

Fact Sheet

First Half of Fiscal Year Ending 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	—	—
Operating Income	1,376	2,841	—	—
Ordinary Income	1,436	2,793	—	—
Profit attributable to owners of parent	992	1,910	—	—
Net Income Per Share (yen)	18.57	35.92	—	—

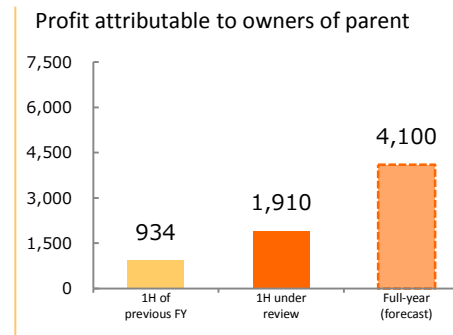
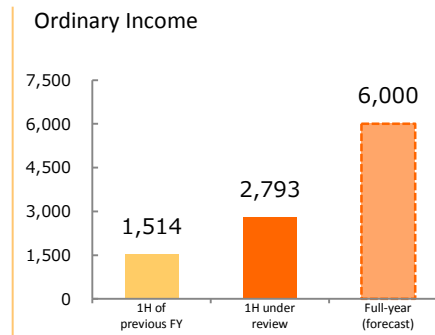
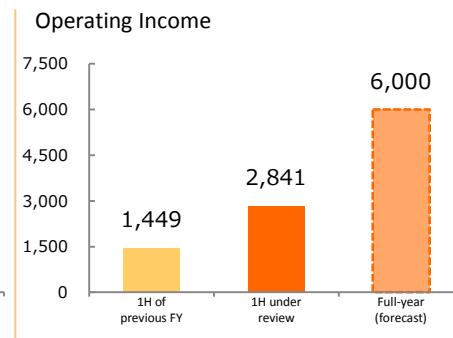
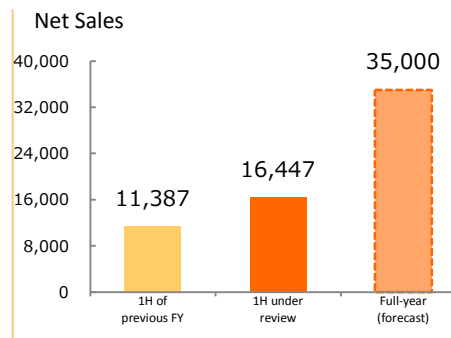
Results of Operations

The entertainment industry in the period under review saw the pace of growth in the app games market moderately decelerate amid continuing market expansion. The shift of online contents, products, and services to smartphones has been progressing also in the Asia-Pacific region, where the proliferation of smartphones has been equaling Japan. This has resulted in game companies in Japan and Asian countries increasingly entering each others' markets. The market for home-use games has been expanding overseas on the back of favorable sales of PlayStation 4, but in Japan the trend toward market contraction continues. Even so, interest in the market has increased owing to the first-ever price revision of the PlayStation 4 machine, market releases of big titles, the attention given to virtual reality, and new technologies and services such as Internet video-based live display of the game and video sharing. In the market for arcade games, although the market overall has been shrinking, machines themed on powerful IP have been doing well. In the audio & visual sectors, sales of package products such as CD and DVD have come under intense downward pressure from proliferating fixed-charge businesses and digital contents sales and the like. By contrast, "2.5 dimensional musical" format, which transforms the two-dimensional world of manga, anime, and games into stage performance contents, has been seeing the number of performances and audiences increase steadily, allowing it to establish itself in Japan as a full-fledged genre. In addition to sales of CDs of musical numbers and related merchandise, the business has been showing growth in other areas such as overseas performances and live viewing screenings.

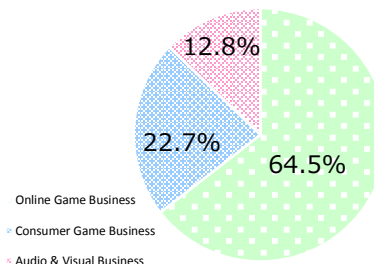
Under these circumstances, the Group has been operating as a comprehensive entertainment provider deploying a "multi-content, multi-use, and multi-device" strategy to deliver diverse entertainment content in all business segments and on a variety of devices. In order to establish robust IPs, the Group 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 net sales in the first half (April 1, 2015 to September 30, 2015) marked 16,447 million yen (up 44.4% compared with the same period of the previous year), with operating income of 2,841 million yen (up 96.0% compared with the same period of the previous year), ordinary income of 2,793 million yen (up 84.5% compared with the same period of the previous year), and profit attributable to owners of parent of 1,910 million yen (up 104.4% compared with the same period of the previous year).

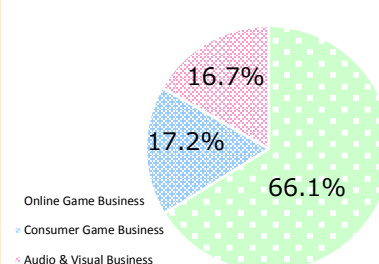
First Half (six months) Financial Results (Unit: million yen)



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

CHRONO DRAGON



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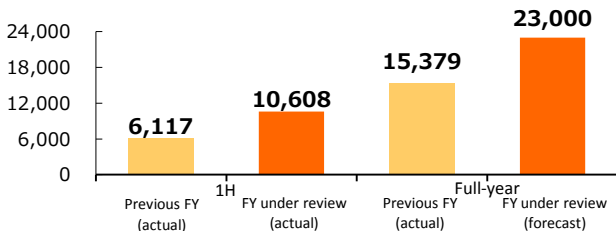
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Remarks about Performance

In native apps, "Logres of Swords and Sorcery: Goddess of Ancient" continued to see sustained popularity. In addition to ongoing TV commercials, the title has been benefiting from the biggest advertising campaign to date launched in September 2015, linking TV commercials with outdoor advertising. Cumulative downloads surpassed 7 million in September, with a new historical record in the daily active users ("DAU;" number of unique users of a game in a day) reflecting the continued popularity of this title. Additionally, dissemination of "CHRONO DRAGON" started on August 28, 2015, and "Samurai Jam -Bakumatsu Rock-: Ultimate Soul" on September 10, 2015. In browser games, solid performance continued, centered on enduring hit titles "Browser Sangokushi" and "Ikki-Tousen Burst Fight." Moreover, advance registration started for "VALKYRIE DRIVE -SIREN-," a newly produced social game scheduled to be launched within 2015. As a result, segment net sales totaled 10,608 million yen (up 73.4% compared with the same period of the previous year), with segment operating income of 2,276 million yen (up 103.7% compared with the same period of the previous year).

Net Sales

(Unit: million yen)



IA/VT -COLORFUL-

MONSTER HUNTER SPIRITS



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At the Company's sales sector of the Consumer Game Business segment, "IA/VT -COLORFUL- (PS Vita)" was released on July 30, 2015, and "Luminous Arc Infinity (PS Vita)" was released on August 6, 2015. On July 21, 2015, U.S. subsidiary Marvelous USA, Inc. came to market with "Onechanbara Z2: Chaos (PS4)" (Japanese title: *Onechanbara Z2 - Chaos* ; vendor: D3 PUBLISHER), followed on September 15, 2015, by the market introduction of "Senran Kagura 2: Deep Crimson (Nintendo 3DS)" (Japanese title: *Senran Kagura 2*), posting successful sales including repeat sales for all products. At the amusement division, "Pokémon TRETSA," which marked its third year, showed favorable performance in the summer selling season. "MONSTER HUNTER SPIRITS," which went into operation on June 25, 2015, also did well. As a result, segment net sales totaled 3,741 million yen (up 9.1% compared with the same period of the previous year), with segment operating income of 590 million yen (up 43.8% compared with the same period of the previous year).

Go ! PRINCESS PRECURE

Stage [Yowamushi Pedal] Ep. IRREGULAR "The Rival Peaks"



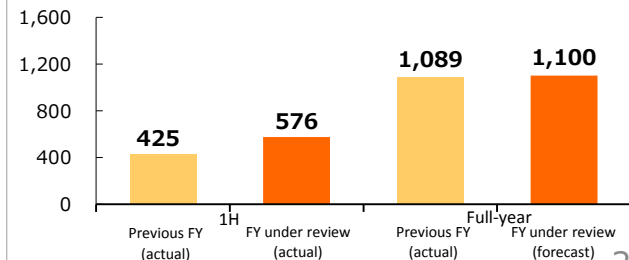
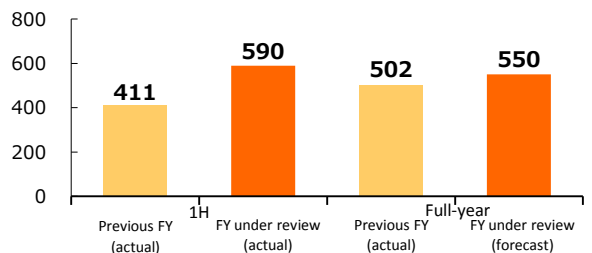
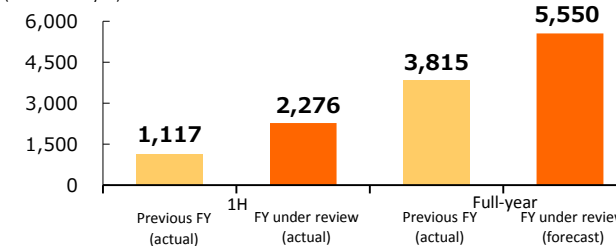
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©Wataru Watanabe (Aikashoten) 2008 / Yowamushi Pedal GR Film Partners ©Wataru Watanabe (Aikashoten) 2008 / Marvelous, TOHO, SEGA LIVE CREATION

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. Audio-visual product commercialization was also implemented for newly-produced OVA (original video animation), "Tokyo Ghoul 'JACK'," and, continuing from last year, "Yona of the Dawn" and the "PRETTY CURE" series. The stage production division recognized revenues from sold-out performances in July 2015 of new production "Tokyo Ghoul the Stage" as well as "MUSICAL THE PRINCE OF TENNIS 3rd Season SEIGAKU vs FUDOMINE," "Musical HAKUOKI," and The Stage "Samurai Warriors: Episode-Battle of the Sekigahara-" Public performances were given also of "Stage K II -AROUSAL OF KING-" and "HYPER MUSICAL Samurai Jam -Bakumatsu Rock-" (revenues from both will be recognized on third-quarter accounts). Additionally, the division reported solid DVD and Blu-ray disc sales of the "Stage [Yowamushi Pedal]" and other series. As a result, segment net sales totaled 2,101 million yen (up 13.9% compared with the same period of the previous year), with segment operating income of 576 million yen (up 35.3% compared with the same period of the previous year).

Operating Income

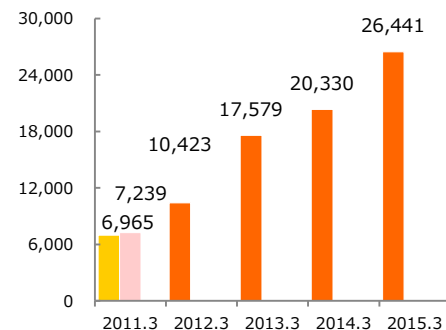
(Unit: million yen)



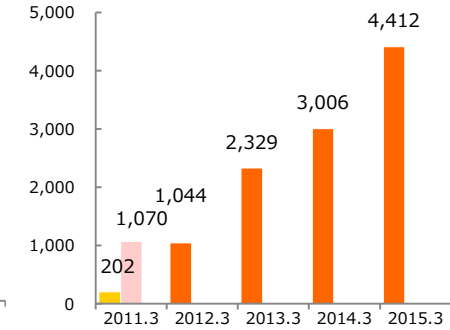
[Consolidated Statement of Income] (Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
Net Sales	Former MMV	6,965	10,423	17,579	20,330	26,441	
	Former AQI	7,239					16,447
Gross Operating Income	Former MMV	1,740	4,491	8,116	9,946	14,975	10,235
	Former AQI	3,644					
Operating Income	Former MMV	202	1,044	2,329	3,006	4,412	2,841
	Former AQI	1,070					
Ordinary Income	Former MMV	147	1,025	2,325	3,041	4,583	2,739
	Former AQI	1,041					
Profit attributable to owners of parent	Former MMV	131	3,533	1,919	1,882	2,178	1,910
	Former AQI	537					

Net Sales (million yen)



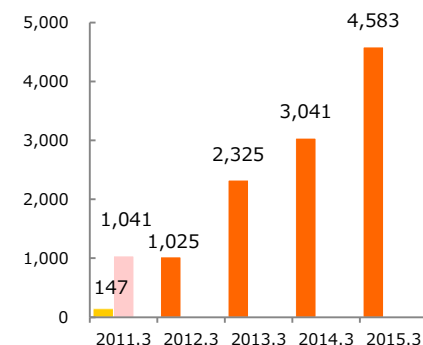
Operating Income (million yen)



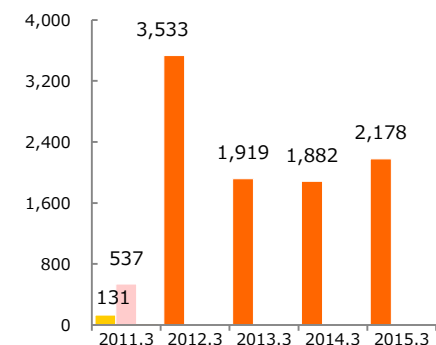
[Consolidated Balance Sheet] (Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
Current Assets	Former MMV	3,271	11,932	12,593	14,583	18,624	15,464
	Former AQI	7,231					
Fixed Assets	Former MMV	820	1,734	2,748	2,233	3,414	4,489
	Former AQI	1,003					
Total Assets	Former MMV	4,092	13,667	15,341	16,816	22,039	19,954
	Former AQI	8,235					
Current Liabilities	Former MMV	3,496	4,361	4,570	4,840	8,535	7,636
	Former AQI	1,320					
Long-Term Liabilities	Former MMV	271	202	76	54	52	45
	Former AQI	35					
Net Assets	Former MMV	325	9,102	10,694	11,921	13,450	12,272
	Former AQI	6,878					
Shareholders' Equity	Former MMV	325	9,102	10,694	11,921	13,450	12,254
	Former AQI	6,878					

Ordinary Income (million yen)



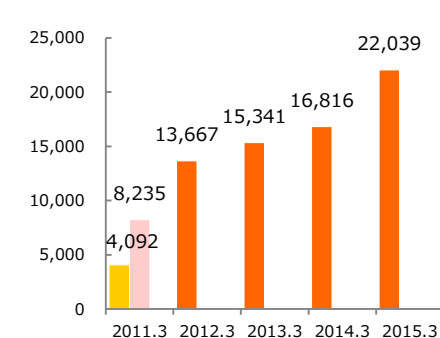
Profit attributable to owners of parent (million yen)



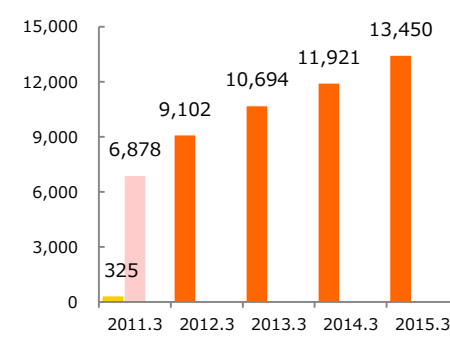
[Cash Flow Statement] (Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
Cash flows from Operating activities	Former MMV	1,360	1,399	2,817	3,852	4,031	3,109
	Former AQI	2,904					
Cash flows from Investing activities	Former MMV	-246	435	-2,130	-634	-2,218	-1,725
	Former AQI	-2,762					
Cash flows from Financing activities	Former MMV	-237	-479	-975	-873	-1,146	-3,085
	Former AQI	-216					
Cash and Cash Equivalents at End of Period	Former MMV	1,749	5,979	5,723	8,120	8,937	7,216
	Former AQI	2,401					

Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
Net income per share (yen)	Former MMV	10.76	107.62	35.90	35.21	40.74	35.92
	Former AQI	98.73					
Net assets per share (yen)	Former MMV	26.65	170.29	200.07	223.02	251.55	236.94
	Former AQI	1,261.95					

[Profitability]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
Gross profit rate (%)	Former MMV	25.0	43.1	46.2	48.9	56.6	62.2
	Former AQI	50.3					
Operating profit ratio (%)	Former MMV	2.9	10.0	13.3	14.8	16.7	17.3
	Former AQI	14.8					
Ordinary profit ratio (%)	Former MMV	2.1	9.8	13.2	15.0	17.3	16.7
	Former AQI	14.4					
Net profit ratio (%)	Former MMV	1.9	33.9	10.9	9.3	8.2	11.6
	Former AQI	7.4					

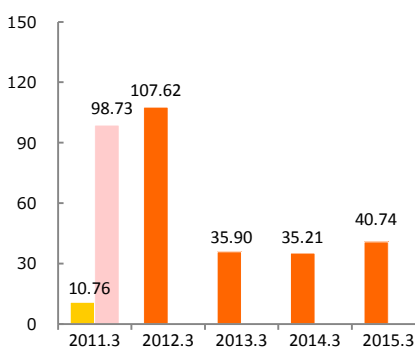
[Efficiency & Security]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
ROE (%)	Former MMV	50.6	75.0	19.4	16.6	17.2	-
	Former AQI	8.1					
ROA (%)	Former MMV	3.4	11.6	16.0	18.9	23.6	-
	Former AQI	13.0					
Capital ratio (%)	Former MMV	7.9	66.6	69.7	70.9	61.0	61.4
	Former AQI	83.5					
D/E ratio (%)	Former MMV	559.7	15.2	7.9	5.5	1.5	1.3
	Former AQI	1.1					

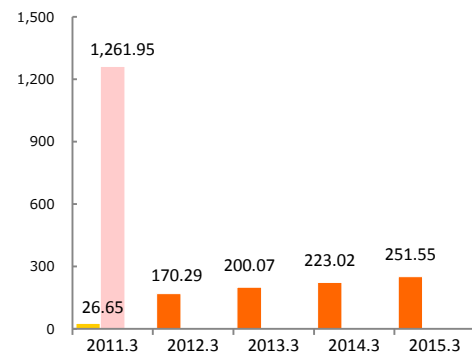
[Return to Shareholders]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 1H
Dividend (million yen)	Former MMV	0	323	668	694	1,069	-
	Former AQI	201					
DOE (%)	Former MMV	0.0	6.1	6.8	6.1	8.4	-
	Former AQI	2.9					
Dividend payout ratio (%)	Former MMV	0.0	5.6	34.8	36.9	49.1	-
	Former AQI	37.5					

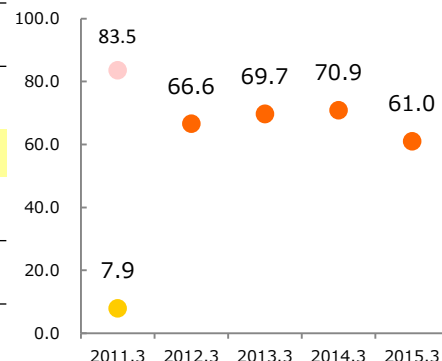
Net income per share (yen)



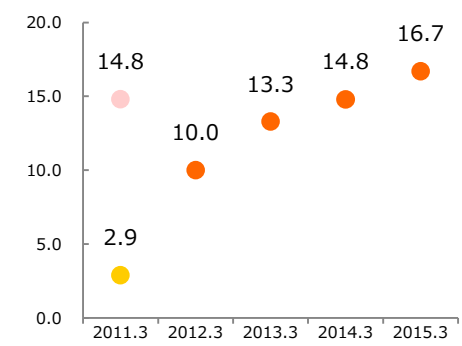
Net assets per share (yen)



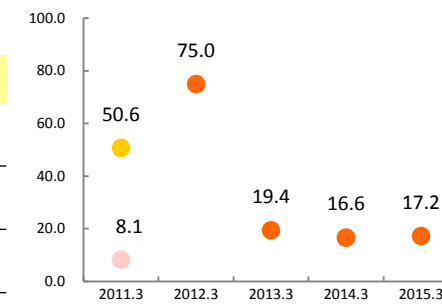
Capital ratio (%)



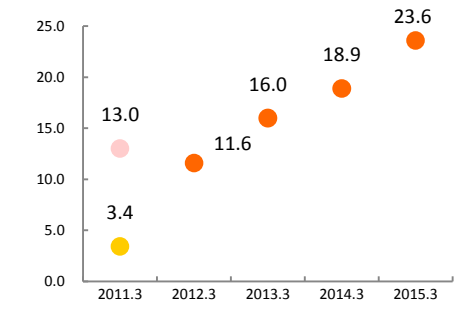
Operating profit ratio (%)



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 per share indices take into consideration the effects of this stock split.

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 previous fiscal year.

As a result of the aforementioned efforts, consolidated results for the current fiscal year 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 October 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	Haruki Nakayama
Vice Chairman	Shuichi Motoda
Representative Director, Executive Vice President and COO	Toshinori Aoki
Managing Director	Yoshiaki Matsumoto
Director and CFO	Seiichiro Kato
Director (External)	Shunichi Nakamura
Director (External)	Ken Kutaragi
Standing Statutory Auditor	Toshio Nago
Corporate Auditor (External)	Katsuhiko Nishimura
Corporate Auditor (External)	Tadahiko Ono
Corporate Auditor (External)	Hisashi Miyazaki

Business Activities

- Online Game Business** Proposing, developing, producing and marketing 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 September 30, 2015)

- End of term: March 31
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 21,088
- Shares per unit: 100

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.99 %
• Amuse Capital Inc.	12.95 %
• Haruki Nakayama	10.59 %
• Amuse Capital Investment, K.K.	3.55 %
• TOHOKUSHINSHA FILM CORPORATION	1.50 %
• Bank of New York GCM Client Accounts M. LSCB	1.10 %
• Bank of New York GCM Client Account JPRD ISG (FE-AC)	1.04 %
• Matsui Securities Co., Ltd.	0.94 %
• SBI SECURITIES Co., Ltd.	0.87 %
• Mizuho Securities Co., Ltd.	0.81 %

*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 October 30, 2015)

- Stock Quote: 973 yen
- Market Cap: 52,146 million yen