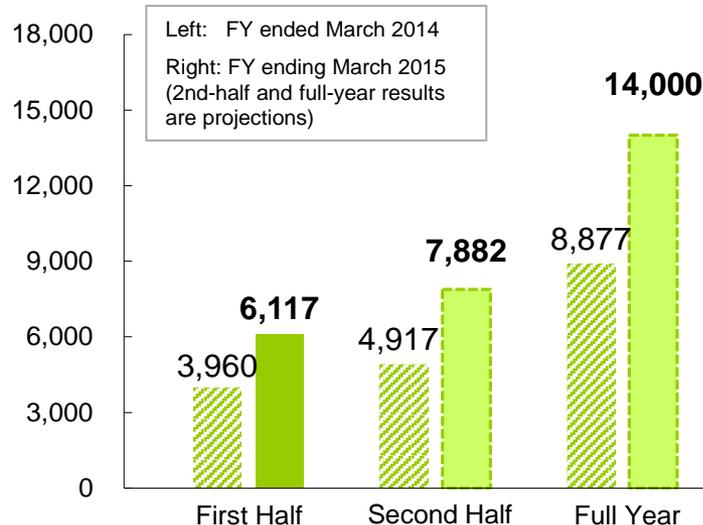
*To be released
in the near future

and more
(native app)

*To be released
in the near future

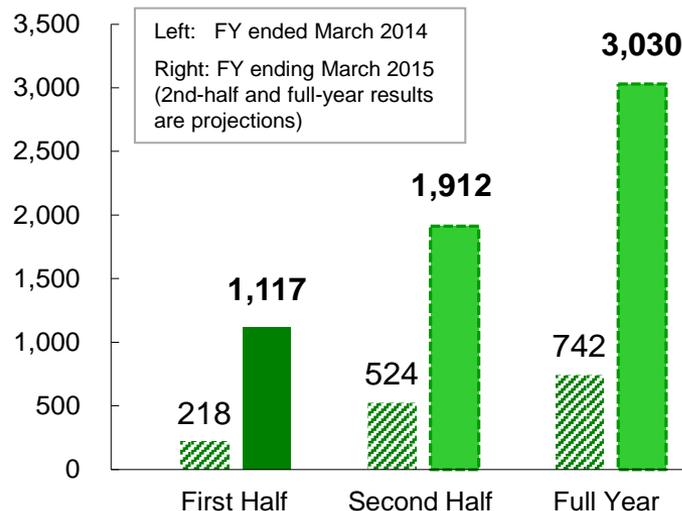
Net Sales

(Unit: million yen)



Segment Income

(Unit: million yen)



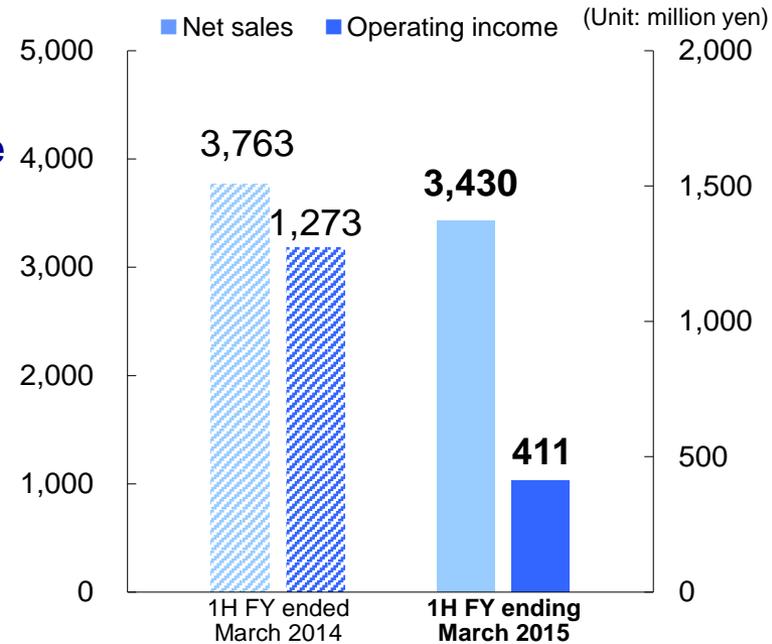
III-2-1. FY Ending March 2015 Progress Status

1H Results

Net sales/Profits: Declined due to generally unfavorable sales across all operations

Title Performance

- New titles behind plan
- Lower sales and earnings at the amusement console business due to intense competition



Title Rollouts

SENTRAN KAGURA 2 (3DS)

Released August 7, 2014



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Samurai Jam -Bakumatsu Rock-: Ultra Soul (PS Vita/PSP)

Released September 25, 2014



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KINKI NO MAGNA (3DS)

Released October 2, 2014



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PUZZLE & DRAGONS Z Tamer Battle (Amusement)

Service launched June 2014



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III-2-2. Fiscal Year Ending March 2015 Further Action

TOPICS

- Release of the “DEKAMORI SENRAN KAGURA” package version on November 27
- “SENRAN KAGURA ESTIVAL VERSUS” for PS4 and PS Vita to be released March 26
- “POPOLOCROIS BOKUJO MONOGATARI” which combines the fascination of “BOKUJO MONOGATARI” and “POPOLOCROIS MONOGATARI” is in full-scale development

Title Rollouts

DEKAMORI SENRAN KAGURA (PS Vita Package Version)

Scheduled for release November 27, 2014



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SENRAN KAGURA ESTIVAL VERSUS (PS4/PS Vita)

Scheduled for release March 26, 2015



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POPOLOCROIS BOKUJO MONOGATARI (3DS)

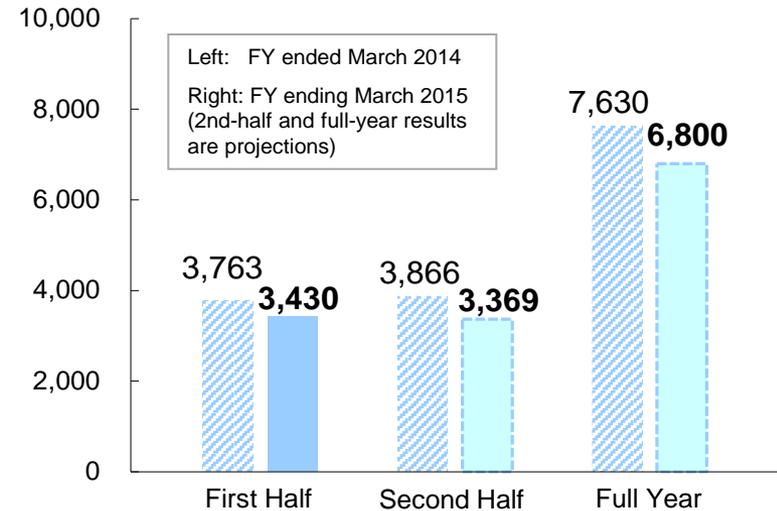
Release date to be determined



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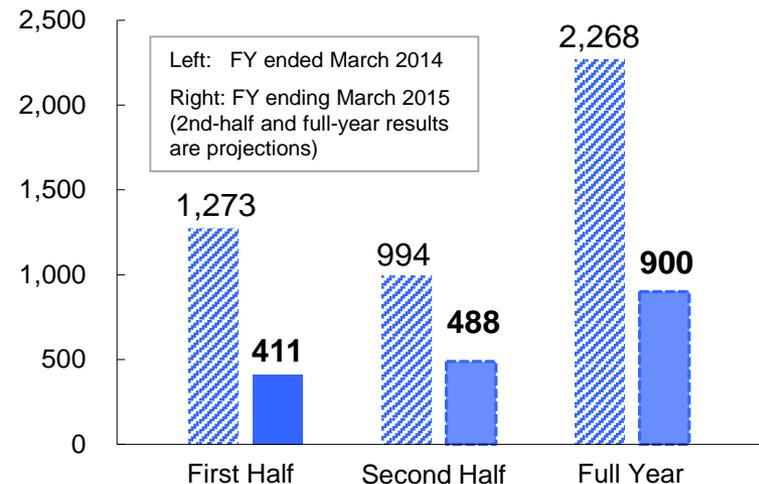
Net Sales

(Unit: million yen)



Segment Income

(Unit: million yen)



III-3-1. FY Ending March 2015 Progress Status

1H Results

Net sales: Stage division performing well with sales keeping up

Profits: Profit ratios improved on enhanced profitability of stage performances

Title Performance

- Broadcasts of TV anime “Samurai Jam -Bakumatsu Rock-” and “Tokyo Ghoul”
- Tickets sold out for popular performances of “Musical HAKUOKI” and “Stage K”
- Favorable sales continuing of new and previous DVDs related to stage performances

Title Rollouts

Samurai Jam -Bakumatsu Rock-

Broadcast July – September 2014



©2014 Marvelous Inc. /BakumatsuRock Production Committee

Tokyo Ghoul

Broadcast July – September 2014



©Sui Ishida/Shueisha, Tokyo Ghoul Production Committee

Musical HAKUOKI

Performances May – June 2014



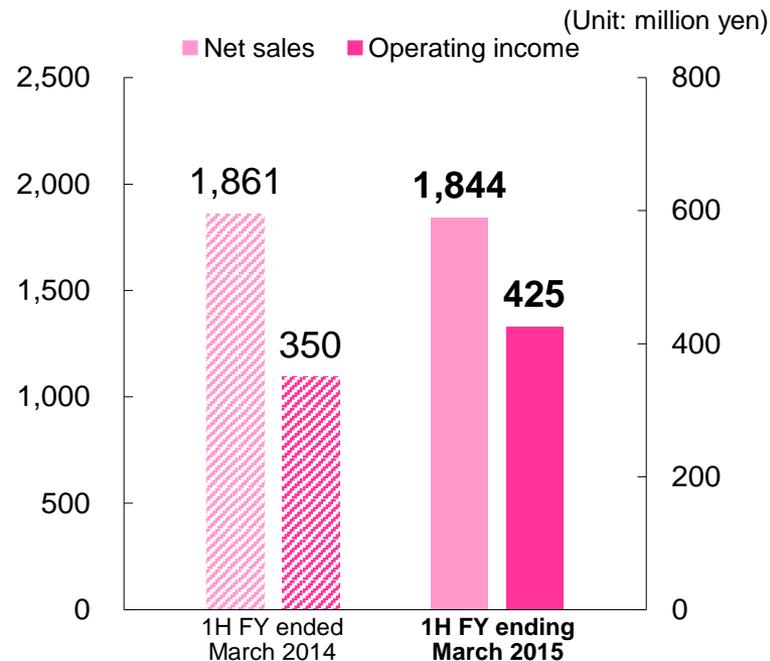
©IDEA FACTORY · DESIGN FACTORY/Musical HAKUOKI Project

Stage K

Performances in August 2014



@GoRA · GoHands/k-project
@GoRA · GoHands/stage k-project



III-3-2. Fiscal Year Ending March 2015 Further Action

TOPICS

- Release of Blu-ray and DVD for TV anime “Samurai Jam -Bakumatsu Rock-” and “Tokyo Ghoul”
- Tickets selling out immediately for latest production of “Stage Yowamushi Pedal”
- Performances to be scheduled continuously for “MUSICAL THE PRINCE OF TENNIS Concert Dream Live 2014” and “ULTRA MUSICAL Samurai Jam -Bakumatsu Rock-”

Title Rollouts

Tokyo Ghoul

Sales launch of the first volume on September 26



©Sui Ishida/Shueisha, Tokyo Ghoul Production Committee

Stage Yowamushi Pedal Ep.HAKOGAKU

The Beast On the Road Performances in October 2014



©Wataru Watanabe (Akitashoten) 2008 / Yowamushi Pedal Production Committee 2013
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MUSICAL THE PRINCE OF TENNIS Concert Dream Live 2014

Performances in November 2014



©TAKESHI KONOMI / SHUEISHA, THE NEW PRINCE OF TENNIS PROJECT
©TAKESHI KONOMI / SHUEISHA, MUSICAL THE PRINCE OF TENNIS PRODUCTION COMMITTEE

ULTRA MUSICAL Samurai Jam -Bakumatsu Rock-

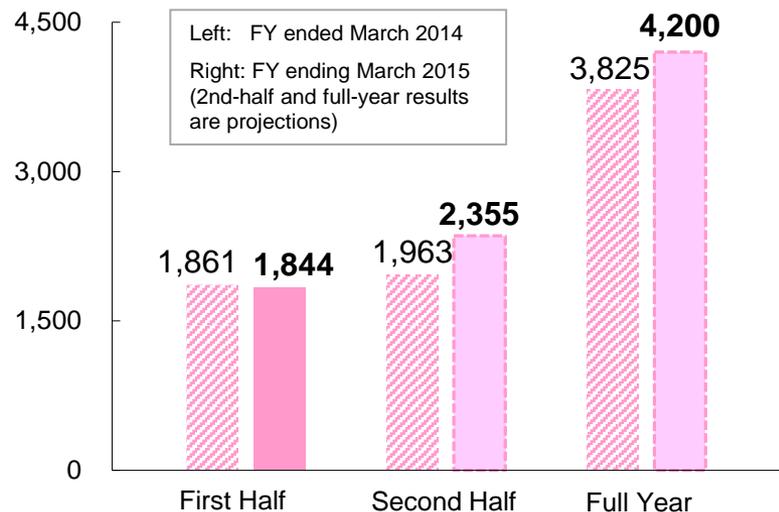
Performances in December 2014



©2014 Marvelous Inc./ULTRA MUSICAL BakumatsuRock Production Committee

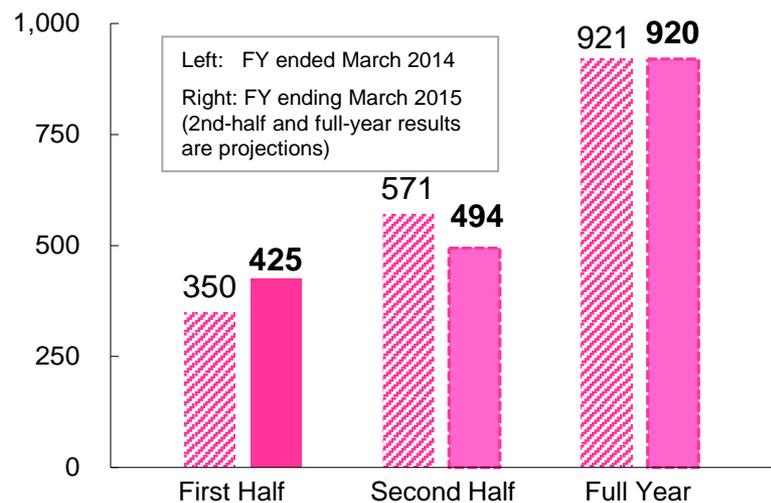
Net Sales

(Unit: million yen)



Segment Income

(Unit: million yen)



Thank you for your kind attention.

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