

**Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2015  
(Nine Months Ended December 31, 2014) (Based on J-GAAP)**

February 4, 2015

Company name: Marvelous Inc. Listing: First Section of Tokyo Stock Exchange  
 Stock Code: 7844 URL: <http://www.marv.jp/>  
 Representative: Haruki Nakayama, Chairman, CEO  
 Contact: Seiichiro Kato, Director, Executive Officer, CFO, Chief Senior Director of Administration  
 Tel: +81-3-5769-7447  
 Scheduled date of filing Quarterly Securities Report: February 6, 2015  
 Scheduled commencement date of dividend payout: —  
 Explanatory documents supplemental to the abridged Quarterly Financial Statement: Yes  
 Quarterly results briefing: None

(All amounts are rounded down to the nearest million yen)

**1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2015  
(April 1, 2014 – December 31, 2014)**

(1) Consolidated Results of Operations (nine months)

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q FY 2015	18,208	24.2	2,925	35.4	3,112	39.5	1,875	34.7
3Q FY 2014	14,666	20.8	2,160	25.9	2,231	33.4	1,392	0.5

Note: Comprehensive income (million yen): 3Q FY 2015: 1,902 (35.1%) 3Q FY 2014: 1,408 (1.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY 2015	35.08	35.08
3Q FY 2014	26.05	—

On October 1, 2013, the Company executed a stock split of its common shares at the ratio of 100 shares to 1. In conjunction with this action, the Company has calculated net income per share for the quarter and diluted net income per share for the quarter as if the stock split had taken place at the start of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q FY 2015	20,079	13,141	65.4	245.76
FY 2014	16,816	11,921	70.9	223.02

Reference: Shareholders' equity (million yen): 3Q FY 2015: 13,141 FY 2014: 11,921

**2. Dividends**

	Dividends per share				
	1Q-end	Interim	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2014	—	0.00	—	13.00	13.00
FY 2015	—	0.00	—		
FY 2015 (forecasts)				15.00	15.00

Note: Revisions to the dividend forecast in the current quarter: None

**3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)**

(Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	25,000	23.0	3,800	26.4	3,790	24.6	2,274	20.8	42.53

Note: Revisions to the financial forecast in the current quarter: None

**\*Notes**

(1) Changes in significant subsidiaries during the consolidated period (nine months) under review (changes in subsidiaries accompanying change in the scope of consolidation): None

New: None (Company name: )  
Excluded: None (Company name: )

(2) Application of accounting procedures specific to creation of quarterly financial statement: Yes

(3) Changes in accounting principles, estimates and restatement

- 1) Changes in accounting principles caused by revision of accounting standards: None
- 2) Changes in accounting principles other than those mentioned above: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(4) Number of shares issued and outstanding (shares of common stock)

1) Number of shares outstanding (including treasury stock) at end of period	3Q FY 2015	53,593,100 shares	FY 2014	53,593,100 shares
2) Number of treasury stock at end of period	3Q FY 2015	122,400 shares	FY 2014	138,000 shares
3) Average number of shares outstanding during the period (nine months)	3Q FY 2015	53,466,772 shares	3Q FY 2014	53,455,100 shares

On October 1, 2013, the Company executed a stock split of its common shares at the ratio of 100 shares to 1. In conjunction with this action, the Company has calculated the number of shares issued and outstanding (shares of common stock) as if the stock split had taken place at the start of the previous fiscal year.

**\* Information regarding the implementation of quarterly review procedures**

This summary of quarterly financial statements is not subject to quarterly review procedures pursuant to the Financial Instruments and Exchange Act (FIEA), and at the time of disclosure of this summary of consolidated quarterly financial statements, the quarterly review procedures of consolidated financial statements pursuant to the FIEA were not completed.

**\* Cautionary statement with respect to forward-looking statements**

This document contains forward-looking statements including forecasts of the Company's business performance, which are based on information currently available to the Company as well as on certain assumptions that the Company deems reasonable. Therefore, results including actual business performance could differ materially from those described in these forward-looking statements as a result of numerous factors.

## 1. Qualitative Information Concerning Quarterly Results

### (1) Explanation of consolidated business results

In the period under review, the entertainment industry saw continued growth in the applications market driven by proliferating smartphones, combined with increased user numbers along with a diversity of titles. The browser game market has lost none of its popularity amid the transition to game playing on smartphone terminals. In the market for home-use games, high-performance dedicated game machines remain highly popular centered on core users. However, market scale has been losing out to the smartphone market and remains under intense pressure, in part also due to the innovative technologies of the cloud. In the market for arcade games, the emergence of a diversity of games for young children has been fanning competition, with a handful of strong contents offerings monopolizing the market. In the audio & visual sectors, sales of package products have been hit by the diffusion of Internet media, higher transmission speeds, and attractive dissemination services, among other factors, contrasted by promising strong demand in the live entertainment business.

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 third quarter (April 1, 2014 to December 31, 2014) marked 18,208 million yen (up 24.2% compared with the same period of the previous year), with operating income of 2,925 million yen (up 35.4% compared with the same period of the previous year), ordinary income of 3,112 million yen (up 39.5% compared with the same period of the previous year), and net income of 1,875 million yen (up 34.7% compared with the same period of the previous year).

Results by business segment are described below.

#### (Online Game Business)

In the online game business, "Sangokushi PHX (Sangokushi Phoenix)" was newly released on November 4, 2014 and existing titles performed well, centered on long-seller "Browser Sangokushi." Likewise in mobile browser games, existing titles flourished, including resurgent sales of "Ikki-Tousen Burst Fight," for which service started two and a half years ago. In native apps, "Logres of Swords and Sorcery: Goddess of Ancient" released in December 2013 continued to show strong performance with further increased sales and significant contributions to earnings. TV commercials for this title also paid off with cumulative downloads surpassing 5 million instances. Additionally, among new titles in game apps, "NBA CLUTCH TIME" was officially launched on November 25, 2014, and "Atsumete! Trump Collection" on December 11, 2014. "Disney Magic Castle Dream Island," launched on December 15, 2014 under a license agreement with The Walt Disney Company (Japan) Ltd., was accessed by an overwhelming number of customers in excess of server capacity from the time distribution started. As a result, service was temporarily suspended from December 19, 2014 and modifications are currently being implemented with a view to resuming service.

As a result, segment net sales totaled 10,561 million yen (up 68.5% compared with the same period of the previous year), with segment operating income of 2,411 million yen (up 490.7% compared with the same period of the previous year).

#### (Consumer Game Business)

The Company's sales sector of the Consumer Game Business segment started on November 27, 2014, sales of a package version of "DEKAMORI SENRAN KAGURA (PS Vita)," which used to be on sale as a download version only.

At the amusement division, the performance of the "PUZZLE & DRAGONS Z Tamer Battle" kids' amusement console, launched on June 26, 2014, continues to languish amid strong competition. Likewise, "Pokémon TRETTA" generated results below plan despite showing solid performance.

As a result, segment net sales totaled 4,492 million yen (down 17.2% compared with the same period of the previous year), with segment operating income of 497 million yen (down 72.5% compared with the same period of the previous year).

(Audio & Visual Business)

The audio & visual production sector of the Audio & Visual business segment implemented the audio-visual product commercialization of the TV animation products "Samurai Jam -Bakumatsu Rock-" and "Tokyo Ghoul," both lead-managed by the Company.

The stage production division arranged performances of "Stage Yowamushi Pedal Ep.HAKOGAKU The Beast On the Road" in October 2014, "MUSICAL THE PRINCE OF TENNIS Concert Dream Live 2014" in November 2014, and "ULTRA MUSICAL Samurai Jam -Bakumatsu Rock-" in December 2014. In addition to ticket sales, related goods and DVD sales turned out exceedingly strong as all performances proved highly popular with audiences.

As a result, segment net sales totaled 3,166 million yen (up 6.5% compared with the same period of the previous year), with segment operating income of 737 million yen (up 15.4% compared with the same period of the previous year).

**(2) Explanation of consolidated financial position**

On the consolidated balance sheets at the end of the third quarter, the Group had total assets of 20,079 million yen (up 3,262 million yen from the end of the previous fiscal year), total liabilities of 6,938 million yen (up 2,043 million yen from the end of the previous fiscal year), and net assets of 13,141 million yen (up 1,219 million yen from the end of the previous fiscal year).

(Current Assets)

Consolidated current assets at the end of the third quarter totaled 17,160 million yen, which was 2,576 million yen more than at the end of the previous fiscal year, due to factors including an increase in inventories as well as notes and accounts receivable-trade.

(Noncurrent Assets)

Consolidated noncurrent assets at the end of the third quarter totaled 2,919 million yen, which was 686 million yen more than at the end of the previous fiscal year, due to factors including an increase in property, plant, and equipment.

(Current Liabilities)

Consolidated current liabilities at the end of the third quarter totaled 6,881 million yen, which was 2,040 million yen more than at the end of the previous fiscal year, due to factors including a decrease in loans payable and an increase in accounts payable.

(Noncurrent liabilities)

Consolidated noncurrent liabilities at the end of the third quarter totaled 57 million yen, which was 2 million yen more than at the end of the previous fiscal year, due to factors including a decrease in long-term loans payable and an increase in asset retirement obligations.

(Net assets)

Consolidated net assets at the end of the third quarter totaled 13,141 million yen, which was 1,219 million yen more than at the end of the previous fiscal year, due to cumulative net income in excess of a decline in retained earnings at the end of the previous fiscal year caused by the payment of dividends.

**(3) Explanation of business outlook including consolidated business forecast**

The consolidated business forecast for the current fiscal year remains unchanged from the business forecast announced on May 9, 2014.