

Fact Sheet

First Half of Fiscal Year Ending March 31, 2015

Marvelous Inc.

Stock Exchange Listing: First Section of Tokyo Stock Exchange Stock Code: 7844 URL: <http://www.marv.jp/>
Contact: 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, games for amusement consoles, audio & visual software, 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	4,758	11,387	-	-
Operating Income	655	1,449	-	-
Ordinary Income	649	1,514	-	-
Net Income	424	934	-	-
Net Income Per Share (yen)	7.93	17.48	-	-

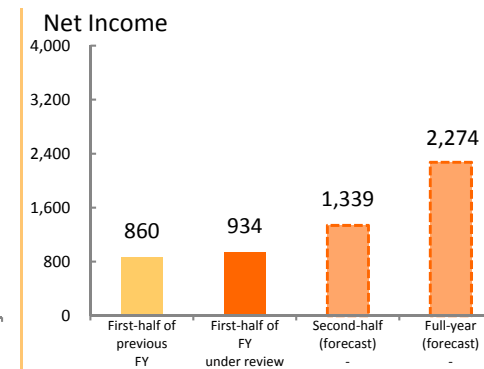
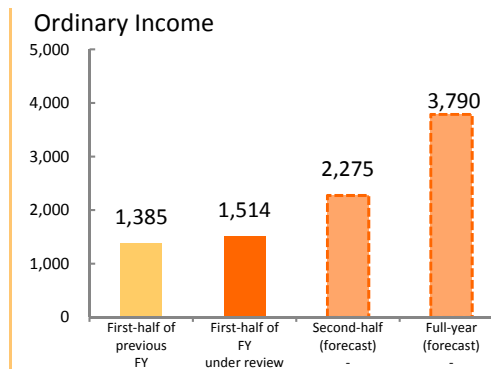
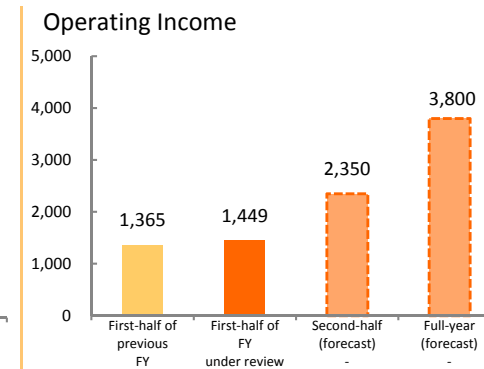
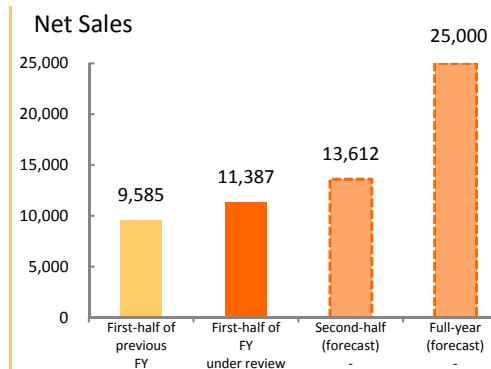
Results of Operations

The entertainment industry in the period under review saw the smartphone game market expand on the back of rapid smartphone proliferation to what has been said twice the size or more of the market for home-use games. This market has thus left the growth phase and entered the maturation phase. Moreover, the Japanese market, the world's largest, has been attracting much interest from foreign companies and prompted a string of market entries of foreign-made content, associated with intensifying competition. On the other hand, with growth of the domestic market slowing, Japanese companies on their part have been making conspicuous efforts developing foreign markets. In the market for home-use games, the domestic software market remains under intense pressure. However, along with the emergence of high-performance hardware like PlayStation 4 and Xbox One, the possibilities of new game categories involving the use of wearable devices and virtual reality have moved into focus. Incidentally, the Tokyo Game Show 2014 marked the highest ever number of exhibitors and the second-highest number of visitors on record. In the market for arcade games, amid the emergence of a range of games for young children and a growing number of consoles featuring game/anime crossovers, there is an oligopoly situation due to the strength of some highly attractive contents offerings. In the audio & visual sectors, although pressure on the software market continues, the live entertainment business has been seeing steadily growing demand, raising expectations for overseas customer acquisitions and advances into foreign markets.

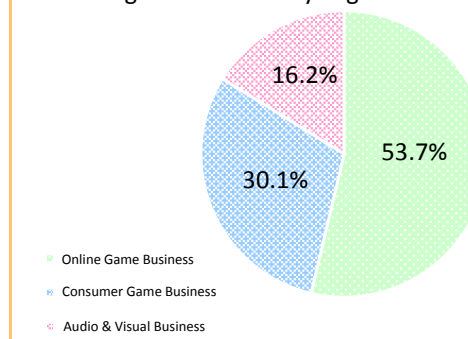
Under these circumstances, the Group has been operating as a comprehensive entertainment provider deploying a "multi-content, multi-use, and multi-device" strategy to deliver diverse entertainment content in all business segments and on a variety of devices. In order to establish robust IPs, the Group 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, 2014 to September 30, 2014) marked 11,387 million yen (up 18.8% compared with the same period of the previous year), with operating income of 1,449 million yen (up 6.2% compared with the same period of the previous year), ordinary income of 1,514 million yen (up 9.3% compared with the same period of the previous year), and net income of 934 million yen (up 8.6% compared with the same period of the previous year).

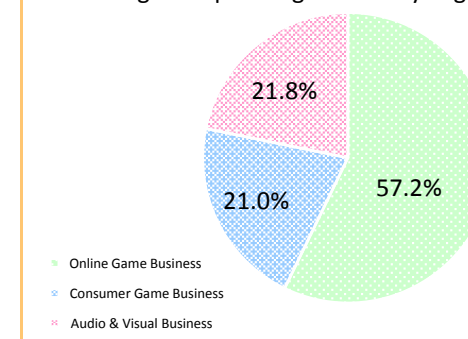
First Half (six months) Financial Results (Unit: million yen)



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



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NBA CLUTCH TIME



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SENTRAN KAGURA 2 PUZZLE & DRAGONS Z
Tamer Battle



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© GungHo Online Entertainment, Inc. / Marvelous Inc.

BakumatsuRock



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Tokyo Ghoul



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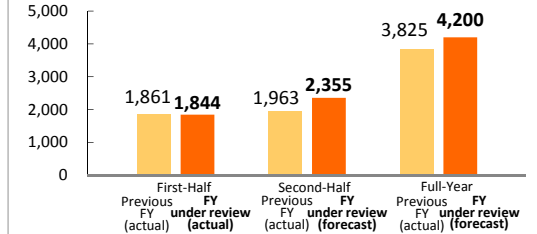
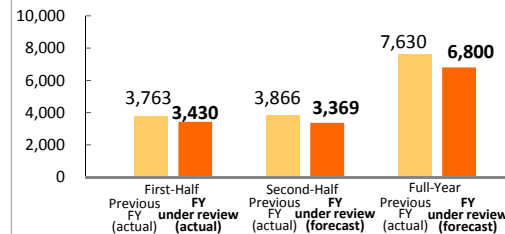
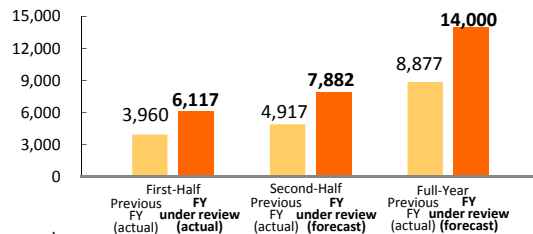
Remarks about Performance

The online game business saw "Browser Sangokushi" continue to show strong performance, now five years after the initiation of service. In mobile browser games, "Ikki-Tousen Burst Fight" remains popular two years after the service start, while "High School DxD," now one year in service, has been showing steady growth. As to other existing titles, with the market shifting to smartphone applications, online and mobile browser games of Marvelous have been showing favorable performances. In native apps, sales of "Logres of Swords and Sorcery: Goddess of Ancient" released in December 2013 have been solid, generating significant contributions to earnings for the period. TV commercials for this title launched in September paid off with cumulative downloads surpassing 4 million instances and accelerating sales growth. In new titles, service was initiated in August for "HIGH SCHOOL DxD NEWFIGHT" as Marvelous' first free-to-play game for PS Vita, attended by preparations for the release of several native apps in the second half of the fiscal year. However, after a comprehensive assessment of game characteristics and future earnings potential, the development of "Browser Evangelion" was terminated despite extensive development work for the title's release. The step follows the development termination of three other titles in the first quarter, also due to uncertain future earnings potential. The costs of the altogether four terminated developments in progress were written off in a single amount. Marvelous will continue to foster and strengthen titles with successful performance records and in the development of new titles, concentrate resources on selections that meet rigorous standards. As a result, segment net sales totaled 6,117 million yen (up 54.5% compared with the same period of the previous year), with segment operating income of 1,117 million yen (up 411.5% compared with the same period of the previous year).

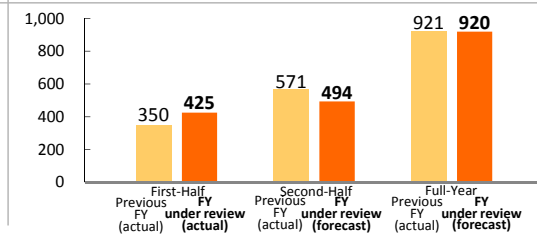
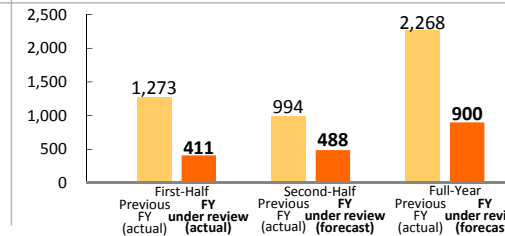
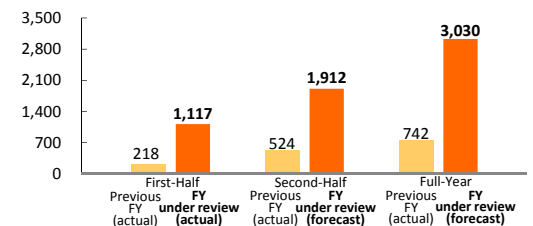
At the Company's sales sector of the Consumer Game Business segment, three new titles were launched ("SENTRAN KAGURA 2 (Nintendo 3DS)" on August 7, "Bakumatsu Rock: Ultra Soul (PS Vita/PSP)" on September 25, and "KINKI NO MAGNA (Nintendo 3DS)" on October 2) with sales for the period recognized on a delivery basis. All three titles missed sales projections. The Company's sales sector of the Consumer Game Business segment launched only one new title in the same period of the previous year. The amusement division initiated service for "PUZZLE & DRAGONS Z Tamer Battle" on June 26 as a new kids' amusement console, to only moderate success. Although the existing "Pokémon TRETТА" performed well, results fell short of plan, partly due to the severely competitive environment. As a result, segment net sales totaled 3,430 million yen (down 8.9% compared with the same period of the previous year), with segment operating income of 411 million yen (down 67.7% compared with the same period of the previous year).

The audio & visual production sector of the Audio & Visual business segment implemented the audio-visual product commercialization of the TV animation production "HAPPINESSCHARGE PRETTY CURE!" of the "PRETTY CURE" series. Additionally, broadcast of the TV animation products "BakumatsuRock" and "Tokyo Ghoul," both lead-managed by the Company, started in July. The stage production division marked a total 68 performances of "MUSICAL THE PRINCE OF TENNIS," accompanied by a release of two related DVDs. "Musical HAKUOKI" achieved altogether 19 performances accompanied with a release of two related DVDs. "Stage Yowamushi Pedal" marked a release of one related DVD. For all performances that were subject to revenue recognition for the period under review, in addition to tickets having been almost sold out, the solid sales of related new and previous DVDs contributed to segment earnings. As a result, segment net sales totaled 1,844 million yen (down 0.9% compared with the same period of the previous year), with segment operating income of 425 million yen (up 21.7% compared with the same period of the previous year).

Net Sales (Unit: million yen)



Operating Income (Unit: million yen)



[Consolidated Statement of Income]

(Unit: million yen)

		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
Net Sales	Former MMV	8,284	6,965	10,423	17,579	20,330	11,387
	Former AQI	7,197	7,239				
Gross Operating Income	Former MMV	677	1,740	4,491	8,116	9,946	6,079
	Former AQI	2,586	3,644				
Operating Income	Former MMV	-1,668	202	1,044	2,329	3,006	1,449
	Former AQI	58	1,070				
Ordinary Income	Former MMV	-1,725	147	1,025	2,325	3,041	1,514
	Former AQI	63	1,041				
Net Income	Former MMV	-1,623	131	3,533	1,919	1,882	934
	Former AQI	58	537				

[Consolidated Balance Sheet]

(Unit: million yen)

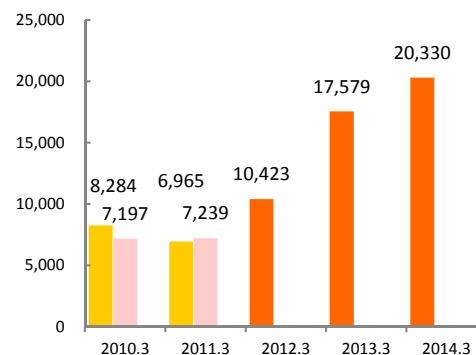
		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
Current Assets	Former MMV	3,889	3,271	11,932	12,593	14,583	15,322
	Former AQI	6,377	7,231				
Fixed Assets	Former MMV	823	820	1,734	2,748	2,233	2,909
	Former AQI	1,403	1,003				
Total Assets	Former MMV	4,713	4,092	13,667	15,341	16,816	18,231
	Former AQI	7,780	8,235				
Current Liabilities	Former MMV	4,447	3,496	4,361	4,570	4,840	5,990
	Former AQI	1,186	1,320				
Long-Term Liabilities	Former MMV	72	271	202	76	54	60
	Former AQI	169	35				
Net Assets	Former MMV	193	325	9,102	10,694	11,921	12,180
	Former AQI	6,424	6,878				
Shareholders' Equity	Former MMV	193	325	9,102	10,694	11,921	12,180
	Former AQI	6,417	6,878				

[Cash Flow Statement]

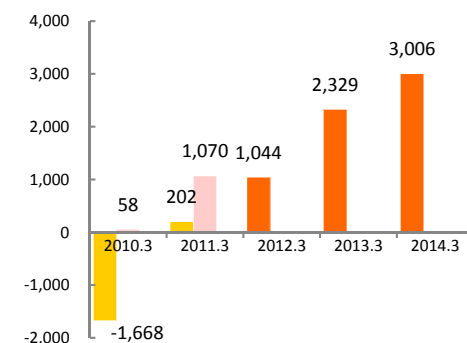
(Unit: million yen)

		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
Cash flows from Operating activities	Former MMV	-210	1,360	1,399	2,817	3,852	1,387
	Former AQI	-193	2,904				
Cash flows from Investing activities	Former MMV	-22	-246	435	-2,130	-634	-1,579
	Former AQI	-598	-2,762				
Cash flows from Financing activities	Former MMV	5	-237	-479	-975	-873	-870
	Former AQI	104	-216				
Cash and Cash Equivalents at End of Period	Former MMV	874	1,749	5,979	5,723	8,120	7,127
	Former AQI	2,483	2,401				

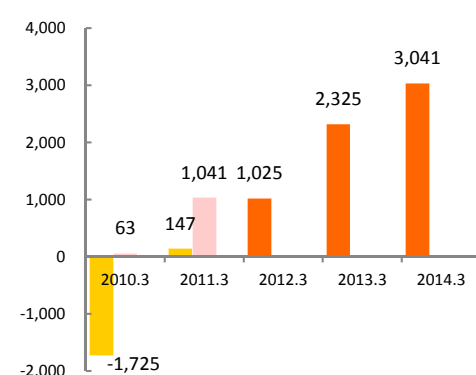
Net Sales (million yen)



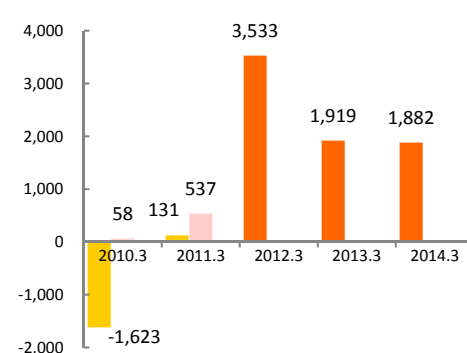
Operating Income (million yen)



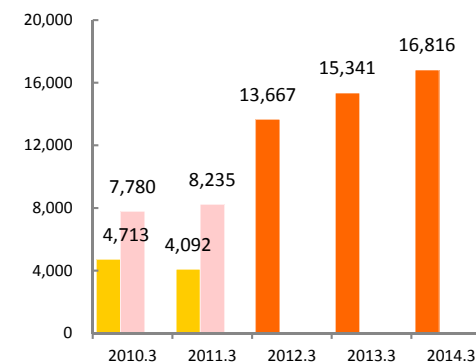
Ordinary Income (million yen)



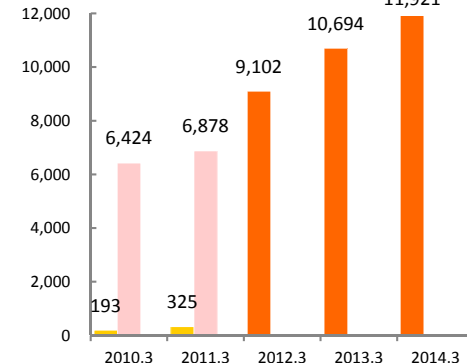
Net Income (million yen)



Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
Net income per share (yen)	Former MMV	-136.18	10.76	107.62	35.90	35.21	17.48
	Former AQI	10.76	98.73				
Net assets per share (yen)	Former MMV	15.83	26.65	170.29	200.07	223.02	227.80
	Former AQI	1,180.61	1,261.95				

[Profitability]

		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
Gross profit rate (%)	Former MMV	8.2	25.0	43.1	46.2	48.9	53.4
	Former AQI	35.9	50.3				
Operating profit ratio (%)	Former MMV	-20.1	2.9	10.0	13.3	14.8	12.7
	Former AQI	0.8	14.8				
Ordinary profit ratio (%)	Former MMV	-20.8	2.1	9.8	13.2	15.0	13.3
	Former AQI	0.9	14.4				
Net profit ratio (%)	Former MMV	-19.6	1.9	33.9	10.9	9.3	8.2
	Former AQI	0.8	7.4				

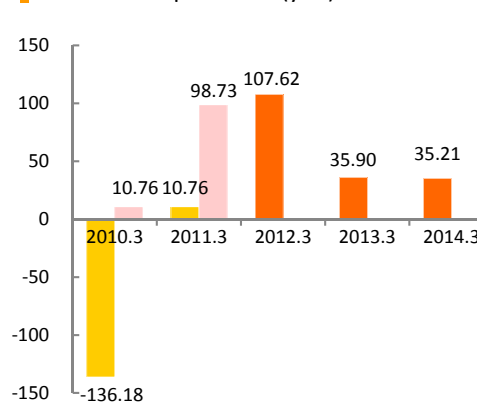
[Efficiency & Security]

		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
ROE (%)	Former MMV	-220.9	50.6	75.0	19.4	16.6	-
	Former AQI	0.9	8.1				
ROA (%)	Former MMV	-30.2	3.4	11.6	16.0	18.9	-
	Former AQI	0.8	13.0				
Capital ratio (%)	Former MMV	4.1	7.9	66.6	69.7	70.9	66.8
	Former AQI	82.5	83.5				
D/E ratio (%)	Former MMV	1,099.6	559.7	15.2	7.9	5.5	3.8
	Former AQI	6.9	1.1				

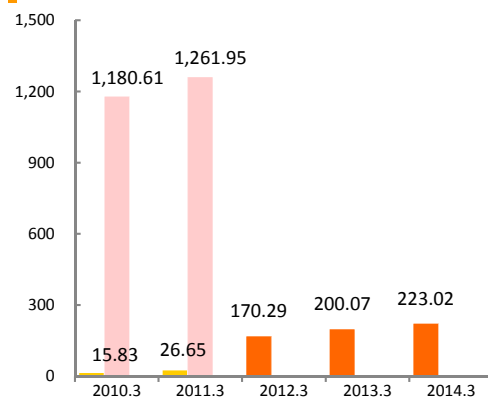
[Return to shareholders]

		2010.3	2011.3	2012.3	2013.3	2014.3	2015.3 1H (6 months)
Dividend (million yen)	Former MMV	0	0	323	668	694	-
	Former AQI	81	201				
DOE (%)	Former MMV	0.0	0.0	6.1	6.8	6.1	-
	Former AQI	1.3	2.9				
Dividend payout ratio (%)	Former MMV	0.0	0.0	5.6	34.8	36.9	-
	Former AQI	139.3	37.5				

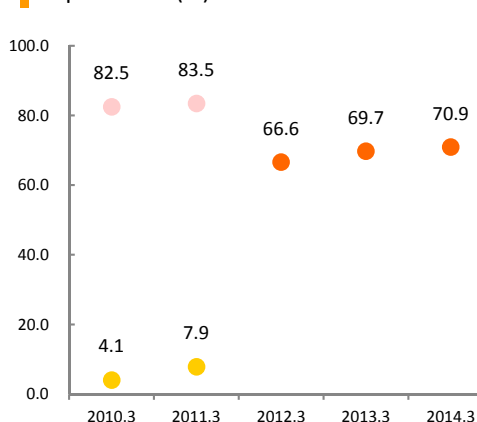
Net income per share (yen)



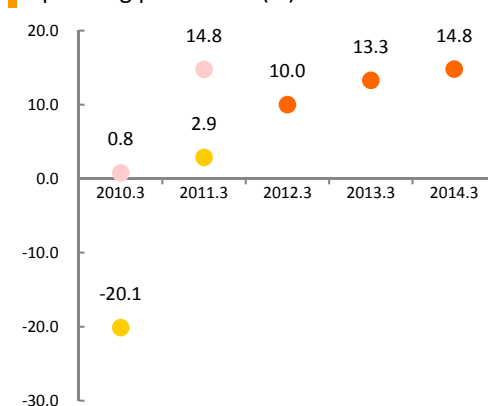
Net assets per share (yen)



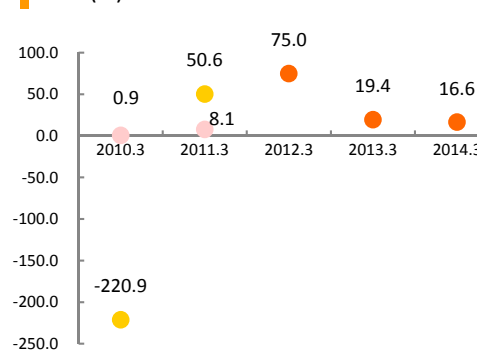
Capital ratio (%)



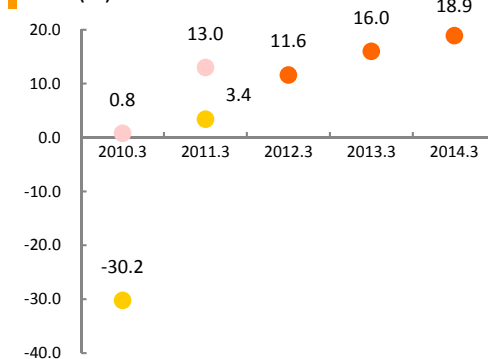
Operating profit ratio (%)



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 net income per share takes into consideration the effects of this stock split.

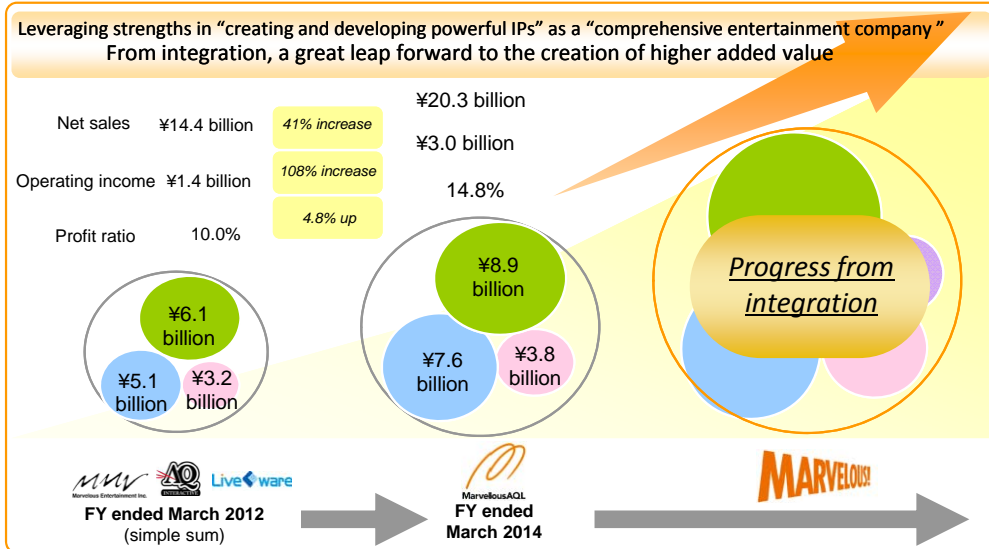
Future Developments & Outlook for Current Fiscal Year

To improve business competitiveness, the Company changed its management structure to a CEO system on April 1, 2014. Also, the Company changed its name on July 1 from Marvelous AQL Inc. to Marvelous Inc.

From its start in 2012 until today, the three-company integration has achieved solid progress from numerous measures undertaken to reap the immediate benefits of consolidation. We now aim for a leap forward through the concerted efforts of the entire company under the banner of "Marvelous reborn."

In its business initiatives in the fiscal year ending March 2015, the Group intends to maintain the favorable performances of the Consumer Game Business division and the Audio & Visual Business division. In the Online Game Business, it will place a large effort on strengthening its operations in best-selling titles and developing new app games.

As a result of the aforementioned efforts, consolidated results for the next term are forecast to achieve net sales of 25,000 million yen, operating income of 3,800 million yen, ordinary income of 3,790 million yen, and net income of 2,274 million yen.



Basic Information

Company Profile (As of September 30, 2014)

- 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 and CEO	Haruki Nakayama
President and COO	Shuichi Motoda
Executive Vice President and DeptCOO	Toshinori Aoki
Director	Yoshiaki Matsumoto
Director	Yoshiteru Yamaguchi
Director and CFO	Seiichiro Kato
Director (External)	Shunichi Nakamura
Director (External)	Ken Kutaragi
Standing Statutory Auditor	Toshio Nago
Corporate Auditor (External)	Isamu Tsuji
Corporate Auditor (External)	Iwao Nishi
Corporate Auditor (External)	Katsuhiko Nishimura

Business Activities

- Online Game Business**: Developing 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, 2014)

- End of term: March 31
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 16,249
- Shares per unit: 100

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.32 %
• Amuse Capital Inc.	12.50 %
• Haruki Nakayama	10.22 %
• Amuse Capital Investment, K.K.	3.43 %
• SBI SECURITIES Co., Ltd.	2.45 %
• The Master Trust Bank of Japan, Ltd. (trust account)	2.35 %
• Japan Trustee Services Bank Ltd. (trust account)	1.86 %
• JPMCB NA ITS LONDON CLIENTS AC MORGAN STANLEY AND CO INTERNATIONAL LIMITED	1.74 %
• JAPAN SECURITIES FINANCE CO., LTD.	1.68 %
• TOHOKUSHINSHA FILM CORPORATION	1.45 %

[Stock Quote] (As of November 5, 2014)

- Stock Quote: 1,278 yen
- Market Cap: 68,491 million yen