

The logo for Marvelous Inc. features the word "MARVELOUS!" in a bold, orange, sans-serif font. The letters are slightly slanted to the right, giving it a dynamic and energetic appearance.

Results Briefing Materials

For the Fiscal Year Ended March 31, 2018 (FY2018)

May 10, 2018

- ◆ **Results Summary for FY2018**
- ◆ **Overview by Segment**
- ◆ **Forecast for FY2019**

Results Summary for FY2018

Income Statement Highlights



- ◆ The Consumer Game Business and the Audio & Visual Business performed well but the Online Game Business slumped, resulting in lower sales and profits year over year

(Unit: million yen)

	FY2017		FY2018		YoY change	
	Actual	Profit ratio	Actual	Profit ratio	Amount	%
Net sales	29,387	-	25,291	-	-4,096	86.1%
Cost of sales	13,114	-	11,035	-	-2,078	84.2%
SG&A expenses	10,519	-	9,108	-	-1,410	86.6%
Of which advertising expenses	1,951	-	1,895	-	-56	97.1%
Operating profit	5,754	19.6%	5,147	20.4%	-607	89.4%
Non-operating income/losses	55	-	(41)	-	-97	-
Ordinary profit	5,810	19.8%	5,105	20.2%	-704	87.9%
Extraordinary income/losses	(17)	-	(71)	-	-53	-
Income taxes	1,626	-	1,520	-	-106	93.5%
Profit attributable to owners of parent	4,165	14.2%	3,513	13.9%	-651	84.4%

Segment Results



(Unit: million yen)

		FY2017	FY2018	YoY change	
		Actual	Actual	Amount	%
Net sales	◆ Online Game	14,750	10,034	-4,716	68.0%
	◆ Consumer Game	9,067	8,891	-175	98.1%
	◆ Audio & Visual	5,607	6,396	789	114.1%
	Total	29,387	25,291	-4,096	86.1%
Segment profit	◆ Online Game	3,271	1,390	-1,881	42.5%
	◆ Consumer Game	2,042	2,969	927	145.4%
	◆ Audio & Visual	1,603	2,052	448	128.0%
	Total	6,917	6,411	-505	92.7%
Adjustments & eliminations		(1,163)	(1,264)	-101	108.7%
Operating profit total		5,754	5,147	-607	89.4%

Highlights

◆ Online Game Business

- Lower sales of flagship titles
- Lower contribution from new titles

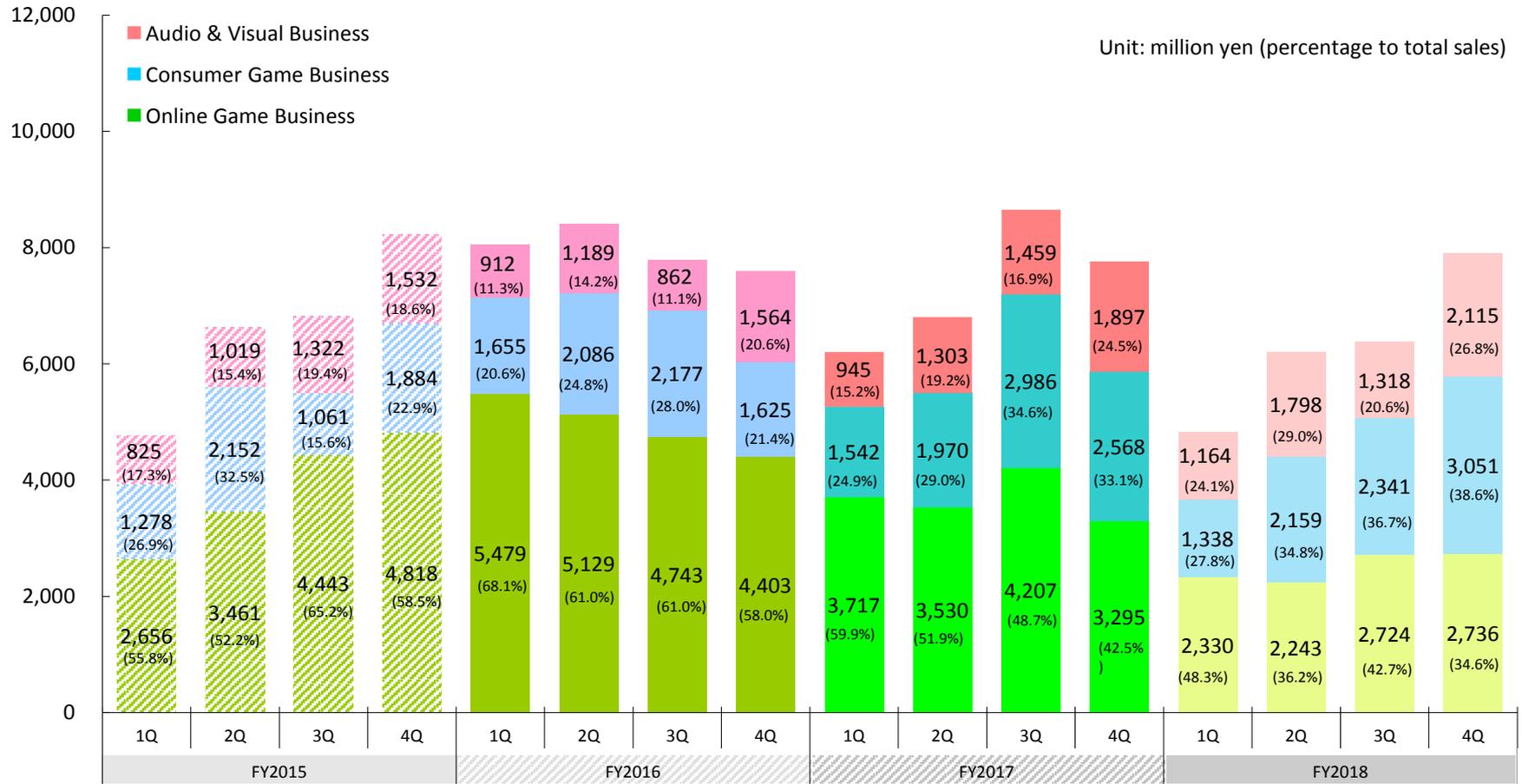
◆ Consumer Game Business

- Strong showing from a select lineup
- Overseas subsidiaries continued to post strong sales
- The regular amusement series and new business performed well

◆ Audio & Visual Business

- Successful stage performances mainly from flagship series
- Favorable secondary-use revenue

Quarterly Sales by Segment



Consolidated	Net sales	4,758	6,629	6,820	8,233	8,045	8,402	7,781	7,591	6,203	6,795	8,637	7,751	4,822	6,192	6,375	7,901
	Operating profit	655	793	1,475	1,486	1,376	1,464	1,130	1,446	638	679	2,503	1,932	708	1,055	1,197	2,184

Balance Sheet Summary



(Unit: million yen)

	End-March 2017	End-March 2018	Change
Current assets (total)	19,285	21,412	2,127
Non-current assets (total)	4,943	4,075	-867
Total assets	24,228	25,488	1,260
Current liabilities (total)	7,626	7,024	-602
Non-current liabilities (total)	62	50	-12
Total liabilities	7,688	7,074	-614
Total net assets	16,539	18,414	1,874

Overview by Segment

Title Performance for FY2018

- ◆ Launched “Sengoku Night Blood,” “OSOMATSU SAN YOKUBARI! NEET ISLAND,” “SHINOBI MASTER -SEN-RAN KAGURA NEW LINK-,” “ORDINAL STRATA” and “Senjushi”
- ◆ Sales from “Logres of Swords and Sorcery: Goddess of Ancient” declined year on year despite of strong performance at the fourth-anniversary events
- ◆ Terminated services for some underperforming titles; discontinued development of one unreleased new title; and wrote down development costs in a lump sum

Title Rollouts

Sengoku Night Blood
(native app)



©2017 Marvelous Inc. / KADOKAWA / IDEA FACTORY

Launched
on May 29,
2017

OSOMATSU SAN YOKUBARI! NEET ISLAND
(native app)



©Fuji Akatsuka, OSOMATSU SAN Production Committee
©D-techno / Marvelous Inc.

Launched
on Sep. 19,
2017

**SHINOBI MASTER
-SEN-RAN KAGURA NEW LINK-**
(native app)



©Marvelous Inc.
©HONEY PARADE GAMES Inc.

Launched
on Nov. 29,
2017

ORDINAL STRATA
(native app)



© Fuji Games, Inc. / Marvelous Inc.

Launched
on Jan. 9,
2018

Senjushi
(native app)



©LINE Corporation / Marvelous Inc.

Launched
on Mar.
22, 2018

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

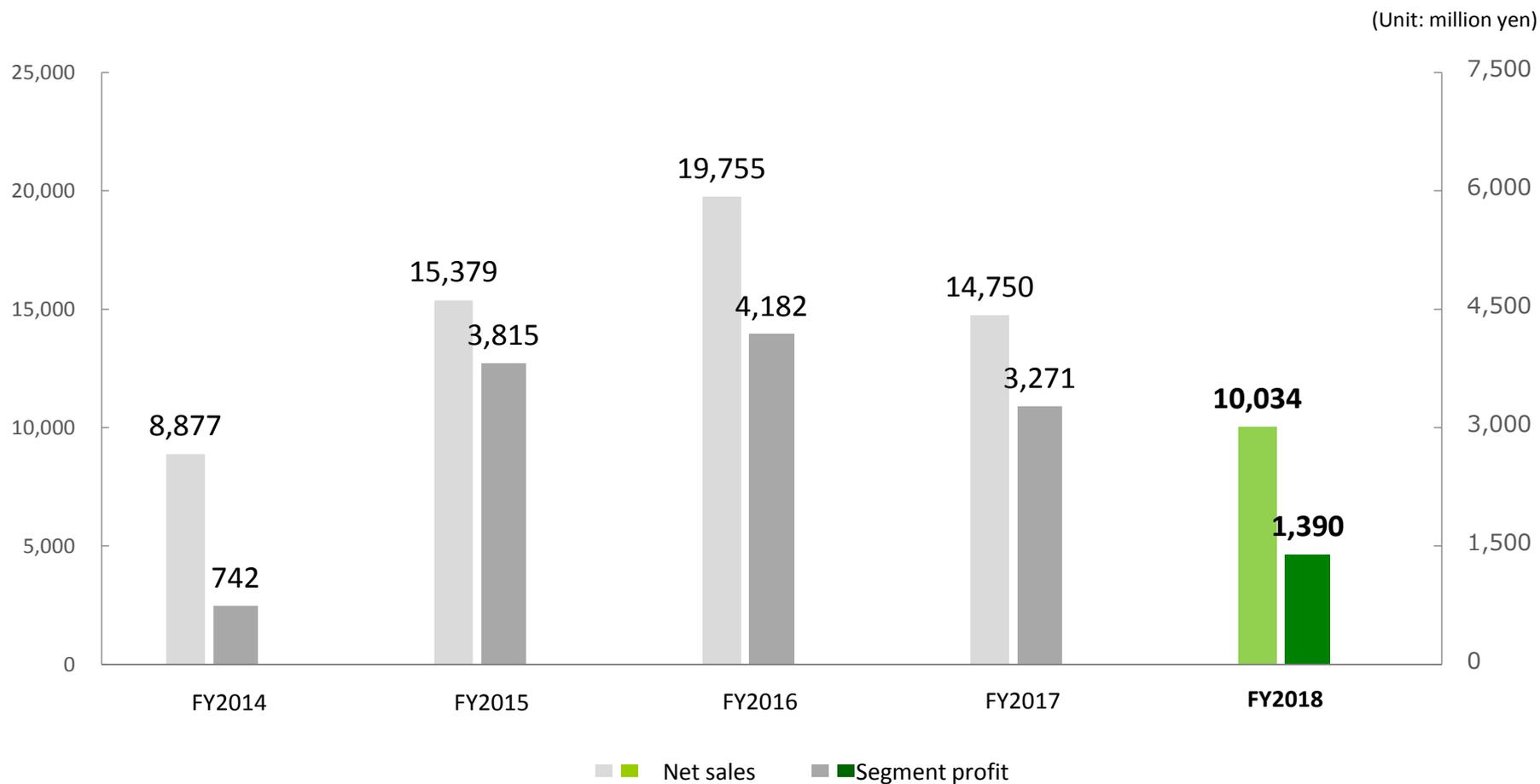


©Marvelous Inc. Aiming Inc.

Launched
on Dec.
17, 2013

Results for FY2018

- ◆ Sales and profits down year on year because of a decline in sales from the flagship titles and limited contribution from new titles



Title Performance for FY2018

- ◆ Released “Fate/EXTELLA” (Nintendo Switch), “Shinobi Reflation -SEN-RAN KAGURA-” (Nintendo Switch download sale), “BOKUJO MONOGATARI FUTAGO NO MURA +” (Nintendo 3DS) and “SEN-RAN KAGURA Burst Re:Newal” (PlayStation®4)
- ◆ Overseas, our flagship series posted strong sales in North America, Europe and elsewhere
- ◆ For Amusement, “Pokémon Ga-Olé and the new business “TRYPOD” both became hits

Title Rollouts

**Shinobi Reflation
- SEN-RAN KAGURA -**
(Nintendo Switch)



Released
on Nov. 24,
2017

©2017 Marvelous Inc./HONEY PARADE GAMES Inc.

**BOKUJO MONOGATARI
FUTAGO NO MURA +**
(Nintendo 3DS)



Released
on Dec. 14,
2017

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**SEN-RAN KAGURA
Burst Re:Newal**
(PlayStation®4)



Released
on Feb. 22,
2018

©2018 Marvelous Inc./HONEY PARADE GAMES Inc.

TRYPOD
(Amusement)

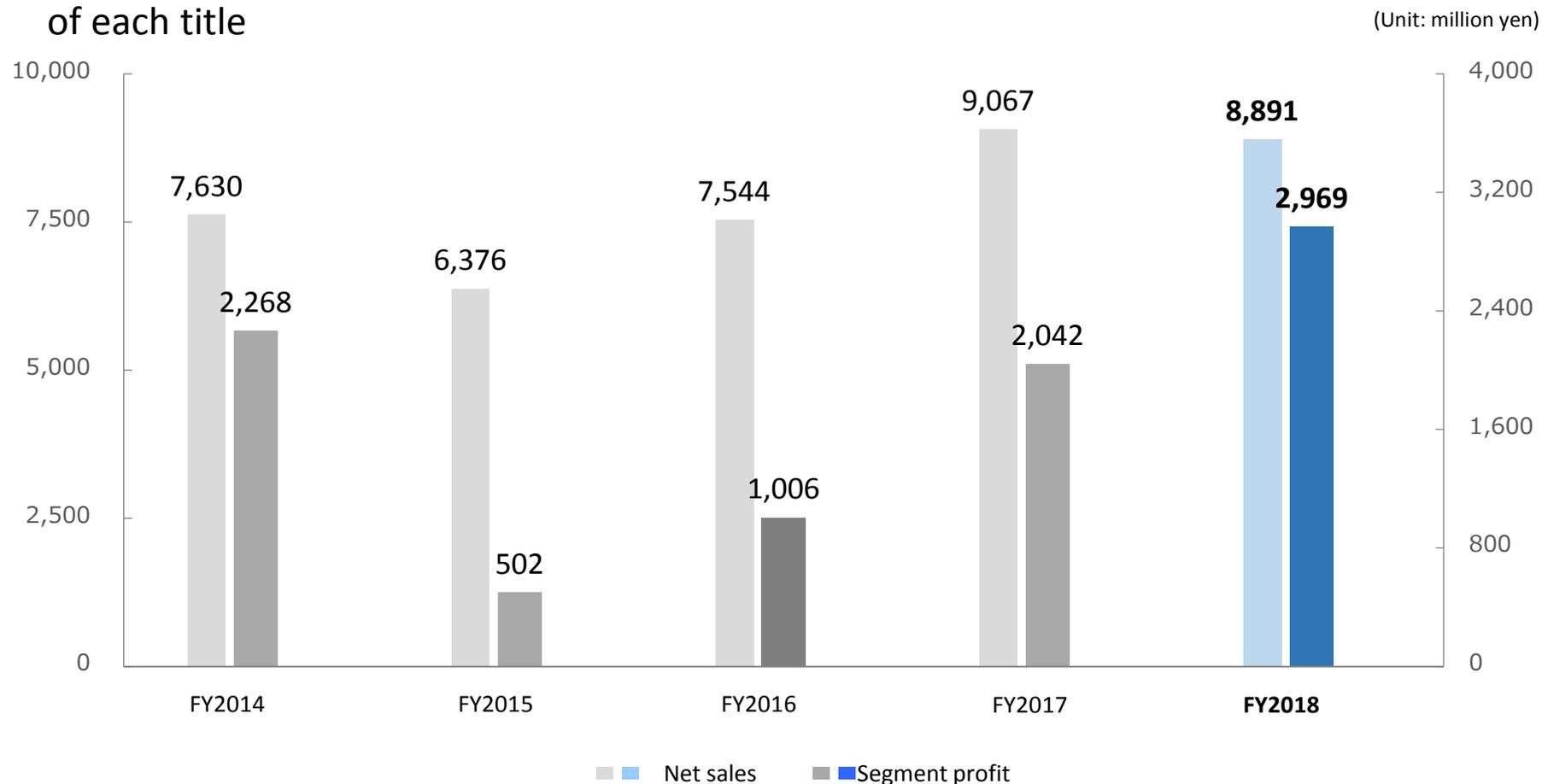


Operation
started in
Nov. 2017

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* Patent application pending.

Results for FY2018

- Generated temporary income through sale of software assets etc.
- Sales fell slightly in the absence of major titles but profits rose from strong performance of each title



Title Performance for FY2018

- ◆ New performances of flagship series “*Touken Ranbu the Stage*” and “*Ensemble Stars! On Stage*” were highly successful
New performances of the regular series such as “*MUSICAL THE PRINCE OF TENNIS*” and “*Musical HAKUOKI*” were staged
- ◆ New stage productions “*JOKER GAME THE STAGE*,” “*B-PROJECT on STAGE OVER the WAVE!*” and “*Stage MobPsycho 100*” also proved popular
- ◆ TV anime broadcast of “*SENGOKU NIGHT BLOOD*,” “*TOUKEN RANBU HANAMARU Season2*” and “*Fate/EXTRA Last Encore*”
- ◆ Launched broadcasting of a new TV Anime of PRECURE series “*HUG! Pretty Cure*” in February
- ◆ Strong secondary-use revenue both in the anime and stage performance categories

Title Rollouts

Touken Ranbu the Stage



©Touken Ranbu the Stage Production Committee

Ensemble Stars! On Stage
~To the shining future~



© 2016 Happy Elements K.K./Ensemble Stars! STAGE PROJECT

Anime production
“SENGOKU NIGHT BLOOD”



© 2017 Marvelous Inc., KADOKAWA, IDEA FACTORY/
SENBURA PRODUCTION COMMITTEE

Anime production
TOUKEN RANBU HANAMARU Season2



© 2018 Nitroplus・DMM GAMES TOUKEN RANBU HANAMARU Season2 Project

Public performances in Dec. 2017

Public performances in Jan. 2018

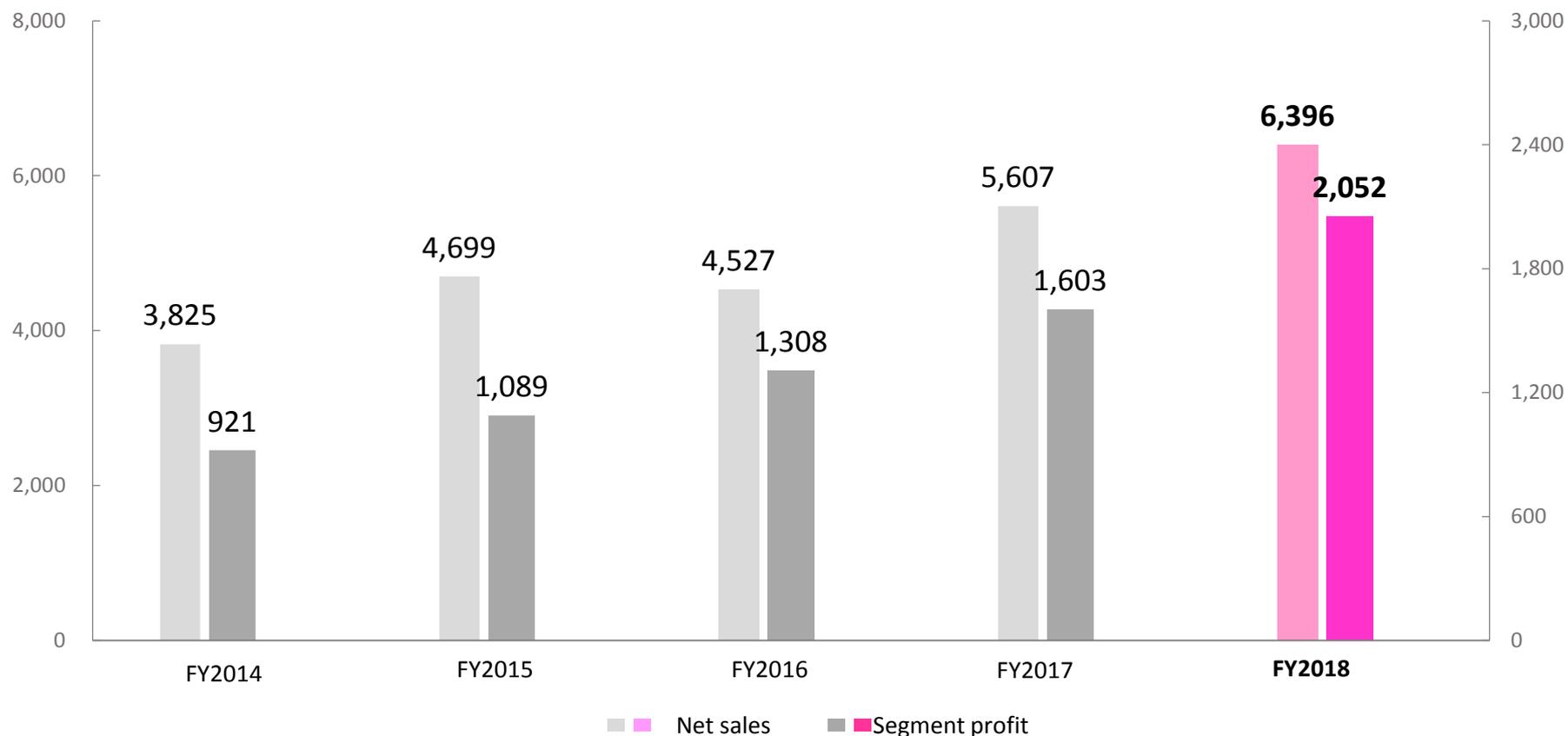
Broadcast from Oct. to Dec. 2017
Volume 1 of DVD/BD launched on Dec. 20

Broadcast from Jan. to Mar. 2018
Volume 1 of DVD/BD launched on Mar. 14

Results for FY2018

- Sales and profits up year on year because flagship series continued to contribute to earnings and the secondary-use revenue remained favorable

(Unit: million yen)



Forecast for FY2019

Forecast for FY2019



(Unit: million yen)	FY2018		FY2019		Change	
	Actual	Profit ratio	Forecast	Profit ratio	Amount	%
Net sales	25,291	-	25,000	-	-291	98.8%
Operating profit	5,147	20.4%	4,500	18.0%	-647	87.4%
Ordinary profit	5,105	20.2%	4,500	18.0%	-605	88.1%
Profit attributable to owners of parent	3,513	13.9%	2,980	11.9%	-533	84.8%

Online Game Business: Initiatives starting in FY2019



- ◆ Focus on cultivating titles released in FY2018 and maintaining sales of existing titles

Sengoku Night Blood
(native app)



Launched
on May 29,
2017

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**SHINOBI MASTER
-SENTRAN KAGURA NEW LINK-**
(native app)



Launched
on Nov. 29,
2017

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©HONEY PARADE GAMES Inc.

ORDINAL STRATA
(native app)



Launched
on Jan. 9,
2018

© Fuji Games, Inc. / Marvelous Inc.

Senjushi
(native app)



Launched
on Mar.
22, 2018

©LINE Corporation / Marvelous Inc.

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



Launched
on Dec.
17, 2013

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Consumer Game Business: Initiatives starting in FY2019



- ◆ Planning to launch the latest works of popular series in Japan
- ◆ Overseas, porting our consumer titles for Steam
- ◆ Promoting acquisitions including indie games at home and abroad
- ◆ Dedicated development of commissioned titles from BANDAI NAMCO Entertainment underway
- ◆ Preparing the latest Amusement series



©TYPE-MOON ©2018 Marvelous Inc.

Fate/EXTELLA LINK
(PlayStation®4/PlayStation®Vita)

To be
released on
Jun. 7, 2018



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**PEACH BALL
SENRAN KAGURA**
(Nintendo Switch)

Release date
to be
determined



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Bullet Witch
(Windows PC)

Released on
Apr. 26, 2018
(Japan time)
worldwide



©BANDAI NAMCO Entertainment Inc.

GOD EATER 3
(PlayStation®4/Steam)

Release date
to be determined
(commission-
based
development)

Audio & Visual Business

Initiatives starting in FY2019

- ◆ Developing a series of powerful IPs for both anime and stage
- ◆ Developing all-new stages

Anime production
HUG! Pretty Cure



TV anime
Broadcasting
launched in
Feb. 2018

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Anime production
Tokyo Ghoul :re



TV anime
Broadcasting
launched in
Apr. 2018

© Sui Ishida/Shueisha and Tokyo Ghoul the Stage
Production Committee

Anime production
The Thousand Masketeers



TV anime
Broadcasting
scheduled for
Jul. 2018

© Anime Senjushi Production Committee

Musical HAKUOKI



Public
performances
in Apr. and
May 2018

© IDEA FACTORY•DESIGN FACTORY/HAKUOKI Project

Musical AO HARU TETSUDO 3



Public
performances
in May 2018

© AO HARU © Musical "AO HARU TETSUDO" Production Committee

MUSICAL THE PRINCE OF TENNIS
15th Anniversary Concert
Dream Live 2018



Public
performances
in May 2018

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

JOKER GAME THE STAGE II



Public
performances
scheduled for
Jun. 2018

© Koji Yanagi, KADOKAWA / JOKER GAME ANIMATION PROJECT
© JOKER GAME THE STAGE PROJECT

Touken Ranbu the Stage



Public
performances
scheduled for
Jun.-Jul. 2018

© Touken Ranbu the Stage Production Committee

Online Game Business

- Invite prominent outside producers and enhance production
- Take on the challenge of creating non-game applications
- Strengthen business activities in Asia, mainly in China

Consumer Game Business

- Jointly develop new, large-scale titles for home-use games with major publishers for the global market
- Further expand business domains by taking on the challenge of continuously creating new opportunities in the amusement business

Audio & Visual Business

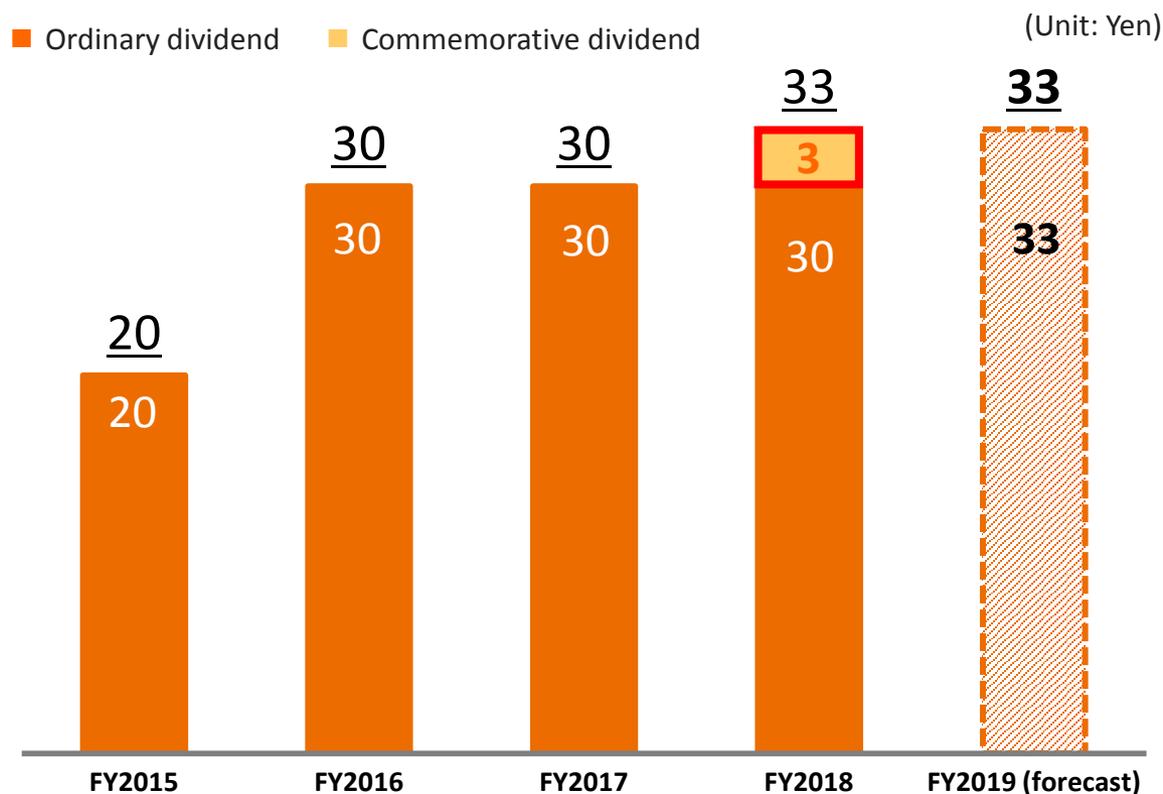
- Acquire/provide high-quality IPs
- Further increase secondary-use revenue
- Develop overseas markets for 2.5 dimensional stage and musical

Company-wide

- Cultivate talent and revise remuneration systems

Dividend Forecast / Dividend Policy

- FY2018: Ordinary dividend of ¥30 per share and additional dividend of ¥3 per share commemorating the 20th founding anniversary of the Company for a total annual dividend of ¥33 (finalized)
- FY2019: Ordinary dividend of ¥33 per share (planned)



Dividend policy

As a fundamental policy, the Company distributes sustained and stable dividends aiming at a payout ratio of at least 30% while observing internal retention necessary for future business growth and for strengthening the financial structure of the Company.

Dividend payout ratio	FY2015	FY2016	FY2017	FY2018	FY2019 (forecast)
	49.1%	43.7%	37.3%	48.6%	57.3%

Thank you very much for your attention.

Inquiries

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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.