

# Fact Sheet

Fiscal Year Ended March 31, 2014

## MarvelousAQL Inc.

Stock Exchange Listing: First Section of Tokyo Stock Exchange Stock Code: 7844 URL: <http://www.maql.co.jp/>

Contact: 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," MarvelousAQL 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.

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

	1Q (3 months)	2Q (6 months)	3Q (9 months)	4Q (full-year)
Net Sales	4,410	9,585	14,666	20,330
Operating Income	849	1,365	2,160	3,006
Ordinary Income	876	1,385	2,231	3,041
Net Income	531	860	1,392	1,882
Net Income Per Share (yen)	9.94	16.10	26.05	35.21

### Results of Operations

In the entertainment industry in which the Group operates, the market for smartphone games achieved rapid growth as a result of the widespread adoption of smartphone devices. The App Store and Google Play app markets in particular showed pronounced growth. In the market for home-use games, following its early launch in North America and Europe, the novel stationary game machine Sony PlayStation 4 also got off to a great start after release in Japan. In the market for arcade games, while the overall market size continues to decrease year after year, games targeting the kids segment showed a bulge in growth after a stream of new titles hit the market. In the audio & visual sectors, the software market remains caught in an adverse environment stymied by plentiful offerings from free-of-charge video sites, etc., that have emerged with the diffusion of smartphones. On the other hand, the market for live entertainment, where fans can enjoy the venue atmosphere and a sense of togetherness with others, has been recording steady growth.

Under such circumstances, the Group has been operating as a comprehensive entertainment provider adopting a "multi-content, multi-use, and multi-device" strategy to deliver diverse entertainment content in all business segments and on a variety of devices. Leveraging its robust intellectual property, 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.

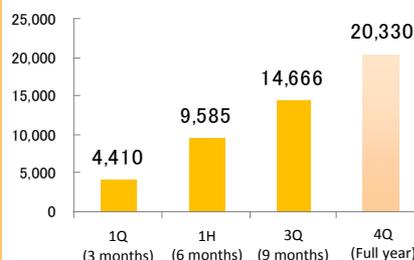
As a result, the Group's consolidated operating results for the current term (April 1, 2013 to March 31, 2014) came to net sales of 20,330 million yen (up 15.6% from the previous fiscal year), operating income of 3,006 million yen (up 29.0% from the previous fiscal year), and ordinary income of 3,041 million yen (up 30.8% from the previous fiscal year). Net income for the term was 1,882 million yen (down 1.9% from the previous fiscal year).

Important matters concerning the summary of financial information

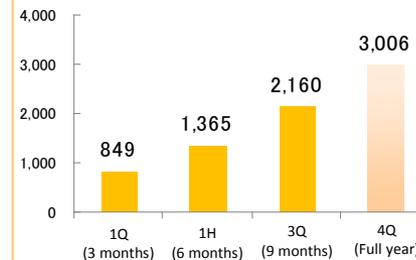
On October 1, 2013, the Company executed a stock split of its common shares at the ratio of 100 shares to 1. The net income per share takes into consideration the effects of this stock split.

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

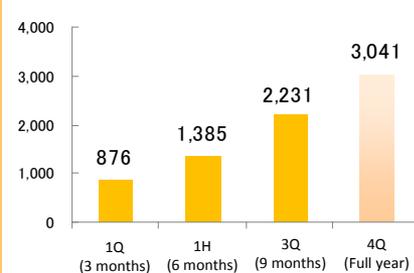
#### Net Sales



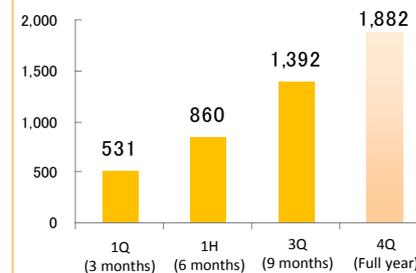
#### Operating Income



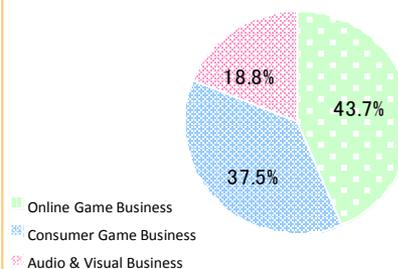
#### Ordinary Income



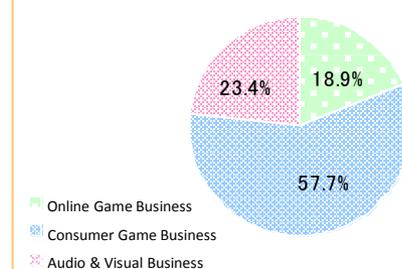
#### Net Income



#### Percentage of Net Sales by Segment



#### Percentage of Operating Income by Segment



Online Game Business

Leading Titles

Logres of Swords and Sorcery: Goddess of Ancient



©MarvelousAQL Inc. Aiming Inc.

Browser Sangokushi

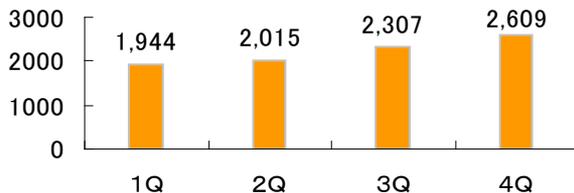


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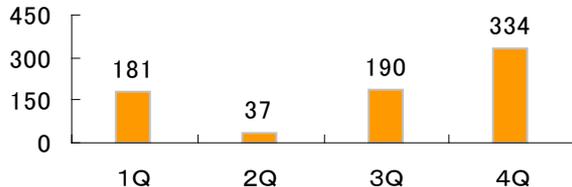
Remarks about Performance

The PC game business saw its legacy main titles put up a good fight in PC browser games, but revenues declined compared with the previous year given the time elapsed since release and affected by the shrinking market itself. Contrary to this trend, "Browser Sangokushi" regained lost ground towards the fiscal year end as the result of various measures and will remain a key management focus. In mobile browser games, "High School DxD" was released in September 2013 while app games celebrated its first LINE title, "LINE Runrun Hero," in November 2013. In December 2013, "Logres of Swords and Sorcery: Goddess of Ancient," a native app version of "Logres of Swords and Sorcery" which has been enjoying deep-rooted popularity also as a PC game, hit the market. "Logres of Swords and Sorcery: Goddess of Ancient" has reached the top spot in various rankings on App Store and Google Play—a strong launch that should foretell a big hit. Unfortunately, for the several titles that were not bringing in enough charge-based revenue, lump-sum amortization of the related development costs was carried out through means of service termination. As a result, segment net sales totaled 8,877 million yen (up 22.1% from the previous fiscal year) with segment income at 742 million yen (up 11.6% from the previous fiscal year).

Net Sales (Unit: million yen)



Operating Income (Unit: million yen)



Consumer Game Business

"BOKUJYO MONOGATARI" series



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Pokémon TRETТА

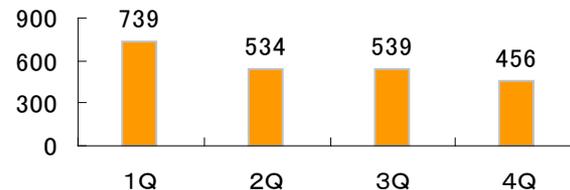
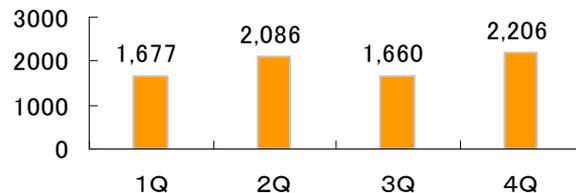


©2014 Pokémon.

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At the Company's sales sector of the Consumer Game Business segment, "VALHALLA KNIGHTS 3 (PS Vita)" brought to market in May 2013 reported favorable conditions. Repeat order receipts were strong also for "SENTRAN KAGURA SHINOVI VERSUS (PS Vita)" and "OBOROMURAMASA (PS Vita)" launched last fiscal year as well as repeat orders for other existing works. In addition, the February 2014 release of "BOKUJYO MONOGATARI TSUNAGARU SHINTENCHI (Nintendo 3DS)" brought in orders at a faster pace than its predecessor to record healthy sales. The Company also came out with new titles for its original releases, including "BAKUMATSU ROCK (PSP)" and "VALHALLA KNIGHTS 3 GOLD (PS Vita)" in February 2014 and "DEKAMORI SENRAN KAGURA (PS Vita)" in March 2014. In overseas operations, U.S. subsidiary Marvelous USA, Inc. reported steady sales. The amusement division made significant contributions to earnings coming from the continued popularity of "Pokémon TRETТА," the amusement console for children put into operation in July 2012.

As a result, segment net sales totaled 7,630 million yen (up 8.1% from the previous fiscal year), with segment income of 2,268 million yen (up 24.7% from the previous fiscal year).



Audio & Visual Business

"PRECURE" series



©2013 Toei Animation Co., Ltd.

MUSICAL THE PRINCE OF TENNIS

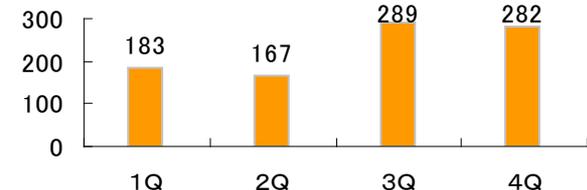
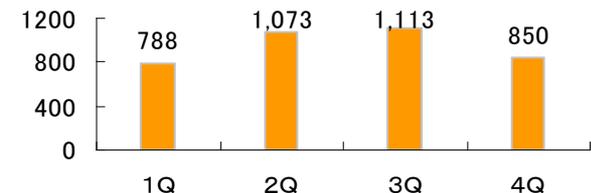


©2009 TAKESHI KONOMI  
©2012 NAS, THE PRINCE OF TENNIS II PROJECT  
©1999 TAKESHI KONOMI/  
2011 MUSICAL THE PRINCE OF TENNIS PROJECT

The audio & visual production sector of the Audio & Visual business segment reported healthy sales from the video commercialization of "DOKIDOKI! PRECURE," a TV animation production in the "PRECURE" series, and "My Teen Romantic Comedy SNAFU," a TV animation product lead-managed by the Company. The musical artists "vistlip," who record and perform under contract to the Group, also enjoyed strong sales of their hit singles and albums.

The stage production division marked a total 134 performances of "MUSICAL THE PRINCE OF TENNIS," accompanied by releases of nine related DVDs. This was followed up by an upsurge in performance attendance and related DVD sales for "Stage Yowamushi Pedal," which has grown into a major series for the segment. The "Musical HAKUOKI" also expanded revenue at a healthy pace.

As a result, segment net sales totaled 3,825 million yen (up 17.5% from the previous fiscal year), with segment income of 921 million yen (up 24.7% from the previous fiscal year).



[Consolidated Statement of Income] (Unit: million yen)

		2010.3	2011.3	2012.3	2013.3	2014.3
Net Sales	Former MMV	8,284	6,965	10,423	17,579	20,330
	Former AQI	7,197	7,239			
Gross Operating Income	Former MMV	677	1,740	4,491	8,116	9,946
	Former AQI	2,586	3,644			
Operating Income	Former MMV	-1,668	202	1,044	2,329	3,006
	Former AQI	58	1,070			
Ordinary Income	Former MMV	-1,725	147	1,025	2,325	3,041
	Former AQI	63	1,041			
Net Income	Former MMV	-1,623	131	3,533	1,919	1,882
	Former AQI	58	537			

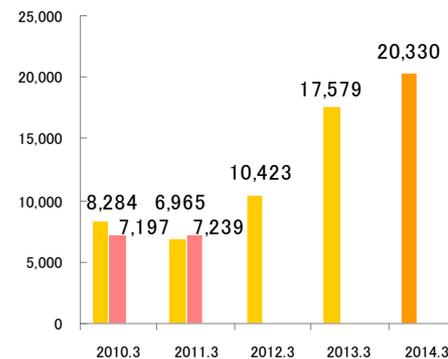
[Consolidated Balance Sheet] (Unit: million yen)

		2010.3	2011.3	2012.3	2013.3	2014.3
Current Assets	Former MMV	3,889	3,271	11,932	12,593	14,583
	Former AQI	6,377	7,231			
Fixed Assets	Former MMV	823	820	1,734	2,748	2,233
	Former AQI	1,403	1,003			
Total Assets	Former MMV	4,713	4,092	13,667	15,341	16,816
	Former AQI	7,780	8,235			
Current Liabilities	Former MMV	4,447	3,496	4,361	4,570	4,840
	Former AQI	1,186	1,320			
Long-Term Liabilities	Former MMV	72	271	202	76	54
	Former AQI	169	35			
Net Assets	Former MMV	193	325	9,102	10,694	11,921
	Former AQI	6,424	6,878			
Shareholders' Equity	Former MMV	193	325	9,102	10,694	11,921
	Former AQI	6,417	6,878			

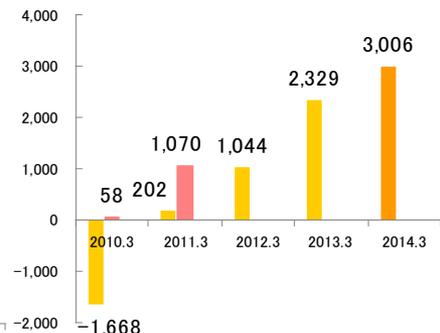
[Cash Flow Statement] (Unit: million yen)

		2010.3	2011.3	2012.3	2013.3	2014.3
Cash flows from Operating activities	Former MMV	-210	1,360	1,399	2,817	3,852
	Former AQI	-193	2,904			
Cash flows from Investing activities	Former MMV	-22	-246	435	-2,130	-634
	Former AQI	-598	-2,762			
Cash flows from financing activities	Former MMV	5	-237	-479	-975	-873
	Former AQI	104	-216			
Cash and Cash Equivalents at End of Period	Former MMV	874	1,749	5,979	5,723	8,120
	Former AQI	2,483	2,401			

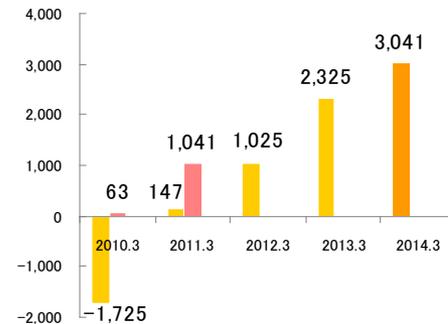
Net Sales (million yen)



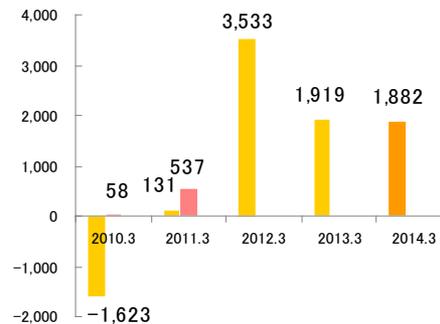
Operating Income (million yen)



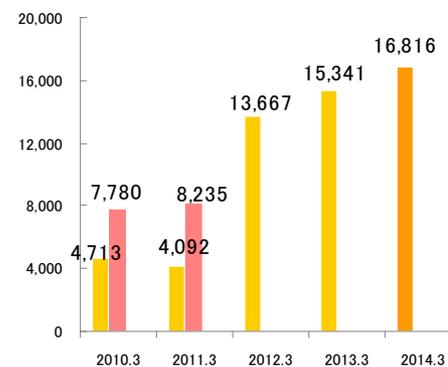
Ordinary Income (million yen)



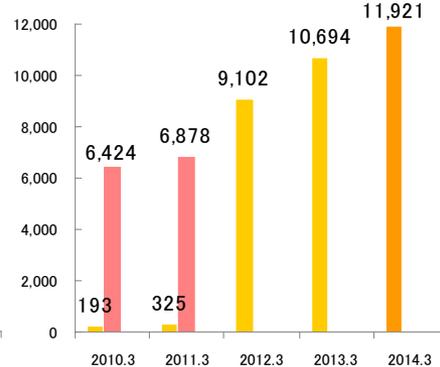
Net Income (million yen)



Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

		2010.3	2011.3	2012.3	2013.3	2014.3
Net income per share (yen)	Former MMV	-136.18	10.76	107.62	35.90	35.21
	Former AQL	10.76	98.73			
Net assets per share (yen)	Former MMV	15.83	26.65	170.29	200.07	223.02
	Former AQL	1,180.61	1,261.95			

[Profitability]

		2010.3	2011.3	2012.3	2013.3	2014.3
Gross profit rate (%)	Former MMV	8.2	25.0	43.1	46.2	48.9
	Former AQL	35.9	50.3			
Operating profit ratio (%)	Former MMV	-20.1	2.9	10.0	13.3	14.8
	Former AQL	0.8	14.8			
Ordinary profit ratio (%)	Former MMV	-20.8	2.1	9.8	13.2	15.0
	Former AQL	0.9	14.4			
Net profit ratio (%)	Former MMV	-19.6	1.9	33.9	10.9	9.3
	Former AQL	0.8	7.4			

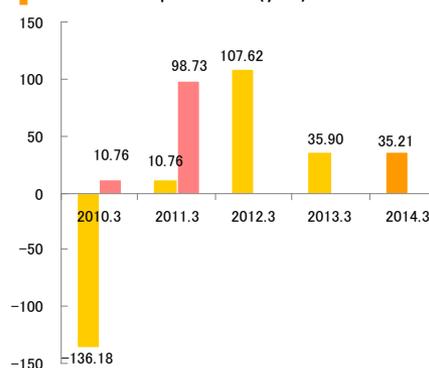
[Efficiency & Security]

		2010.3	2011.3	2012.3	2013.3	2014.3
ROE (%)	Former MMV	-220.9	50.6	75.0	19.4	16.6
	Former AQL	0.9	8.1			
ROA (%)	Former MMV	-30.2	3.4	11.6	16.0	18.9
	Former AQL	0.8	13.0			
Capital ratio (%)	Former MMV	4.1	7.9	66.6	69.7	70.9
	Former AQL	82.5	83.5			
D/E ratio (%)	Former MMV	1,099.6	559.7	15.2	7.9	5.5
	Former AQL	6.9	1.1			

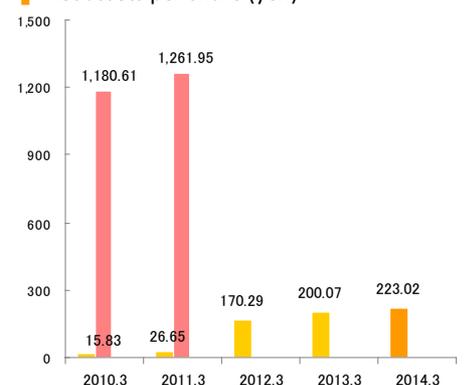
[Return to shareholders]

		2010.3	2011.3	2012.3	2013.3	2014.3
Dividend (million yen)	Former MMV	0	0	323	668	694
	Former AQL	81	201			
DOE (%)	Former MMV	0.0	0.0	6.1	6.8	6.1
	Former AQL	1.3	2.9			
Dividend payout ratio (%)	Former MMV	0.0	0.0	5.6	34.8	36.9
	Former AQL	139.3	37.5			

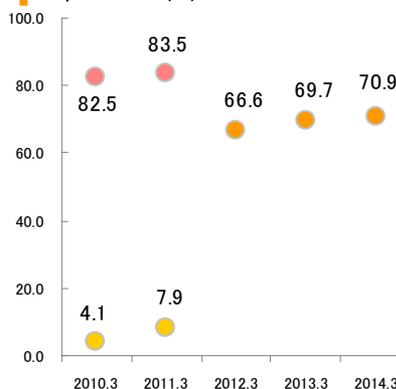
Net income per share (yen)



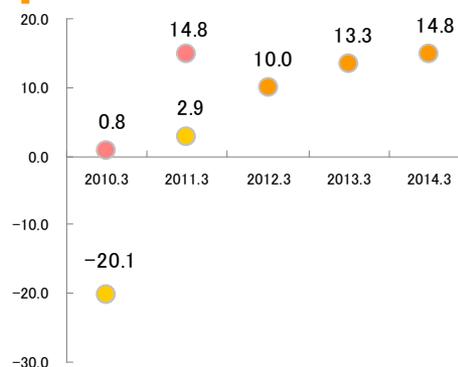
Net assets per share (yen)



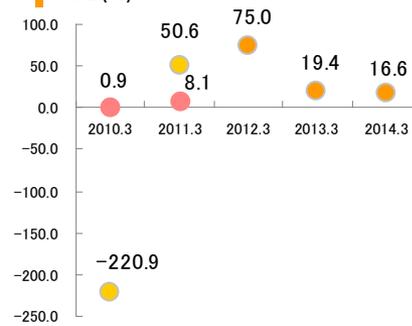
Capital ratio (%)



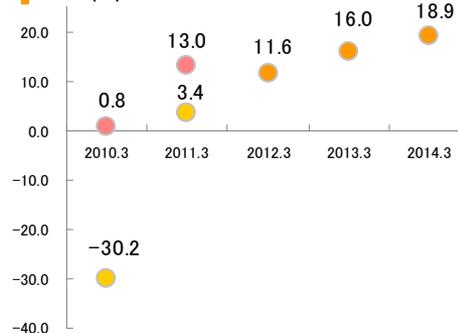
Operating profit ratio (%)



ROE (%)



ROA (%)



Important matters concerning the per share indices

On October 1, 2013, the Company executed a stock split of its common shares at the ratio of 100 shares to 1. The net income per share takes into consideration the effects of this stock split.

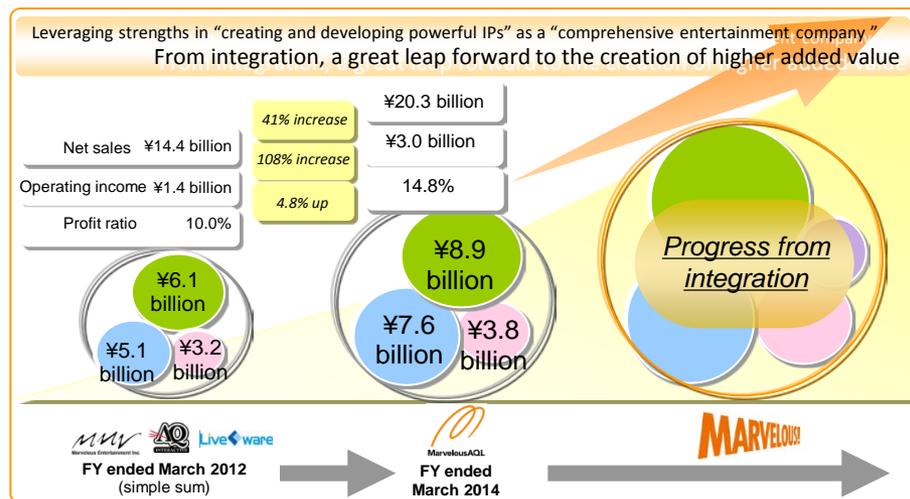
## Future Developments & Outlook for Fiscal Year Ending March 2015

To improve business competitiveness, the Company changed its management structure to a CEO system on April 1, 2014. Also, the Company name will change on July 1 from Marvelous AQL Inc. to Marvelous Inc.

From its start in 2012 until today, the three-company integration has achieved solid progress from numerous measures undertaken to reap the immediate benefits of consolidation. We now aim for a leap forward through the concerted efforts of the entire company under the banner of "Marvelous reborn."

In its business initiatives in the fiscal year ending March 2015, the Group intends to maintain the favorable performances of the Consumer Game Business division and the Audio & Visual Business division. In the Online Game Business, it will place a large effort on strengthening its operations in best-selling titles and developing new app games.

As a result of the aforementioned efforts, consolidated results for the next term are forecast to achieve net sales of 25,000 million yen, operating income of 3,800 million yen, ordinary income of 3,790 million yen, and net income of 2,274 million yen.



## Basic Information

### Company Profile (As of April 1, 2014)

- Company Name: MarvelousAQL
- Head Office: 5F Shinagawa Seaside East Tower, 4-12-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo, Japan
- Established: June 25, 1997
- Capital: ¥1,128 million
- Officers:
 

Representative director and chairman, CEO	Haruki Nakayama
President, Executive Officer, COO	Shuichi Motoda
Vice President, Executive Officer, Dept. COO	Toshinori Aoki
Director, Executive Officer	Yoshiaki Matsumoto
Director, Executive Officer, CFO	Nobuyuki Yamakaku
Director, Executive Officer	Yoshiteru Yamaguchi
Director (External)	Shunichi Nakamura
Director (External)	Ken Kutaragi
Standing Statutory Auditor (External)	Isamu Tsuji
Corporate Auditor (External)	Iwao Nishi
Corporate Auditor (External)	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 & Video 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, 2014)

- End of term: March 31
- Shares per unit: 100
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 9,743

#### [Major Shareholders / Ratio of Shares Owned]

- |   |         |
|---|---------|
| • Hayao Nakayama  | 18.32 % |
| • Amuse Capital Inc.  | 12.50 % |
| • Haruki Nakayama   | 10.22 % |
| • DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613                   | 3.68 %  |
| • Amuse Capital Investment, K.K.                                      | 3.43 %  |
| • Japan Trustee Services Bank Ltd. (trust account)                    | 2.68 %  |
| • Credit Suisse Securities (Europe) Limited PB omnibus client account | 2.59 %  |
| • The Master Trust Bank of Japan, Ltd. (trust account)                | 2.33 %  |
| • NOMURA PB NOMINEES LIMITED OMUNIBUS-MARGIN (CASH PB)                | 2.32 %  |
| • BNYM SA/NV FOR BNYM CLIENT ACCOUNT MPSC JAPAN                       | 1.68 %  |

#### [Stock Quote] (As of May 9, 2014)

- Stock Quote: 695 yen
- Market Cap 37,247 million yen