

MARVELOUS!

Marvelous Inc.

Stock Code: 7844

(First Section of Tokyo Stock Exchange)

Fiscal Year Ended March 31, 2015

Financial Results

Briefing

May 12, 2015

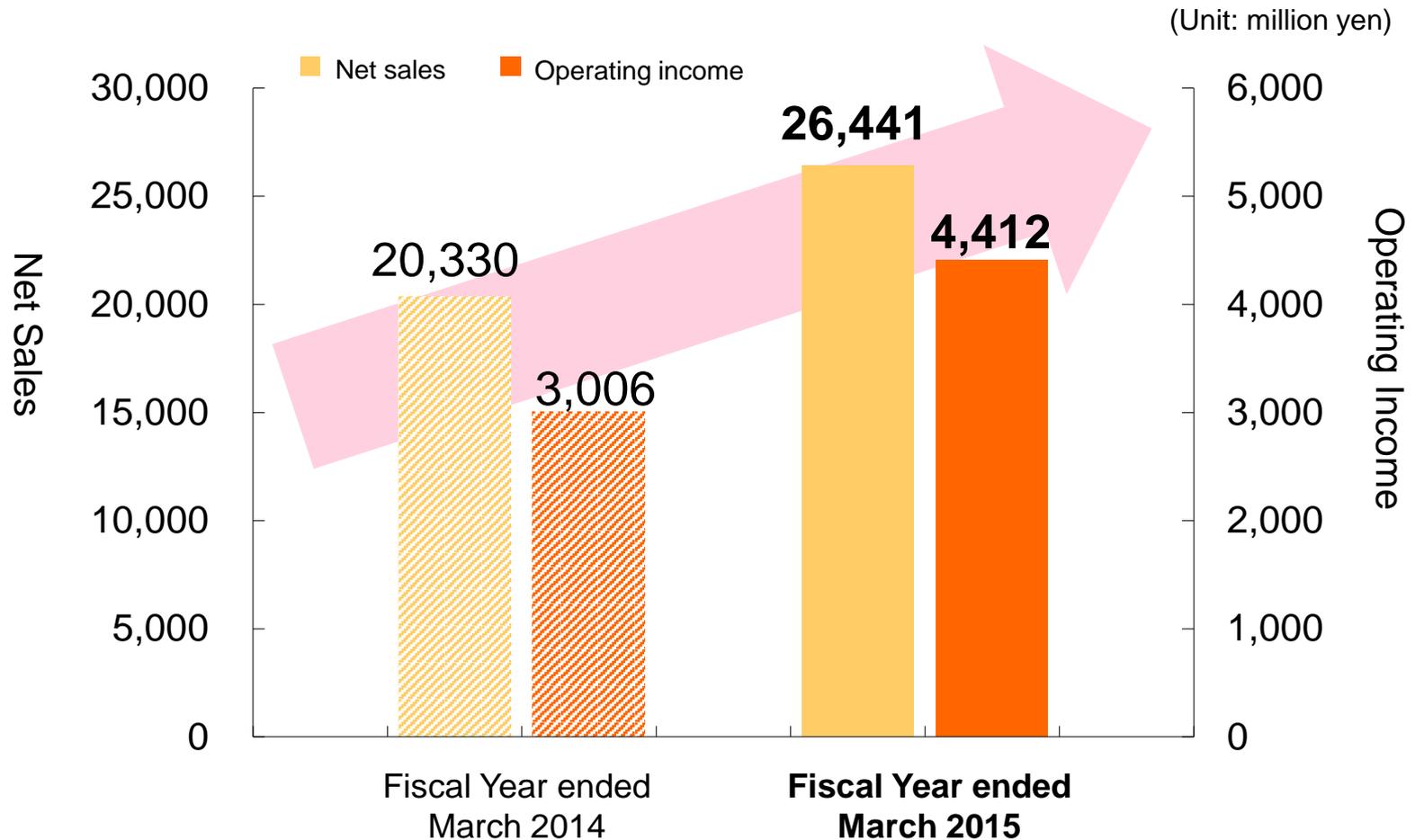
This document contains forward-looking statements which are based on information currently available to the Company and which may change as a result of numerous factors including the macroeconomic environment and industry trends relevant to the Company. Therefore, these forward-looking statements are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

-  **Fiscal Year Ended March 2015 Financial Results Summary**
-  **Fiscal Year Ending March 2016 Business Forecast**
-  **Future Policies**

Fiscal Year Ended March 2015 Financial Results Summary

Earnings Highlights

- Net sales and operating income for fiscal year ended March 2015 increased **30.1%** and **46.8%**, respectively, from the year earlier
- Throughout the year, overall earnings marked strong contributions from expanding online business driven by favorable performance of native apps



Performance Review of Major Titles

Major-hit title “Logres of Swords and Sorcery: Goddess of Ancient” continued to show strong performance

- No. 1 title of the Company in the fiscal year ended March 2015
- Cumulative number of downloads in April 2015 topped 6 million!
- Apps sales ranking continues to hold the top position (Highest App Store Ranking: No. 1)
- TV spots successful - Highly popular broadcastings

Logres of Swords and Sorcery: Goddess of Ancient (native app)

Service launched in December 2013



©Marvelous Inc. Aiming Inc.

Income Statement

- Favorable performance of the online game business as overall earnings driver for strong sales and earnings growth compared with the year-earlier level. Earnings margins also improved.
- Net income up despite extraordinary loss from discontinued development of consumer titles

(Unit: million yen)

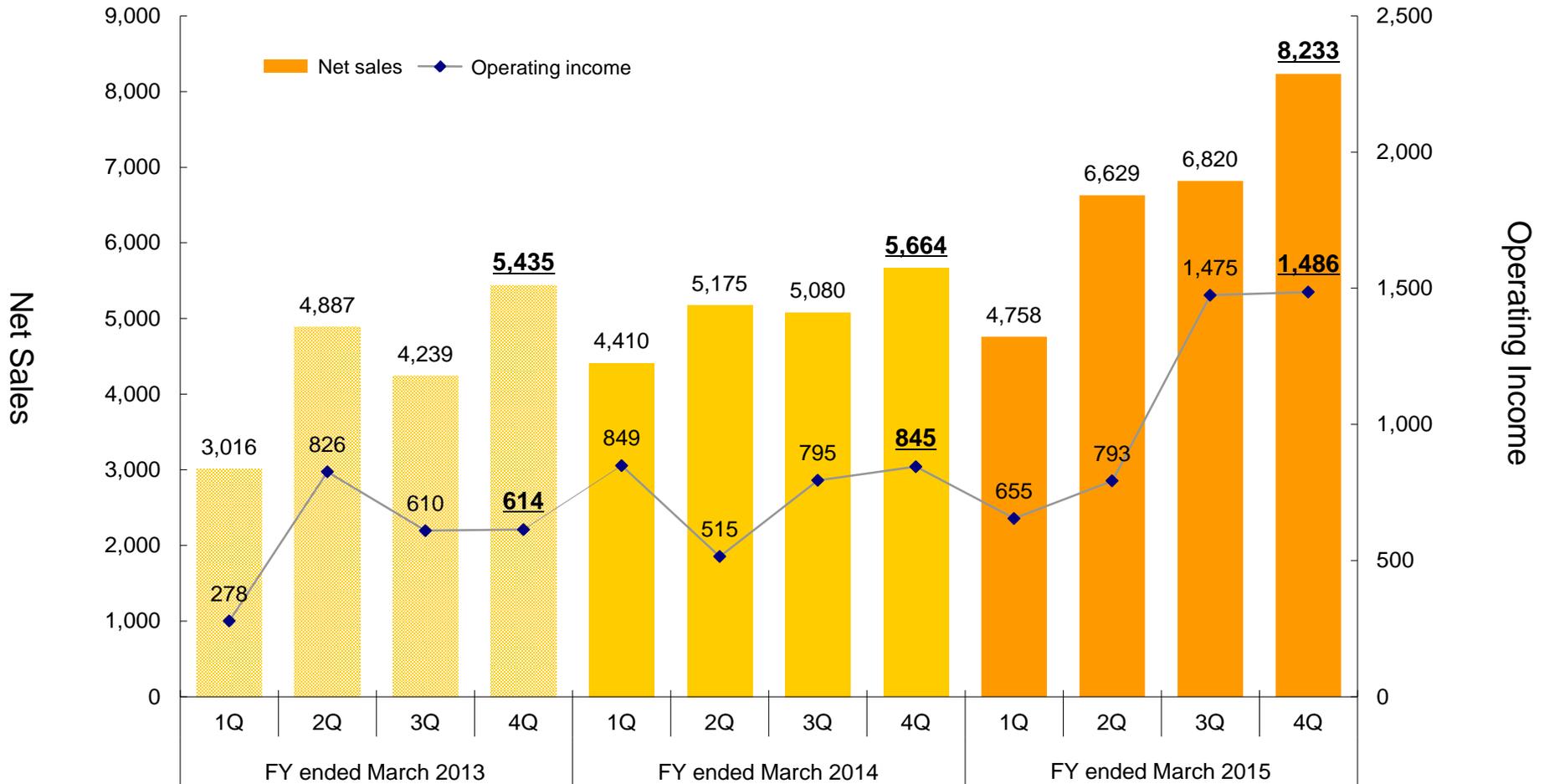
	FY ended March 2014		FY ended March 2015		YOY change	
	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales	20,330	-	26,441	-	6,111	130.1%
Cost of sales	10,384	-	11,466	-	1,082	
SGA expenses	6,939	-	10,562	-	3,622	
Operating income	3,006	14.8%	4,412	16.7%	1,406	146.8%
Non-operating income/losses	35	-	171	-	135	
Ordinary income	3,041	15.0%	4,583	17.3%	1,541	150.7%
Extraordinary income/losses	-59	-	-881	-	-822	
Income taxes	1,100	-	1,523	-	423	
Net income	1,882	9.3%	2,178	8.2%	296	115.7%

Development of Net Sales and Operating Income (Quarterly)



- All quarters posted steady year-on-year sales growth for fiscal year ended March 2015
- Operating income surges especially in the second half on strong contributions for native apps

(Unit: million yen)



Segment Results



(Unit: million yen)

		FY ended March 2014	FY ended March 2015	YOY change	
		Actual	Actual	(Amount)	(%)
Net Sales	● Online Game Business	8,877	15,379	6,501	173.2%
	● Consumer Game Business	7,630	6,376	-1,253	83.6%
	● Audio & Visual Business	3,825	4,699	874	122.9%
	Total	20,330	26,441	6,111	130.1%
Segment Income	● Online Game Business	742	3,815	3,072	513.7%
	● Consumer Game Business	2,268	502	-1,765	22.1%
	● Audio & Visual Business	921	1,089	168	118.3%
	Total	3,932	5,407	1,475	137.5%
Adjustments & eliminations		-925	-995	-69	107.5%
Operating Income Total		3,006	4,412	1,406	146.8%

POINT

● Online Game Business

- Substantially higher earnings from smash-hit games apps
- Existing browser games also have strong performance

● Consumer Game Business

- Weakness in package games software
- Languishing amusement business

● Audio & Visual Business

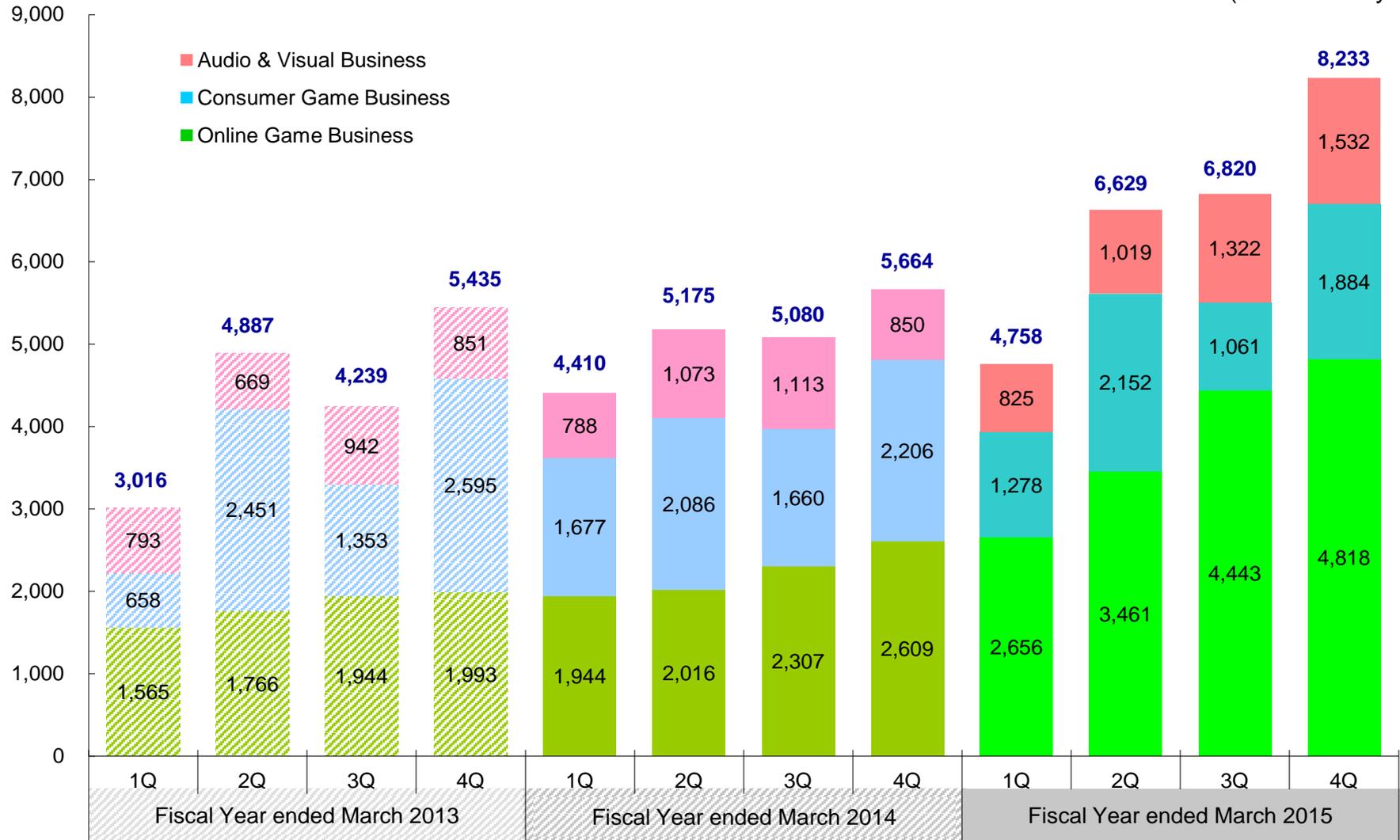
- Stage performances prove a huge success
- Sales of goods and DVD productions related to stage performances also strong

Sales Structure by Segment (Quarterly)



- Sales in the online game business rising steadily for three consecutive fiscal years

(Unit: million yen)



Balance Sheet (Summary)

- Increase in current assets due to higher accounts receivable-trade in step with growing online sales
- Noncurrent assets increased mainly due to higher investment securities and deferred tax assets
- Current liabilities increased mainly due to sales commissions payable from higher online sales and income taxes payable from higher earnings

(Unit: million yen)

	End of March 2014	End of March 2015	Change
Current assets (total)	14,583	18,624	4,040
Noncurrent assets (total)	2,233	3,414	1,181
Total Assets	16,816	22,039	5,222
Current liabilities (total)	4,840	8,535	3,695
Noncurrent liabilities (total)	54	52	-1
Total Liabilities	4,895	8,588	3,693
Net Assets (total)	11,921	13,450	1,529

Segment Results: Online Game Business



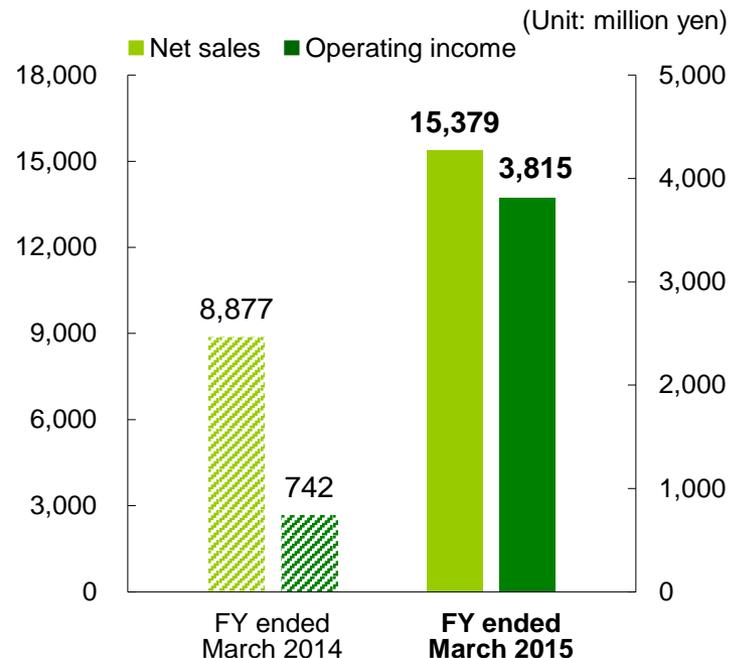
Review of Fiscal Year Ended March 2015

Net sales: Increased thanks to favorable performance of game apps

Profits: Strong growth due to enhanced profitability

Title Performance

- Continued strong performance of “Logres of Swords and Sorcery: Goddess of Ancient” driving overall results; multiple releases of new games apps
- Existing PC and mobile browser games also did well
- Development and service for some titles terminated in order to concentrate management resources. One-time write-off of the development cost.



〈Title Rollouts〉

Browser Sangokushi (PC browser)

Service launched in July 2009



©Marvelous Inc.

Ikki-Tousen Burst Fight (Mobile browser)

Service launched in May 2012



©2014 YUJI SHIOZAKI -WANI BOOKS/IKKITOUSEN EE PARTNERS
©2014 Marvelous Inc.

Logres of Swords and Sorcery: Goddess of Ancient (Native app)

Service launched in December 2013



©Marvelous Inc. Aiming Inc.

Segment Results: Consumer Game Business

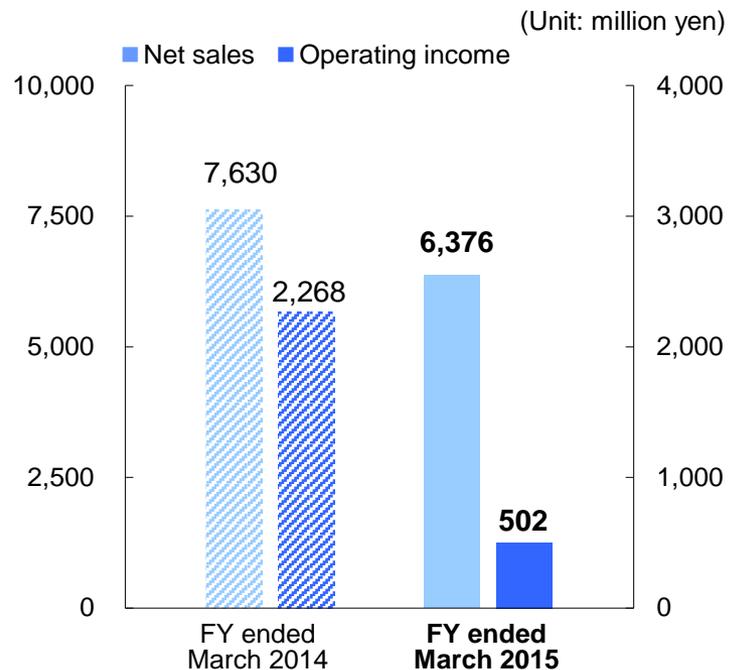


Review of Fiscal Year Ended March 2015

Net sales/Profits: Declines in sales and earnings due to poor sales performance

Title Performance

- New package software missed targets
- Amusement console business suffered decline in revenues and earnings due to intense competition
- Extraordinary loss charged for amortization and impairment on consumer titles and amusement assets



<Title Rollouts>

KINKI NO MAGNA (3DS)

Released October 2, 2014



©2014 Marvelous Inc.

SENTRAN KAGURA ESTIVAL VERSUS (PS4/PS Vita)

Released March 26, 2015



©2015 Marvelous Inc.

PUZZLE & DRAGONS Z Tamer Battle V2 (Amusement)

Service launched in June 2014



© GungHo Online Entertainment, Inc. / Marvelous Inc.

Segment Results: Audio & Visual Business

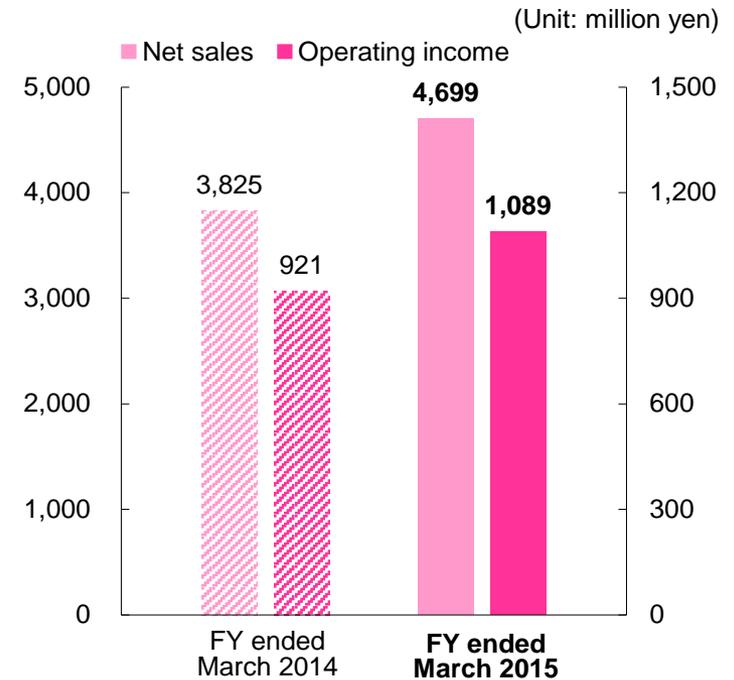


Review of Fiscal Year Ended March 2015

- Net sales:** *Anime* package sales missed targets but successful stage performances lifted revenues
- Profits:** Profit ratios improved with robust sales of DVD, etc., related to stage performances

Title Performance

- Commercialization of package products for TV *anime* “Samurai Jam -Bakumatsu Rock-” and “Tokyo Ghoul”
- Highly successful ticket sales for all stage performance titles accompanied by strong sales of related goods
- Sustained strong sales of DVD products related to stage performances



<Title Rollouts>

Samurai Jam -Bakumatsu Rock-

Sales launch of the first volume on August 27, 2014



©2014 Marvelous Inc./BakumatsuRock Production Committee

Tokyo Ghoul

Sales launch of the first volume on September 26, 2014



©Sui Ishida/Shueisha, Tokyo Ghoul Production Committee

MUSICAL THE PRINCE OF TENNIS

Performances in July to September 2014



©2009 TAKESHI KONOMI ©2014 NAS, THE PRINCE OF TENNIS II PROJECT ©1999 TAKESHI KONOMI / 2015 MUSICAL THE PRINCE OF TENNIS PROJECT

Stage [Yowamushi Pedal] Ep. HAKOGAKU

The beast on the road

Performances in October 2014



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



Fiscal Year Ending March 2016 Business Forecast

Fiscal Year Ending March 2016 Business Forecast



- Based on a strengthened management structure targeting **30%-plus year-on-year growth** to **¥35 billion** in revenues and **¥6 billion** in operating income

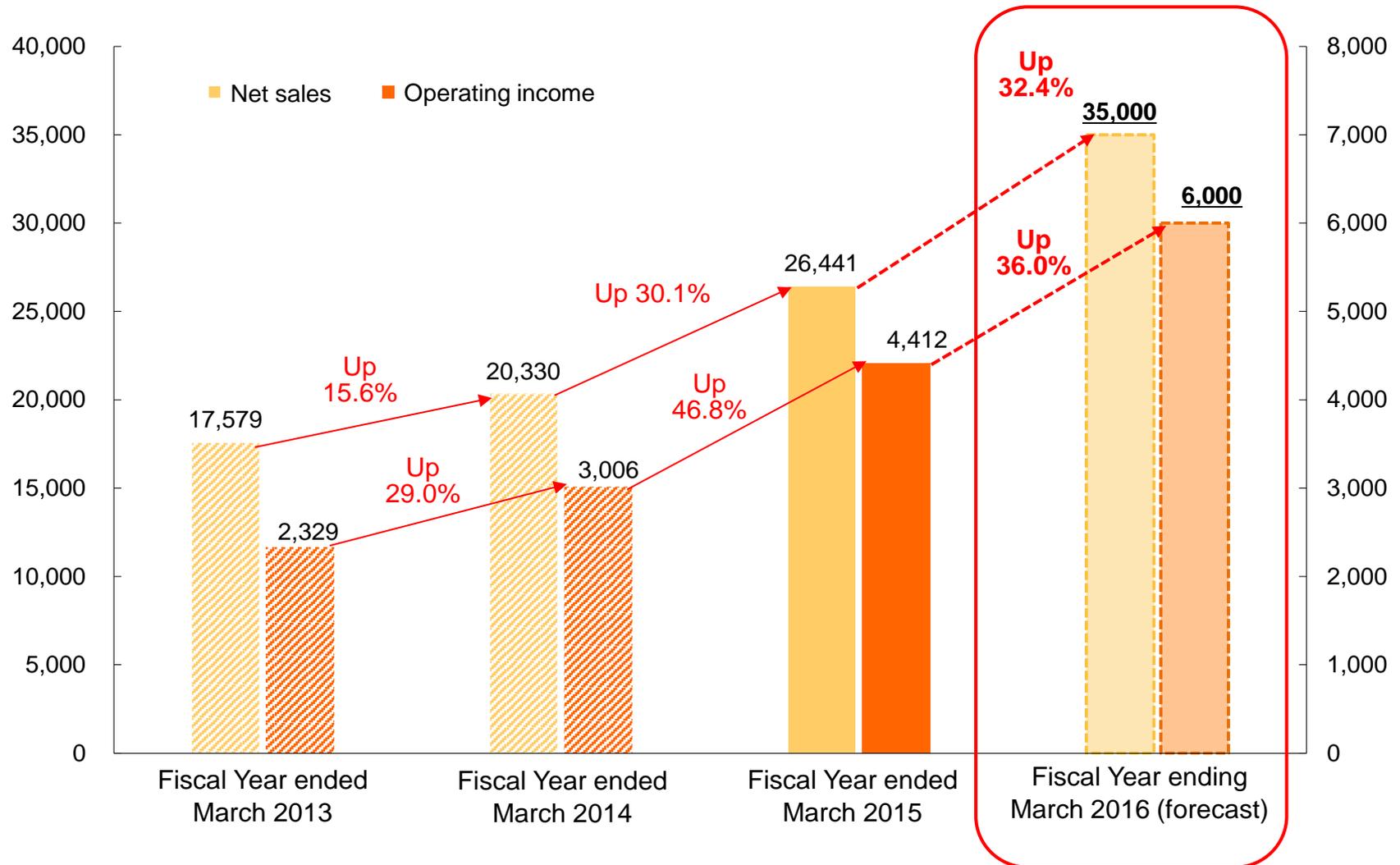
(Unit: million yen)

	FY ended March 2015		FY ending March 2016		YOY change	
	Actual	Profit ratio	Forecast	Profit ratio	(Amount)	(%)
Net sales	26,441	—	35,000	—	8,558	132.4%
Operating income	4,412	16.7%	6,000	17.1%	1,587	136.0%
Ordinary income	4,583	17.3%	6,000	17.1%	1,416	130.9%
Net income	2,178	8.2%	4,100	11.7%	1,921	188.2%

Development in Net Sales and Operating Income (Annual)



- Targeting a fourth year of double-digit growth after a track record of three consecutive years
- Expectations for 30%-plus expansion in both revenues and earnings in fiscal year ending March 2016



Fiscal Year Ending March 2016 Segment Forecasts



- 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.

(Unit: million yen)

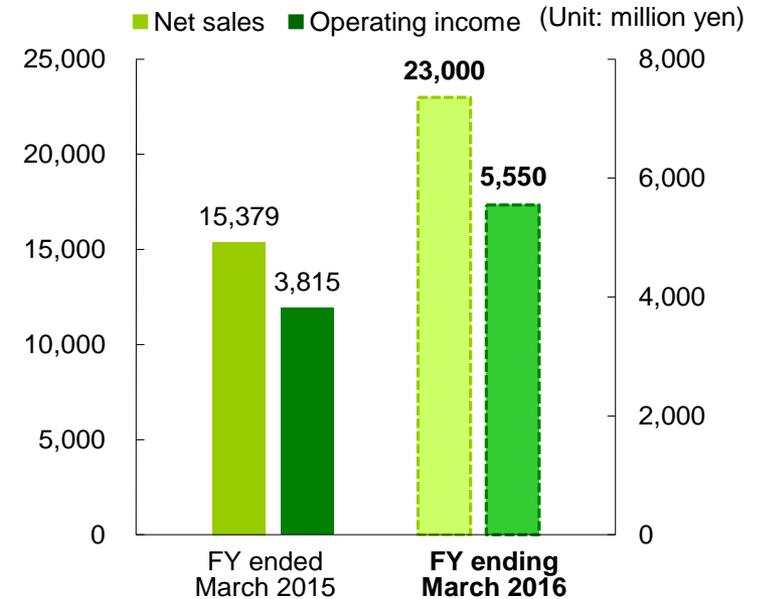
		Full Year			
		FY ended March 2015	FY ending March 2016	YOY change	
		Actual	Forecast	(Amount)	(%)
Net Sales	● Online Game Business	15,379	23,000	7,620	149.5%
	● Consumer Game Business	6,376	7,200	823	112.9%
	● Audio & Visual Business	4,699	4,800	100	102.1%
	Total	26,441	35,000	8,558	132.4%
Segment Income	● 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%
	Total	5,407	7,200	1,792	133.1%
Adjustments & eliminations		-995	-1,200	-204	120.6%
Operating Income (total)		4,412	6,000	1,587	136.0%

Initiatives by Segment: Online Game Business



TOPICS

- Overseas business development surrounding “Logres of Swords and Sorcery: Goddess of Ancient”
Dissemination plans finalized for Taiwan, Hong Kong, and Macau (scheduled for implementation in 2015)
- “Disney Magic Castle Dream Island” to be developed into major title
- Continued focus on planning and development of new titles



<Title Rollouts>

Overseas Initiatives

Logres of Swords and Sorcery: Goddess of Ancient
(Native app)



©Marvelous Inc. Aiming Inc.

VALKYRIE DRIVE -SIREN-
(Release date and platform to be determined)



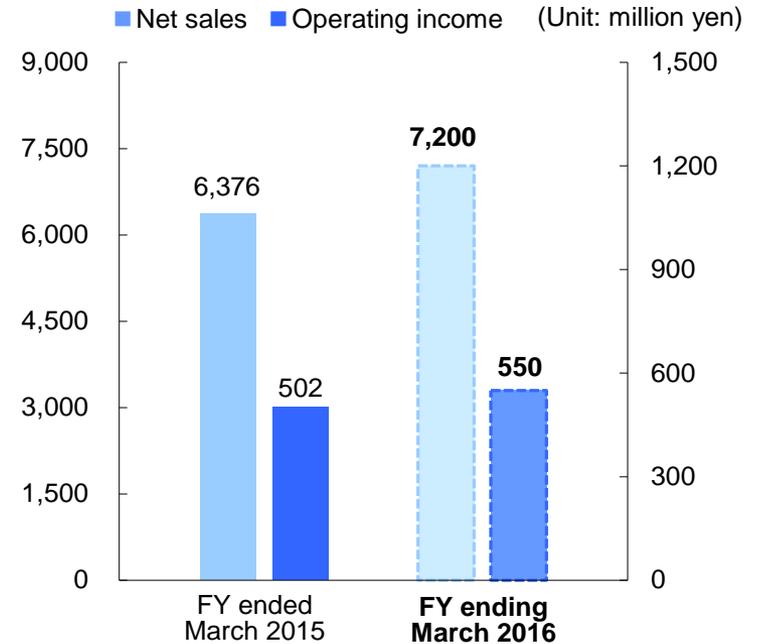
©Marvelous Inc. ©VALKYRIE DRIVE PROJECT

Initiatives by Segment: Consumer Game Business



TOPICS

- “POPOLOCROIS BOKUJO MONOGATARI” which combines the fascination of “BOKUJO MONOGATARI” and “POPOLOCROIS MONOGATARI” to be released June 18
- New-type rhythm game by new-generation artist IA
Sales launch of “IA/VT - COLORFUL -” scheduled for June 25
- Start of new-type amusement machine “MONSTER HUNTER SPIRITS” scheduled for June 25
- Multiple other new titles scheduled for release



<Title Rollouts>

POPOLOCROIS BOKUJO MONOGATARI (3DS)

Scheduled for release June 18, 2015



©Yohsuke Tamori ©Yoshifumi Hashimoto(Marvelous Inc.)
©2015 Marvelous Inc.

IA/VT - COLORFUL - (PS Vita)

Scheduled for release June 25, 2015



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

MONSTER HUNTER SPIRITS (Amusement)

Launch scheduled for June 25, 2015



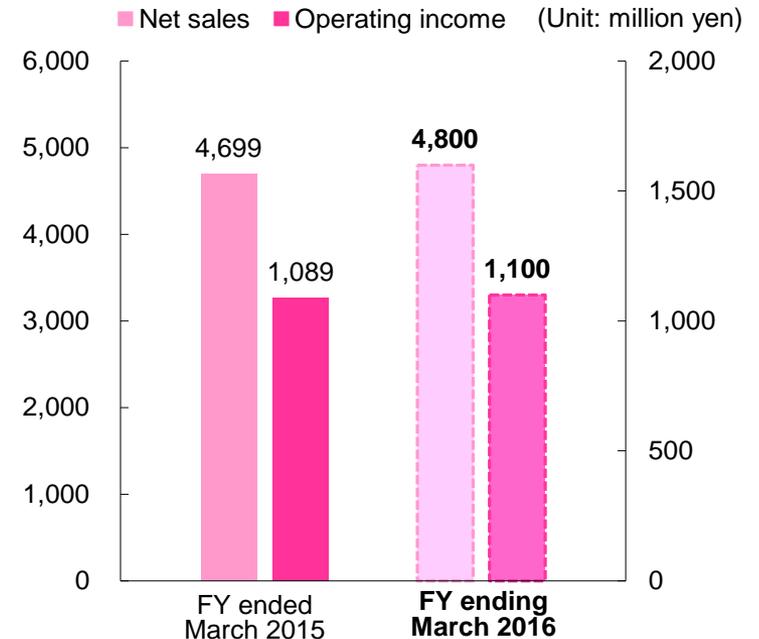
©CAPCOM CO., LTD. 2015 ALL RIGHTS RESERVED. / Marvelous Inc.

Initiatives by Segment: Audio & Visual Business



TOPICS

- Commercialization of package products for TV *anime* “Tokyo Ghoul √A” and “Go ! PRINCESS PRECURE”
- Broadcasting of “My Teen Romantic Comedy SNAFU 2” started from April as sequel to popular predecessor title
- Launch of 3rd season of “MUSICAL THE PRINCE OF TENNIS”
- Performances of “Musical HAKUOKI” starting from May 23
- Other new stage performances and musicals to follow in succession



<Title Rollouts>

Go ! PRINCESS PRECURE

Broadcast started February 2015



©TOEI ANIMATION. ALL RIGHTS RESERVED

My Teen Romantic Comedy SNAFU TOO! Broadcast started April 2015



©WATARU WATARI.SHOGAKUKAN / OREGAIRU2 PRODUCTION COMMITTEE

MUSICAL THE PRINCE OF TENNIS 3rd Season SEIGAKU vs FUDOMINE Performances in February to May 2015



©2009 TAKESHI KONOMI ©2014 NAS, THE PRINCE OF TENNIS II PROJECT
©1999 TAKESHI KONOMI/2015 MUSICAL THE PRINCE OF TENNIS PROJECT

Musical HAKUOKI Performances scheduled May to June 2015



©IDEA FACTORY•DESIGN FACTORY/Musical HAKUOKI Project



Future Policies

G-MODE Corporation becomes new consolidated subsidiary

Marvelous Inc.

Marvelous USA, Inc.

Marvelous Europe Limited

Delfisound Inc.

Entersphere Inc.

LINKTHINK Inc.



G-MODE Corporation



**Strengthening of the online game business development
frameworks, further increases in enterprise value**

Establishing the Marvelous Brand

MARVELOUS!

Creating **added value** “**Distinctive of the Marvelous Brand**”
for the world's entertainment

Entertainment

Online games

Consumer games

Amusement machines

Anime

Stage performances

MARVELOUS!

**Creation
of new value**

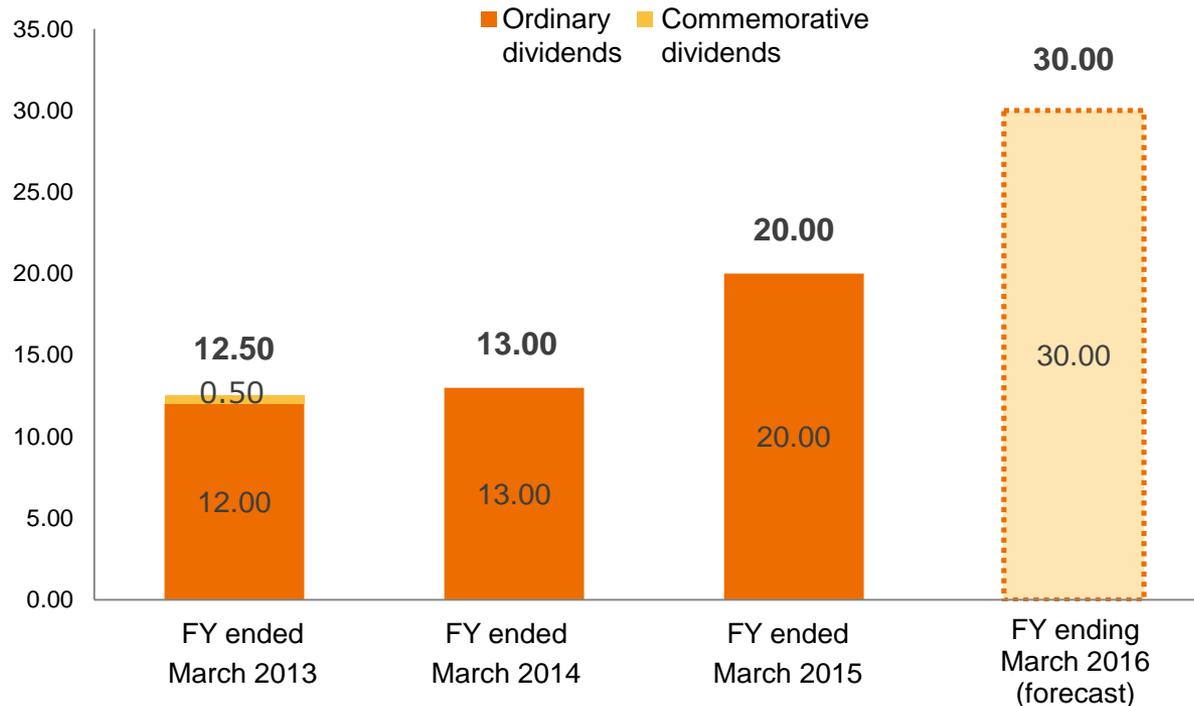
Establishing the “**Marvelous Brand**”

Dividend Policy / Dividend Forecast

- An annual dividend of ¥20 was implemented for fiscal year ended March 2015.
- An annual dividend of ¥30 is projected for fiscal year ending March 2016.

Dividend Policy

It is the Company's basic policy to pay a continual and stable cash dividend at a target payout ratio of 30% or more while securing the internal reserves necessary for future business expansion and reinforcement of the Company's financial position.



Payout ratio	34.8%	36.9%	49.1%	39.1%

* Values for Fiscal Year ended March 2013 and earlier are stated in consideration of the 100:1 stock split executed by the Company effective October 1, 2013.

Thank you for your attention.

Inquiries

Administration Division, Corporate Planning Department

TEL: +81-3-5769-7447

FAX: +81-3-5769-7448

URL:<http://www.marv.jp>

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.