

Marvelous Inc.

Stock Code: 7844  
(First Section of Tokyo Stock Exchange)

**MARVELOUS!**

**Results Briefing Materials**

**Fiscal year Ended March 31, 2020**

**May 12, 2020**

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**Fiscal Year Ended March 2020,  
Results Summary**

# Earnings Highlights (Statement of Profit and Loss)



- The online business was affected by lower sales of long-seller titles and insufficient contributions from new titles, with write-downs on the development asset value of some titles.
- The audio & visual business marked declines in revenues and earnings due to lower sales of stage performance package products and related merchandise. Extraordinary loss was recorded due to performance cancellations.
- Additional year-on-year decline in revenues and earnings due to the absence of a one-time gain from software assets sales in the second quarter of the previous fiscal year.

Unit: million yen	FY ended March 2019		FY ended March 2020		YOY change	
	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
<b>Net sales</b>	26,777	-	<b>25,365</b>	-	-1,412	94.7%
<b>Cost of sales</b>	13,457	-	<b>14,271</b>	-	813	106.0%
<b>SGA expenses</b>	8,613	-	<b>8,644</b>	-	31	100.4%
Thereof advertising expenses	1,387	-	<b>1,827</b>	-	439	131.7%
<b>Operating profit</b>	4,706	17.6%	<b>2,449</b>	<b>9.7%</b>	-2,256	52.0%
<b>Non-operating profit/loss</b>	84	-	<b>52</b>	-	-31	62.3%
<b>Ordinary profit</b>	4,791	17.9%	<b>2,502</b>	<b>9.9%</b>	-2,288	52.2%
<b>Extra ordinary profit/loss</b>	-156	-	<b>-280</b>	-	-123	-
<b>Income taxes</b>	1,282	-	<b>424</b>	-	-858	33.1%
<b>Profit attributable to owners of parent</b>	3,351	12.5%	<b>1,797</b>	<b>7.1%</b>	-1,553	53.6%

# Segment Results



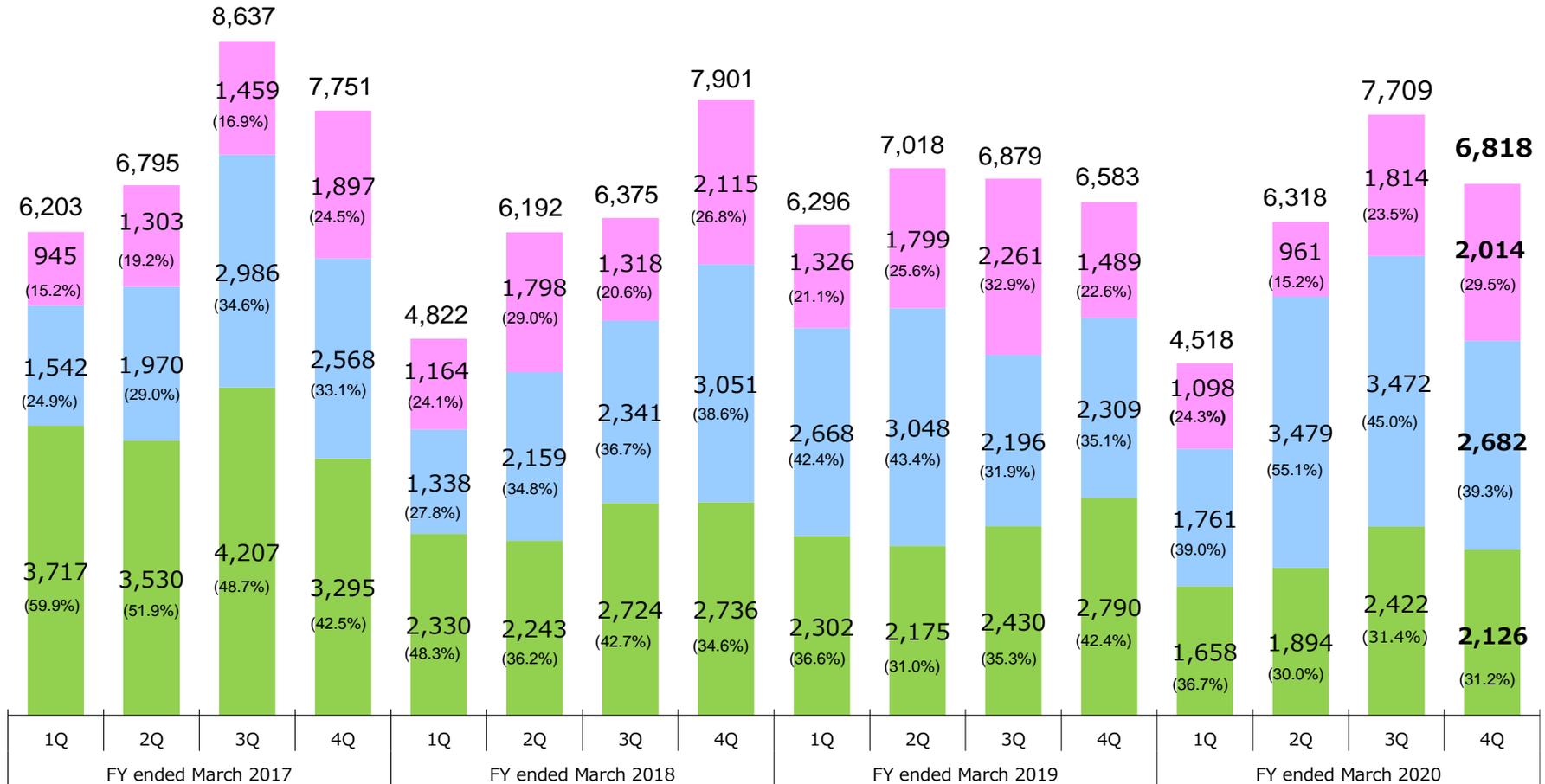
		FY ended March 2019	FY ended March 2020	YOY change	
Unit: million yen		Actual	Actual	(Amount)	(%)
Net sales	Online Game Business	9,698	<b>8,102</b>	-1,596	83.5%
	Consumer Game Business	10,222	<b>11,396</b>	1,173	111.5%
	Audio & Visual Business	6,876	<b>5,888</b>	-987	85.6%
	<b>Total</b>	26,777	<b>25,365</b>	-1,412	94.7%
Segment profit	Online Game Business	1,235	<b>272</b>	-963	22.0%
	Consumer Game Business	2,848	<b>2,026</b>	-821	71.1%
	Audio & Visual Business	2,102	<b>1,573</b>	-528	74.9%
	<b>Total</b>	6,186	<b>3,872</b>	-2,314	62.6%
<b>Company-level costs, etc.</b>		-1,480	<b>-1,422</b>	57	96.1%
<b>Operating profit total</b>		4,706	<b>2,449</b>	-2,256	52.0%

# Development of Net Sales and Operating Profit by Segment (Quarterly)



- Audio & Visual Business
- Consumer Game Business
- Online Game Business

Unit: million yen



Note: Totals may not tally to 100% due to rounding of sales percentages to the first decimal point.

# Segment Results

# Online Game business: FY Ended March 2020 Results

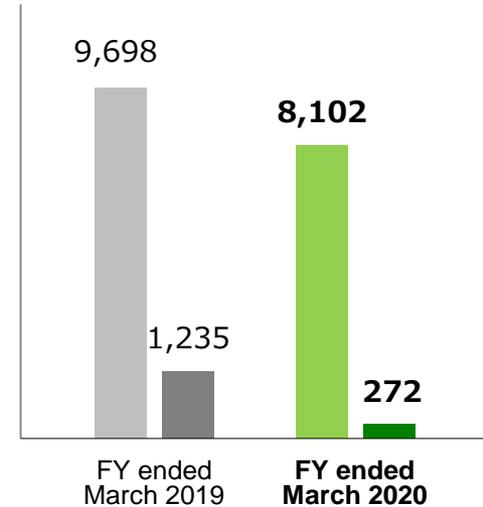


## [Results of FY Ended March 2020]

Lower revenues and earnings due to lower sales of long-seller titles and a smaller number of titles, insufficient contributions from new titles, and write-downs on the development asset value of some titles

Unit: million yen

■ Net sales ■ Segment profit



## [Title Performance]

- “SHINOVI MASTER-SENTRAN KAGURA NEW LINK-” showed continued favorable performance in the third year since its release
- “Logres of Swords and Sorcery: Goddess of Ancient” declined in revenues due to aging
- Both “LOGRES STORIES” and “GIRL CAFE GUN” which launched in September were not successful and could not meet initial expectations

Distribution/operations for “LOGRES STORIES” was transferred to Aiming Inc. as of March 1

- The release of the new novel application, which had been postponed, was canceled

## [Title Rollouts]

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



Launched in December 2013

©Marvelous Inc. Aiming Inc.

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



Launched in November 2017

©Marvelous Inc.  
©HONEY PARADE GAMES Inc.

**LOGRES STORIES**  
(native app)



Launched on September 18, 2019

©Marvelous Inc. Aiming Inc.

**GIRL CAFE GUN**  
(native app)



Launched on September 20, 2019

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# Consumer Game Business: FY Ended March 2020 Results



## [Results of FY Ended March 2020]

Despite the profit contribution from “Pokémon Ga-Olé” and robust sales of game software/PC version, lower earnings due to the absence of one-time gain like a gain from software assets sales in the second quarter of the previous fiscal year

## [Title Performance]

- “KANDAGAWA JET GIRLS,” a new action race game, released in January
- “RUNE FACTORY 4 SPECIAL” North America/Europe version and “DAEMON X MACHINA” Windows PC version released in February, “Granblue Fantasy: Versus” North America/Europe version and PC version released in March
- Although income from “Pokémon Ga-Olé,” the biggest earner in amusement, decreased since March due to the impact of the novel coronavirus, favorable results were maintained for the full year

## [Title Rollouts]

**KANDAGAWA JET GIRLS**  
(PlayStation®4)



Released on January 16, 2020

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**Rune Factory 4 Special**  
(Nintendo Switch)



North American version: Released on  
February 25, 2020  
European version: Released on  
February 28, 2020

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Marvelous USA, Inc.

\*Image is of North America version.

**Daemon X Machina**  
(Windows PC)



PC version: Launched  
on February 14, 2020

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DAEMON X MACHINA uses Unreal® Engine. Unreal® is a trademark or registered  
trademark of Epic Games, Inc. in the United States of America and elsewhere. Unreal®  
Engine. Copyright 1998 – 2020, Epic Games, Inc. All rights reserved.  
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**Pokémon Ga-Olé**  
(Amusement)

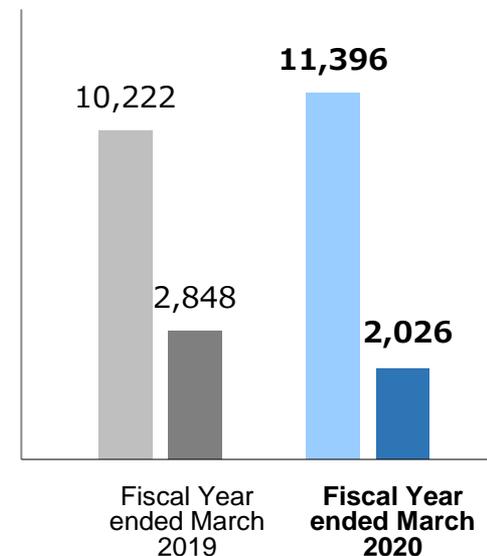


Operations started in July 2016

©2020 Pokémon. ©1995-2020 Nintendo/Creatures Inc. /  
GAME FREAK inc. Developed by T-ARTS and MARV  
TM, (R), and character names are trademarks of Nintendo.

Unit: million yen

■ Net sales ■ Segment profit



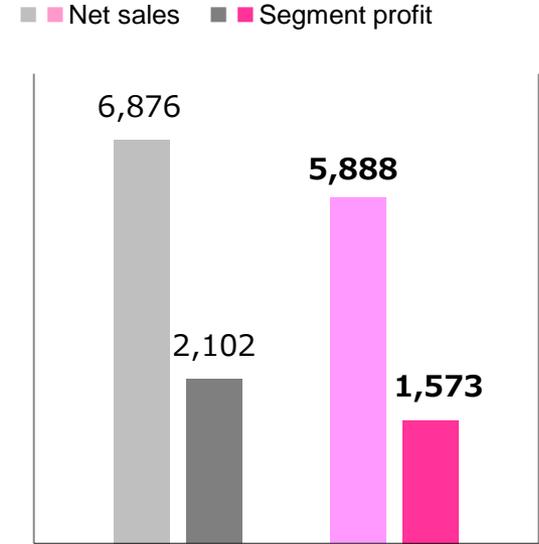
# Audio & Visual Business: FY Ended March 2020 Results



## [Results of FY Ended March 2020]

YOY declines in revenues and earnings due to lower sales of stage performance package products and related merchandise, extraordinary loss recorded due to the cancellation of stage performances scheduled in April and May

Unit: million yen



## [Title Performance]

- In the stage segment, the newest public performance of popular series such as “Touken Ranbu the Stage,” “MUSICAL THE PRINCE OF TENNIS,” “Ensemble Stars! On Stage,” etc. launched
- In the anime segment, the broadcast of the new TV series Pretty Cure started in February, however, the broadcast scheduled for the period from the end of April was postponed due to the influence of the novel coronavirus, further, the launch of the newest works of the stage version which had been postponed from March to May will be postponed again

## [Title Rollouts]

**MUSICAL THE PRINCE OF TENNIS**  
3rd SEASON  
National Tournament  
SEIGAKU vs RIKKAI  
The Last Half

Touken Ranbu the Stage



Performances from November 2019 to January 2020

©Touken Ranbu the Stage Production Committee  
©2015-2019 DMM GAMES/Nitroplus



Performances from December 2019 to February 2020

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

Ensemble Stars! Extra Stage  
~Night of Blossoming Stars~



Performances from December 2019 to February 2020

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

HEALIN' GOOD♥PRECURE



TV broadcast started in February 2020

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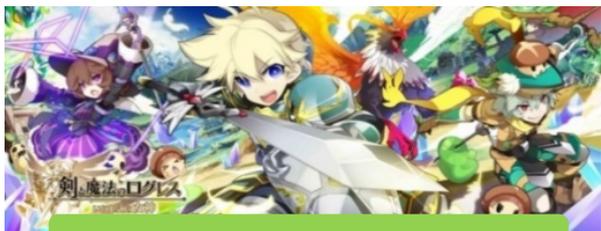
# **Initiatives of Each Segment Starting in FY2021**

# Online Game Business: Initiatives Starting in FY Ending March 2021

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- Focus on maintaining sales of existing titles
- A new application “Ikki-Tousen Extra Burst” being prepared to be launched
- “The Thousand Musketeers: Rhodoknight,” a completely new game work of the “The Thousand Noble Musketeers” Project, in production (launch date is not decided)

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



Launched in December 2013

©Marvelous Inc. Aiming Inc.

## SHINOVI MASTER -SENTRAN KAGURA NEW LINK- (native app)



Launched in November 2017

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## Ikki-Tousen Extra Burst (native app)



Launch scheduled in spring this year

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## The Thousand Musketeers: Rhodoknight (native app)



Launch date undecided

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# Consumer Game business: Initiatives Starting in FY Ending March 2021

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- “STORY OF SEASONS: Friends of Mineral Town” scheduled to be released in North America and Europe this summer by Marvelous USA and Marvelous Europe
- “TENSUI NO SAKUNAHIME” and “Rune Factory 5” scheduled to be released in 2020

## STORY OF SEASONS: Friends of Mineral Town (Nintendo Switch)



North American version: To be released this summer  
European version: To be released on July 10, 2020

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Nintendo Switch is a trademark of Nintendo.  
The ESRB rating icons are registered trademarks of the Entertainment Software Association.

## Sakuna: Of Rice and Ruin (PlayStation®4/Nintendo Switch/Windows PC)



To be released in 2020

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## Rune Factory 5 (Nintendo Switch)



To be released in 2020

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# Audio & Visual Business: Initiatives Starting in FY Ending March 2021

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- Broadcast of TV anime “Mewkledreamy” and “Woodpecker Detective’s Office” started in April, the part of “Mewkledreamy” scheduled for May and after was postponed due to the impact of the novel coronavirus, broadcast schedule of “My Teen Romantic Comedy SNAFU: Final” changed to be started from July
- In the stage segment, following the stage cancellation of “Musical HAKUOKI SHINKAI Side Soma Kazue” in April, the staging of “MUSICAL THE PRINCE OF TENNIS CONCERT Dream Live 2020” in May was also canceled, despite the preparation of new works and series works, they could also be changed or canceled depending on the situation with the novel coronavirus

## Mewkledreamy



TV broadcast started in April 2020

©2017,2020 SANRIO CO.,LTD. Mewkledreamy Production Committee,TV TOKYO

## Woodpecker Detective’s Office



TV broadcast started in April 2020

©2020Kel ii, Tokyo Sogensha Co., Ltd./Woodpecker Detective's Office\*Project

## My Teen Romantic Comedy SNAFU Climax



TV broadcast scheduled for July 2020

©WATARU WATARI,SHOGAKUKAN/OREGAIRU3 PRODUCTION COMMITTEE

## MUSICAL THE PRINCE OF TENNIS Concert Dream Live 2020



Stage cancellation decided

©TAKESHI KONOMI/Shueisha, NAS, THE PRINCE OF TENNIS II PROJECT  
©TAKESHI KONOMI/Shueisha, MUSICAL THE PRINCE OF TENNIS PROJECT

## MUSICAL ACE OF DIAMOND



Performances scheduled  
for June - July 2020

©Yuji Terajima・KODANSHA./MUSICAL ACE OF DIAMOND PROJECT

## Touken Ranbu the Stage



Performances scheduled  
for June - August 2020

© Touken Ranbu the Stage Production Committee  
© 2015-2020 DMM GAMES/Nitroplus

## Marvelous actively implements initiatives for ESG/SDGs toward the realization of a sustainable world

### Initiatives of the Company

### Related SDGs Items

# E

Environmental

- Environmental awareness
- Promoting a paperless office



# S

Social

- Promotion diversity
- Promoting the active engagement of women
- Promoting PWDs' employment
- Creating an employee-friendly environment
- Training talent
- CSR activities



# G

Governance

- Enhancing corporate governance
- Observance of compliance
- Risk management measures
- Contact points for whistleblowers
- Relations with shareholders



# Responses to the Novel Coronavirus

# Countermeasures against the Novel Coronavirus and the Impact on the Company's Business

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## Countermeasures against the novel coronavirus infection

- ✓ Prohibiting nonessential and nonurgent business trips/dining together
- ✓ Refraining from holding meetings with many people and utilizing TV conferences
- ✓ Strongly promoting telecommuting at the company-wide level, etc.

## Impact on the Company's business from the spread of the novel coronavirus

- ✓ Limited impact on the online and consumer game businesses from the novel coronavirus
- ✓ Big impact on the amusement business, such as a drastic decrease in income because of the cessation of cabinet operations due to domestic and overseas store closures and a call to stay at home
- ✓ Also in the audio & visual and live entertainment businesses, the cancellation of events, staging, etc. has been occurring due to requests to refrain from holding large-scale events, and there are concerns that the impact of prolonged cancellations could continue to have a further negative impact.

# Results and Dividends Forecasts for the Fiscal Year Ending March 2021



## Results forecasts

Full-year results forecasts for the fiscal year ending March 2021 are not disclosed at the present time because of the difficulty in reasonably estimating the impact of the novel coronavirus.

It will be announced as soon as it is possible to disclose consolidated results forecasts.

## Dividends forecasts

- FY ended March 2020: ¥33 annual dividend (finalized)
- FY ending March 2021: Undecided

	FY2020	FY2021 (Forecasts)
<b>Dividend</b>	33 yen	<b>Undecided</b>
<b>Dividend payout ratio</b>	95.0%	-

### Dividend policy

Securing necessary internal reserves for expanding future businesses and strengthening the financial position, the Company distributes continuous and stable dividends targeting 30% or more of payout ratio as a basic policy.

Thank you very much for your attention.

Inquiries

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URL: <https://corp.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.