

Fact Sheet

Fiscal Year Ended March 31, 2017

Marvelous Inc.

Stock Exchange Listing: First Section of Tokyo Stock Exchange Stock Code: 7844 URL: <https://corp.marv.jp/>
Contact: Administration Division, 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, amusement games, audio & visual content, stage and 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	6,203	12,999	21,636	29,387
Operating Income	638	1,317	3,821	5,754
Ordinary Income	410	1,055	3,917	5,810
Profit attributable to owners of parent	303	799	2,820	4,165
Net Income Per Share (yen)	5.86	15.45	54.52	80.53

Results of Operations

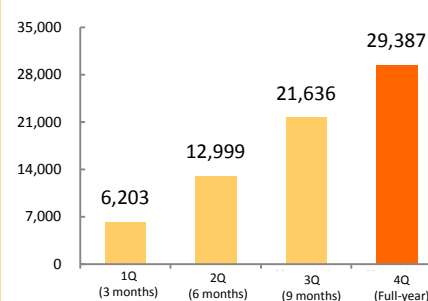
The entertainment industry in the current fiscal year witnessed the continued dissemination of new games in the mobile games market, including the ascent of smartphone game apps using worldwide popular IPs, which became a craze in countries around the globe and turned into unprecedented mega hits. Furthermore, virtual reality (VR) emerged as a widely-discussed topic in Japan and overseas. In 2016, considered the Year One of VR, manufacturers released a diversity of VR related hardware. Meanwhile, the live entertainment market remained vibrant with continued growth in stage performances such as musicals and theatricals.

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.

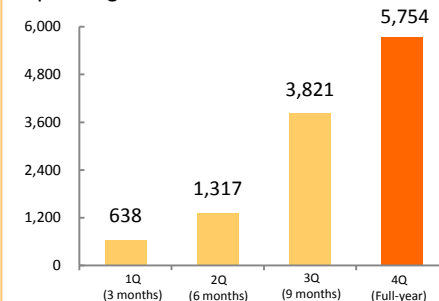
As a result, the Group's consolidated operating results for the current term (April 1, 2016 to March 31, 2017) came to net sales of 29,387 million yen (down 7.6% from the previous fiscal year), operating income of 5,754 million yen (up 6.2% from the previous fiscal year), and ordinary income of 5,810 million yen (up 11.1% from the previous fiscal year). Profit attributable to owners of parent for the term was 4,165 million yen (up 15.6% from the previous fiscal year).

Financial Results (Unit: million yen)

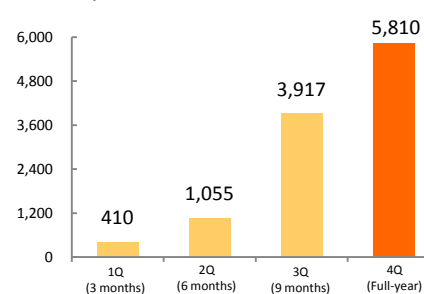
Net Sales



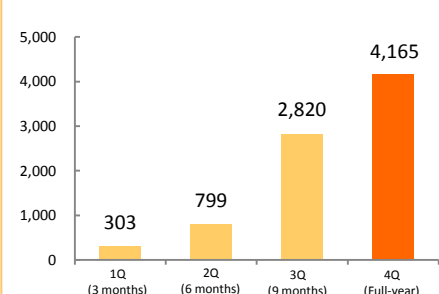
Operating Income



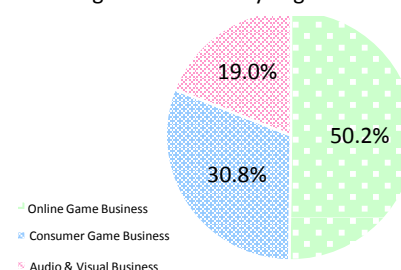
Ordinary Income



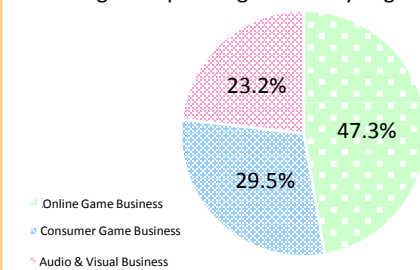
Profit attributable to owners of parent



Percentage of Net Sales by Segment



Percentage of Operating Income by Segment



Online Game Business

Leading Titles

Logres of Swords and Sorcery:
Goddess of Ancient



©Marvelous Inc. Aiming Inc.

Remarks about Performance

In the Online Game Business, efforts continued to expand the user base and revive sales and earnings growth of "Logres of Swords and Sorcery: Goddess of Ancient" through the installation of new functions and the continued hosting of collaborative events as well as 3-year anniversary events, etc., marking the third anniversary of the service start of this core title. On the other hand, the division decided to end the title's launch in China after the original earnings expectations were disappointed. Elsewhere, service was terminated for iOS/Android app "SMASH DRAGOON," whose dissemination started in April 2016. Likewise terminated were titles with faltering returns and some titles in development. The development cost was written off in a lump sum.

As a result, segment net sales totaled 14,750 million yen (down 25.3% from the previous fiscal year) with segment operating income at 3,271 million yen (down 21.8% from the previous fiscal year).

Consumer Game Business

Fate/EXTELLA



©TYPE-MOON ©2016 Marvelous Inc.

Pokémon Ga-Olé



©2017 Pokémon.
©1995-2017 Nintendo/Creatures Inc./GAME FREAK Inc.
Developed by T-ARTS and MARV

At the Company's sales sector of the Consumer Game Business segment, Sales have been developing steadily for "BOKUJO MONOGATARI MITTSU NO SATO NO TAISETSU NA TOMODACHI (Nintendo 3DS)," brought to market on June 23, 2016. Likewise, "Fate/EXTELLA (PS Vita/PS4)," with sales launched on November 10, 2016, turned into a hit product outpacing sales of previous products in this series by a wide margin. Moreover, "SENTRAN KAGURA PEACH BEACH SPLASH (PS4)," brought to market on March 16, 2017, also posted favorable sales.

At the amusement division, new machines "Dragon Quest: Monster Battle Scanner" and "Pokémon Ga-Olé" went into operation respectively on June 23 and July 7, 2016.

As a result, segment net sales totaled 9,067 million yen (up 20.2% from the previous fiscal year) with segment operating income of 2,042 million yen (up 102.9% from the previous fiscal year).

Audio & Visual Business

Touken Ranbu the Stage
(Repeat performance)



©Touken Ranbu the Stage Production Committee

"Ensemble Stars! On Stage"
~Take your marks!~



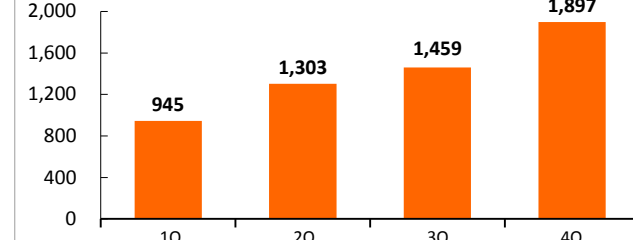
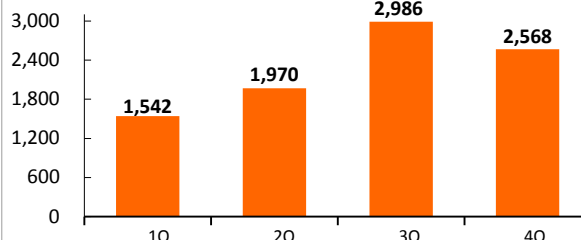
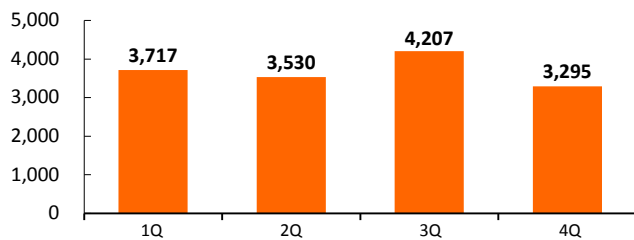
©2016 Happy Elements K.K./Ensemble Stars! STAGE PROJECT

The division's audio & visual production operations commercialized package products such as TV anime "Witchy Pretty Cure!" and in July 2016 broadcasted the TV anime "QUALIDEA CODE!" lead-produced by the Company. TV anime "TOUKEN RANBU HANAMARU," with broadcasts continuing since October 2016, marked soaring sales of Blu-ray and DVD products. Income from secondary uses, centered on video dissemination in Japan and overseas, also developed favorably.

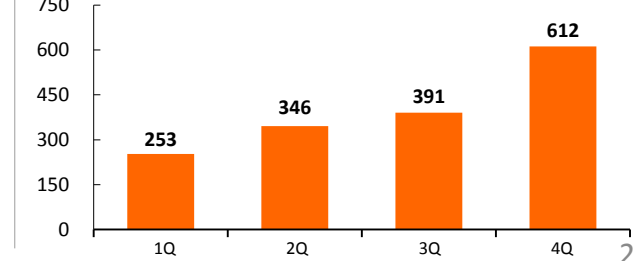
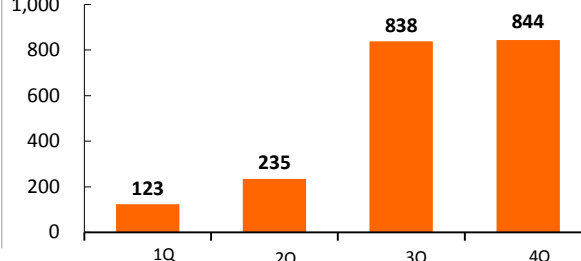
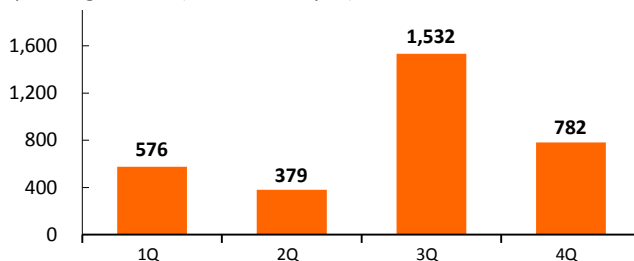
Stage production operations came out with new performances of serialized productions, specifically "MUSICAL THE PRINCE OF TENNIS," "Stage [Yowamushi Pedal]," "Musical HAKUOKI," "Stage K," and "ULTRA MUSICAL Samurai Jam - Bakumatsu Rock-," all with favorable results. New titles have been extraordinarily successful. A public performance of "Touken Ranbu the Stage" in May was followed by a second performance in December, while "Ensemble Stars! On Stage" performed in June had its sequel staged in January. Blu-ray and DVD sales for both productions were highly favorable.

As a result, segment net sales totaled 5,607 million yen (up 23.8% from the previous fiscal year) with segment operating income of 1,603 million yen (up 22.5% from the previous fiscal year).

Net Sales (Unit: million yen)



Operating income (Unit: million yen)

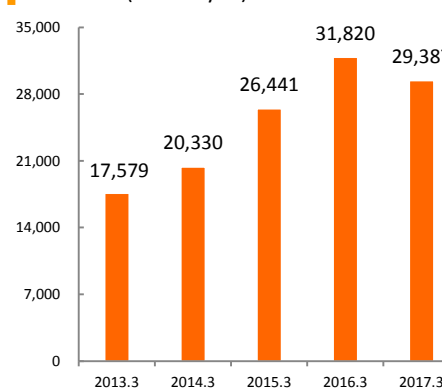


[Consolidated Statement of Income]

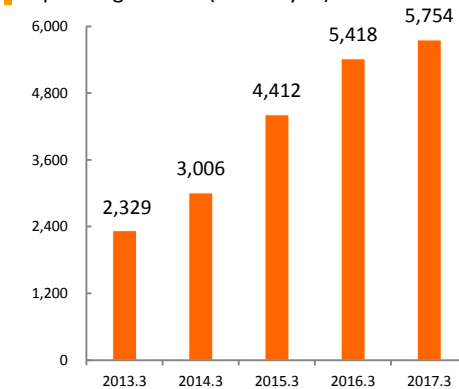
(Unit: million yen)

	2013.3	2014.3	2015.3	2016.3	2017.3
Net Sales	17,579	20,330	26,441	31,820	29,387
Gross Operating Income	8,116	9,946	14,975	19,211	16,273
Operating Income	2,329	3,006	4,412	5,418	5,754
Ordinary Income	2,325	3,041	4,583	5,228	5,810
Profit attributable to owners of parent	1,919	1,882	2,178	3,602	4,165

Net Sales (million yen)



Operating Income (million yen)

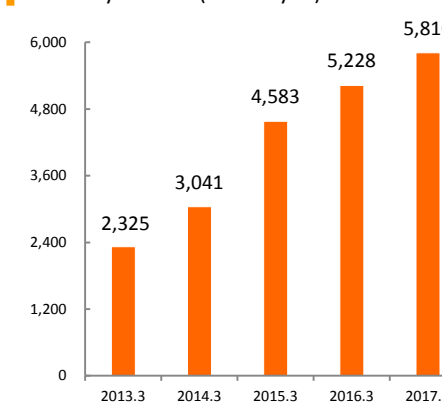


[Consolidated Balance Sheet]

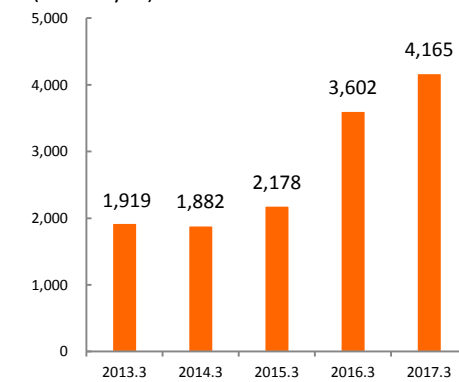
(Unit: million yen)

	2013.3	2014.3	2015.3	2016.3	2017.3
Current Assets	12,593	14,583	18,624	16,204	19,285
Fixed Assets	2,748	2,233	3,414	4,165	4,943
Total Assets	15,341	16,816	22,039	20,370	24,228
Current Liabilities	4,570	4,840	8,535	6,421	7,626
Long-Term Liabilities	76	54	52	27	62
Net Assets	10,694	11,921	13,450	13,921	16,539
Shareholder's Equity	10,694	11,921	13,450	13,904	16,528

Ordinary Income (million yen)



Profit attributable to owners of parent (million yen)

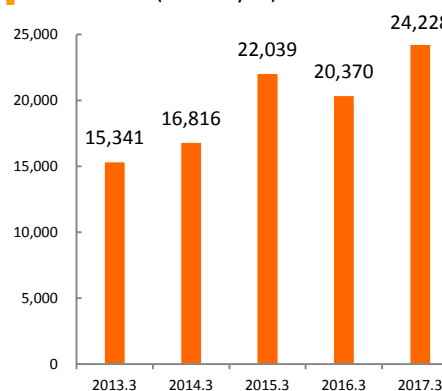


[Cash Flow Statement]

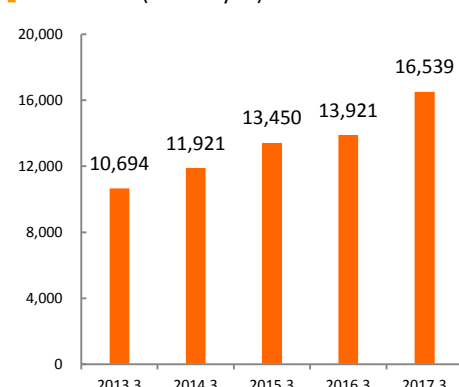
(Unit: million yen)

	2013.3	2014.3	2015.3	2016.3	2017.3
Cash flows from Operating activities	2,817	3,852	4,031	5,986	6,701
Cash flows from Investing activities	-2,130	-634	-2,218	-2,874	-3,609
Cash flows from Financing activities	-975	-873	-1,146	-3,086	-1,451
Cash and Cash Equivalents at End of Period	5,723	8,120	8,937	8,786	10,337

Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

	2013.3	2014.3	2015.3	2016.3	2017.3
Net income per share (yen)	35.90	35.21	40.74	68.68	80.53
Net assets per share (yen)	200.07	223.02	251.55	268.84	319.58

[Profitability]

	2013.3	2014.3	2015.3	2016.3	2017.3
Gross profit ratio (%)	46.2	48.9	56.6	60.4	55.4
Operating profit ratio(%)	13.3	14.8	16.7	17.0	19.6
Ordinary profit ratio (%)	13.2	15.0	17.3	16.4	19.8
Net profit ratio (%)	10.9	9.3	8.2	11.3	14.2

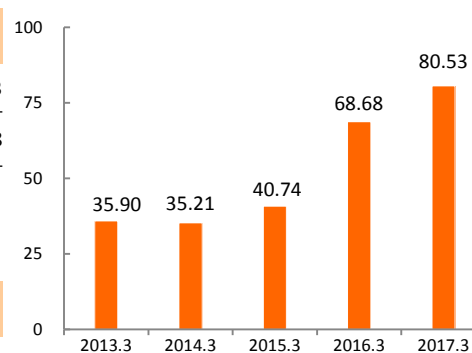
[Efficiency & Security]

	2013.3	2014.3	2015.3	2016.3	2017.3
ROE (%)	19.4	16.6	17.2	26.3	27.4
ROA (%)	16.0	18.9	23.6	24.7	26.1
Capital ratio (%)	69.7	70.9	61.0	68.3	68.2
D/E ratio (%)	7.9	5.5	1.5	1.2	1.6

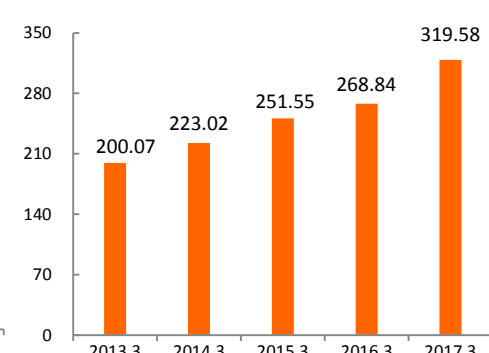
[Return to Shareholders]

	2013.3	2014.3	2015.3	2016.3	2017.3
Dividend (million yen)	668	694	1,069	1,551	1,566
DOE (%)	6.8	6.1	8.4	11.5	10.2
Dividend payout ratio (%)	34.8	36.9	49.1	43.7	37.3

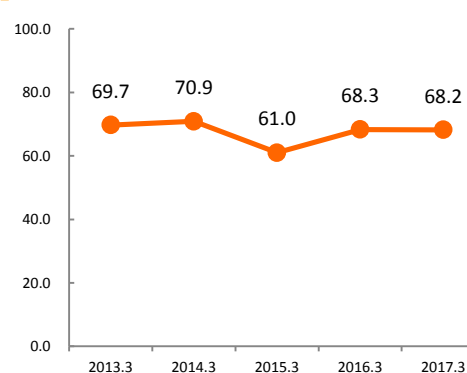
Net income per share (yen)



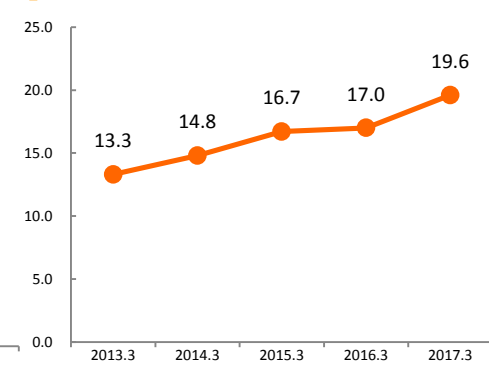
Net assets per share (yen)



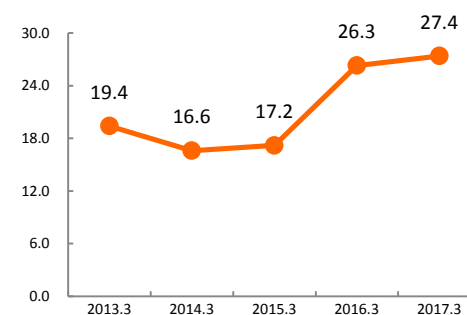
Capital ratio (%)



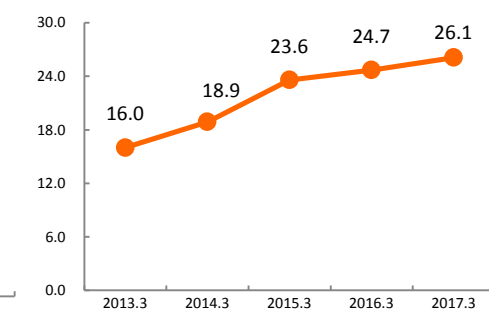
Operating profit ratio (%)



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 per share indices take into consideration the effects of this stock split.

Future Developments & Outlook for Fiscal Year Ending March 2018

For the future developments, the Online Game Business will work to sustain the steady performance of existing titles and continue in its efforts at new hit title creation through the use of own and other companies' popular IP and through alliances with strong partner companies. At the Consumer Game Business, the package software division will proactively promote in Japan and overseas the roll-out of series based on company-owned IP while working on the creation of new IP and on accommodating new platforms. The amusement business division will continue to emphasize its strength in the kids amusement segment while working on market development in new challenging fields.

The Audio & Visual Business will in the division's audio & visual production operations respond swiftly and flexibly to market trends away from the package business and toward the dissemination business through highly selective contents investment and proactive expansion of secondary usage. In the field of stage production operations, the division will work on the acquisition and provision of high-quality contents in order to solidify its leading position in the 2.5D business and take steps to achieve further growth through secondary uses and overseas initiatives. These activities will be accompanied by attention to the creation of Company signature contents through lateral initiatives encompassing the Online Game Business, Consumer Game Business, and Audio & Visual Business.

As a result of the aforementioned efforts, consolidated results for the fiscal year ending March 2018 are forecast to achieve net sales of 30,000 million yen, operating income of 6,000 million yen, ordinary income of 6,000 million yen, and profit attributable to owners of parent of 4,180 million yen.



Comprehensive capabilities of Marvelous accumulated over two decades since the founding of the Company

Online Game Business

Native app

Social games

PC browser games

Consumer Game Business

Home-use games

Amusement games

Audio & Visual Business

CD / DVD / Blu-ray

Stage/musical performances

Dissemination and program sales

New title development

IP value maximization

Strategic cooperation

Expansion of overseas initiatives

Multi-media development

Preparation of wide and varied line-ups

Sustained growth for the next 20 years

Basic Information

Company Profile (As of April 1, 2017)

• 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 yen	
• Officers:	Chairman, President and CEO	Haruki Nakayama
	Vice Chairman	Shuichi Motoda
	Representative Director, Executive Vice President and COO	Takashi Sensui
	Executive Vice President	Toshinori Aoki
	Managing Director	Yoshiaki Matsumoto
	Director and CFO	Seiichi Kato
	Director (External)	Shunichi Nakamura
	Director (External)	Makoto Arima
	Standing Statutory Auditor	Toshio Nago
	Corporate Auditor (External)	Tadahiko Ono
	Corporate Auditor (External)	Hisashi Miyazaki

Business Activities

Online Game Business

Proposing, developing, producing and marketing 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 March 31, 2017)

- End of term: March 31
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 20,325

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.80 %
• Amuse Capital Inc.	12.83 %
• Haruki Nakayama	10.49 %
• Amuse Capital Investment, K.K.	3.52 %
• Japan Trustee Services Bank, Ltd. (Trust Account)	1.63 %
• TOHOKUSHINSHA FILM CORPORATION	1.49 %
• Japan Trustee Services Bank, Ltd. (Trust Account 5)	1.17 %
• The Master Trust Bank of Japan, Ltd. (Trust Account)	1.14 %
• Trust & Custody Services Bank, Ltd. (Trust E Units)	0.95 %
• JPMorgan Chase Bank 380178	0.93 %

*1. Shareholding ratios are calculated after deduction of treasure stock (1,372,400 shares).

*2. Shareholding ratios are truncated after three decimal places.

*3. A total of 500,000 shares held by Trust & Custody Services Bank, Ltd. (Trust E Units) constitute trust assets of the "Board Benefit Trust (BBT)" entrusted with Trust & Custody Services Bank, Ltd. by Mizuho Trust & Banking Co., Ltd. which retains the voting rights of the said shares.

[Stock Quote] (As of May 11, 2017)

- Stock Quote: 1,023 yen
- Market Cap: 54,825 million yen