

MARVELOUS!

Results Briefing Materials

Fiscal Year Ending March 31, 2020

First Half

October 31, 2019

Fiscal Year Ending March 2020, First-Half Results Summary

Segment Results and Full-Year Business Forecast

**Fiscal Year Ending March 2020,
First-Half Results Summary**

Earnings Highlights (Statement of Profit and Loss)



- Sales revenues decreased due to lower sales of online games and timing difference in revenue recognition from stage performance operations
- Earnings decreased due to the above-mentioned sales decline and the absence of income from the sale of software assets, etc., posted in 2Q of the previous fiscal year

(Unit: million yen)	1H FY ended March 2019		1H FY ending March 2020		YOY change	
	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales	13,314	-	10,836	-	-2,477	81.4%
Cost of sales	6,348	-	5,609	-	-738	88.4%
SGA expenses	4,198	-	3,962	-	-236	94.4%
Thereof advertising expenses	671	-	724	-	53	107.9%
Operating profit	2,767	20.8%	1,264	11.7%	-1,502	45.7%
Non-operating profit/losses	103	-	-16	-	-119	-
Ordinary profit	2,870	21.6%	1,247	11.5%	-1,622	43.5%
Extraordinary profit/losses	2	-	-25	-	-28	-
Income taxes	931	-	478	-	-452	51.4%
Profit attributable to owners of parent	1,941	14.6%	743	6.9%	-1,197	38.3%

Segment Results



		1H FY ended March 2019	1H FY ending March 2020	YOY change	
(Unit: million yen)		Actual	Actual	(Amount)	(%)
Net sales	Online Game Business	4,478	3,553	-925	79.3%
	Consumer Game Business	5,716	5,241	-475	91.7%
	Audio & Visual Business	3,125	2,059	-1,065	65.9%
	Total	13,314	10,836	-2,477	81.4%
Segment profit	Online Game Business	364	500	135	137.2%
	Consumer Game Business	2,036	875	-1,160	43.0%
	Audio & Visual Business	1,042	616	-426	59.1%
	Total	3,444	1,993	-1,450	57.9%
Company-level costs, etc.		-676	-728	-52	107.7%
Operating profit total		2,767	1,264	-1,502	45.7%

Online Game Business

- Sales of long-seller titles continue to decline
- Income margins improved mainly due to structural reform effects and the disposal of unprofitable titles

Consumer Game Business

- Pokémon Ga-Olé performing favorably
- Solid sales of new game software
- Absence of previous fiscal year's income from assets sales

Audio & Visual Business

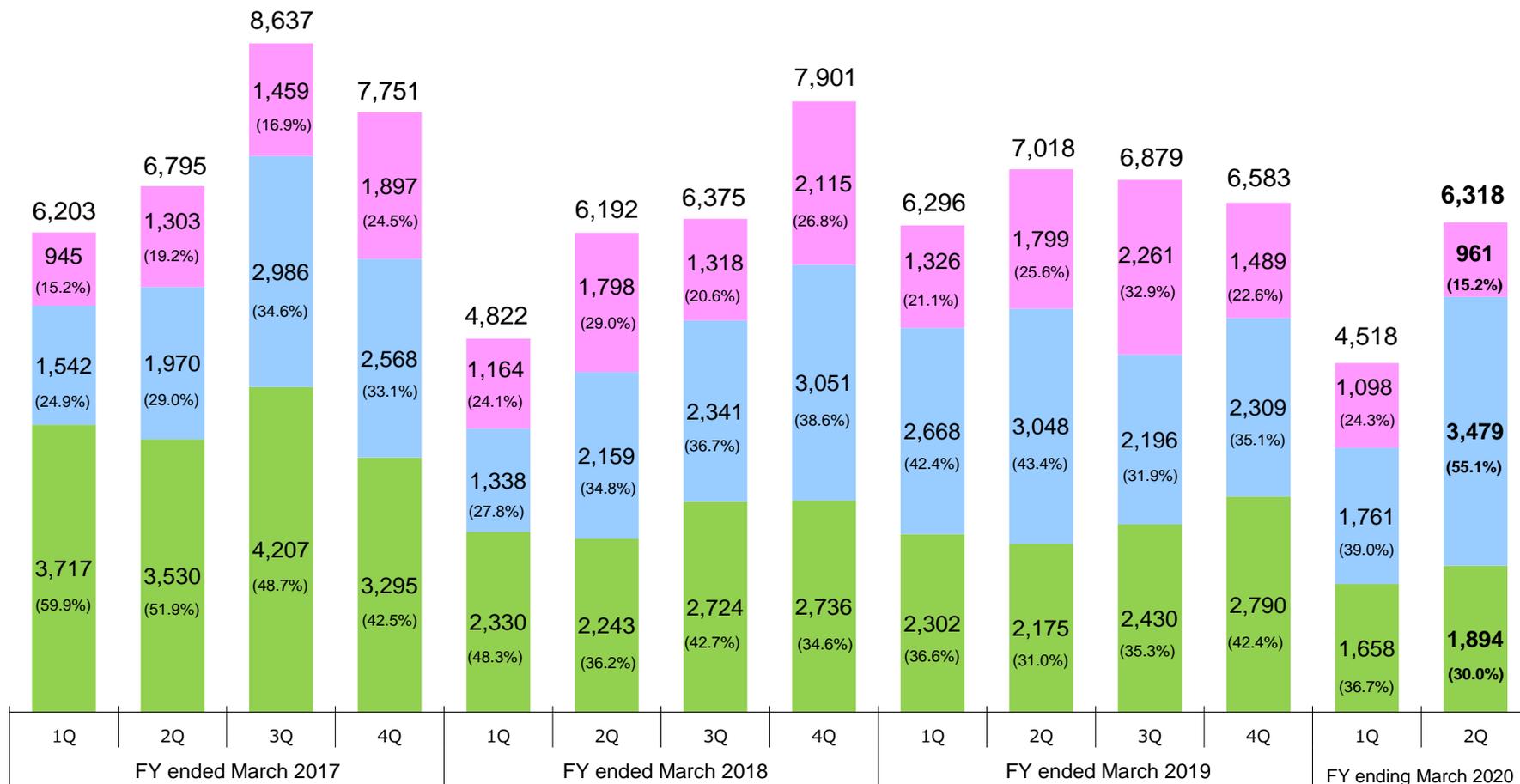
- Timing difference in revenue recognition from stage performance operations
- Audio & Visual business on a par with the previous fiscal year

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



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

Unit: million yen (percent of sales)



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

Segment Results and Full-Year Business Forecast

Online Game Business: 1H FY Ending March 2020 Progress Status



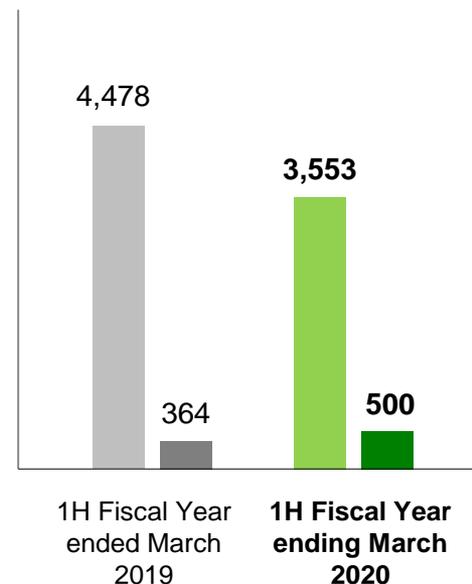
[Results Up Until 1H FY Ending March 2020]

Revenues decreased due to lower sales of long-seller titles and a smaller number of titles, but profitability improved, and income rose due to the previous fiscal year's structural reform effects and disposal of unprofitable titles

[Title Performance]

- "SHINOVI MASTER -SENTRAN KAGURA NEW LINK-" maintained solid performance but sales of "Logres of Swords and Sorcery: Goddess of Ancient" decreased due to aging
- Latest production of the "Logres" series "LOGRES STORIES" and "GIRL CAFE GUN" barrage shooting game for smartphones originating from China both launched in September, with limited contributions to 2Q

■ Net sales ■ Segment profit (Unit: million yen)



[Title Rollouts]

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



Launched in November 2017

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



Launched in December 2013

©Marvelous Inc. Aiming 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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Online Game Business: Initiatives Starting in 3Q of FY Ending March 2020

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- Focus on promoting "LOGRES STORIES" and "GIRL CAFE GUN" launched in September to mainstay titles
- New novel app slated to be launched in the winter (title undecided)
- Dedicated efforts continue to develop new game apps with service starts this fiscal year

LOGRES STORIES

(native app)



Launched on September 18, 2019

©Marvelous Inc. Aiming Inc.

Title undecided

(novel app)

New novel app

Scheduled to be launched this winter

GIRL CAFE GUN

(native app)



Launched on September 20, 2019

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Title undecided

(native app)

New app game

Distribution to be determined

Consumer Game Business: 1H FY Ending March 2020 Progress Status



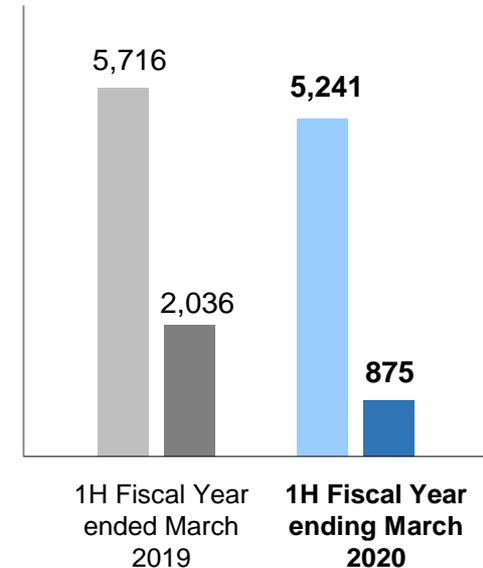
[Results Up Until 1H FY Ending March 2020]

Continued favorable performance of Pokémon Ga-Olé and solid trend in sales of game software, but income decreased mainly due to the absence of previous fiscal year's income from assets sales

[Title Performance]

- Sales launch of "Rune Factory 4 Special (Nintendo Switch)" in July
- New action "DAEMON X MACHINA (Nintendo Switch)" in worldwide simultaneous sales release in September
- Amusement business saw continued favorable performance of "Pokémon Ga-Olé" and start of operations of new rhythm game "WACCA" on July 18

■ Net sales ■ Segment profit (Unit: million yen)



[Title Rollouts]

Rune Factory 4 Special
(Nintendo Switch)



Released on July 25, 2019

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DAEMON X MACHINA
(Nintendo Switch)



Released on September 13, 2019

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Pokémon Ga-Olé
(Amusement)



Operations started in July 2016

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TM, ©, and character names are trademarks of Nintendo.

WACCA
(Amusement)



Operations started on July 18, 2019

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Consumer Game Business: Initiatives Starting in 3Q of FY Ending March 2020



- "BOKUJO MONOGATARI SAIKAI NO MINERAL TOWN," first in the series of titles for Nintendo Switch, and "Travis Strikes Again: No More Heroes Complete Edition" as latest production of the "NO MORE HEROES" series were released in October, followed by overseas-acquired title "CONTROL" slated for release in December, and new project "KANDAGAWA JET GIRLS" scheduled for release in January

BOKUJO MONOGATARI SAIKAI NO MINERAL TOWN

(Nintendo Switch)



Released on October 17, 2019

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Travis Strikes Again: No More Heroes Complete Edition

(PlayStation®4/Steam®)



PS4® version: Released on October 17, 2019
Steam® version: Distribution launched on October 18, 2019

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CONTROL

(PlayStation®4)



Scheduled to be released
on December 12, 2019

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KANDAGAWA JET GIRLS

(PlayStation®4)



Scheduled to be released
on January 16, 2020

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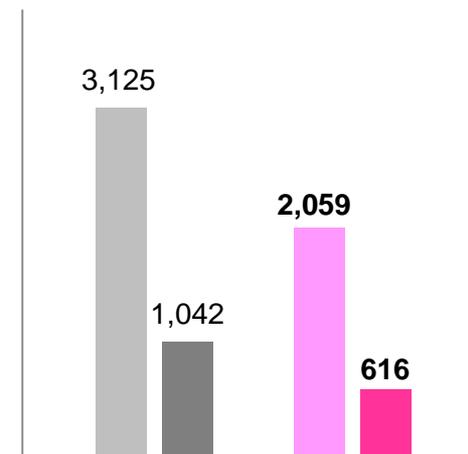
Audio & Visual Business: 1H FY Ending March 2020 Progress Status



[Results Up Until 1H FY Ending March 2020]

All stage performances proved highly popular, but with time difference in revenue recognition until 3Q, revenues and earnings declined

■ Net sales ■ Segment profit (Unit: million yen)



[Title Performance]

- Stage performance operations came out with new productions "Touken Ranbu the Stage," "MUSICAL THE PRINCE OF TENNIS," and "Ensemble Stars! On Stage"
- Sales release of Blu-ray / DVD performances of "Stage K," "Musical HAKUOKI SHITAN," and "MUSICAL 『MORIARTY THE PATRIOT』"
- Sales release of the Blu-ray / DVD versions of "Pretty Cure Miracle Universe the Movie" at the Audio & Visual Business

[Title Rollouts]

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

1H Fiscal Year ended March 2019
1H Fiscal Year ending March 2020
Pretty Cure
Miracle Universe the Movie

Touken Ranbu the Stage



Performances from June to August 2019 (3Q)

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



Performances from July to September 2019 (3Q)

©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"
~Destruction x Road~



Performances from August to September 2019 (3Q)

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



DVD/BD Sales launched in July 2019

© 2019 Pretty Cure Miracle Universe the Movie Production Committee

Audio & Visual Business: Initiatives Starting in 3Q of FY Ending March 2020



- In the anime segment, release of the latest movie production of Pretty Cure starting in October
- In the stage performance segment, latest series productions, LIVE performances, and completely new productions are scheduled for release

Star Twinkle Pretty Cure the Movie



Released in October 2019

©2019 Star Twinkle Pretty Cure the Movie Production Committee

Musical AO HARU-TETSUDO CONCERT Rails Live 2019



Performances from October
to November 2019

©Musical AO HARU TETSUDO Project

“Blood Blockade Battlefront” the Stage



Performances scheduled
for November 2019

©Yasuhiro Nightow/SHUEISHA
©Blood Blockade Battlefront the Stage

PERSONA5 the Stage



Performances scheduled
for December 2019

©ATLUS ©SEGA ©SEGA/PERSONA5 the Stage Project

Touken Ranbu the Stage



Public performances scheduled for
Nov. 2019 – Jan. 2020

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

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



Public performances scheduled for
Dec. 2019 – Feb. 2020

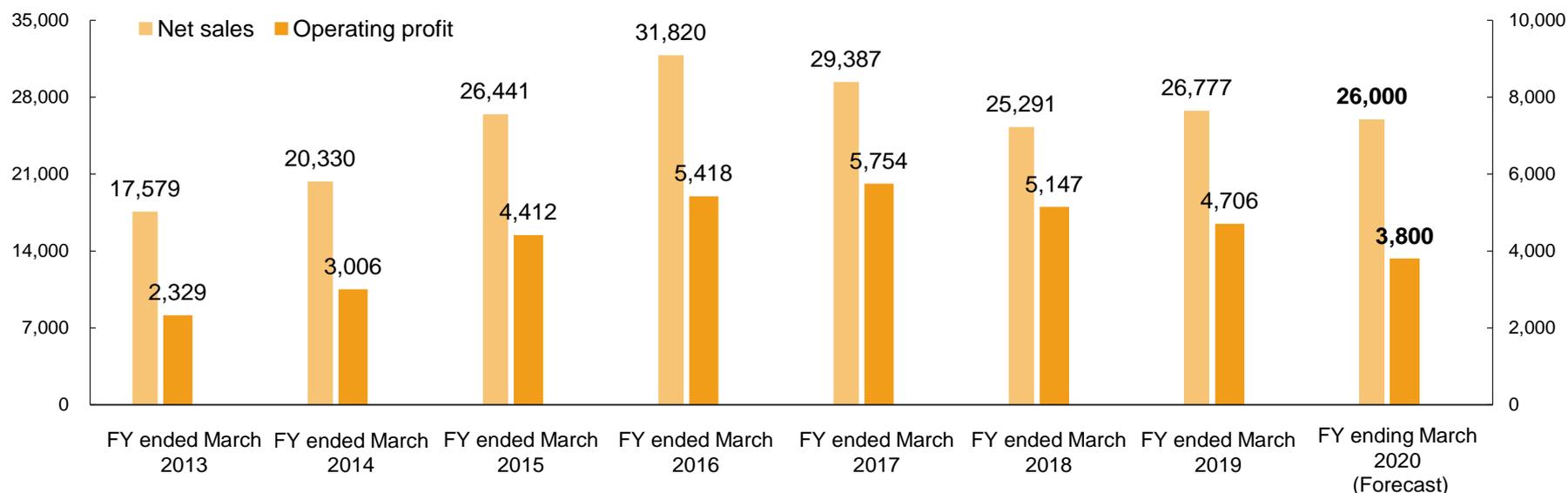
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©1999 TAKESHI KONOMI/2015 MUSICAL THE PRINCE OF TENNIS PROJECT

Fiscal Year Ending March 2020, Business Forecast



Unit: million yen

	FY ended March 2019		FY ending March 2020		YOY change	
	Actual	Profit ratio	Forecast	Profit ratio	(Amount)	(%)
Net sales	26,777	–	26,000	–	-777	97.1%
Operating profit	4,706	17.6%	3,800	14.6%	-906	80.7%
Ordinary profit	4,791	17.9%	3,800	14.6%	-991	79.3%
Profit attributable to owners of parent	3,351	12.5%	2,600	10.0%	-751	77.6%



Thank you very much for your attention.

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