

Marvelous Inc.

Stock Code: 7844

(First Section of Tokyo Stock Exchange)

MARVELOUS!

Results Briefing Materials

Fiscal Year Ending March 31, 2021

Third Quarter

January 29, 2021

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**Fiscal Year Ending March 2021,
Third-Quarter Results Summary**

Earnings Highlights (Statement of Profit and Loss)



- Although the impact of the novel coronavirus (COVID-19) on the amusement and audio & visual businesses continued, a substantial increase in profits was achieved thanks to improved profit ratio in the online game business and new hits in consumer games.

Unit: million yen	3Q FY ended March 2020		3Q FY ending March 2021		YOY change	
	Actual	Profit ratio	Actual	Profit Ratio	(Amount)	(%)
Net sales	18,546	-	17,292	-	-1,254	93.2%
Cost of sales	9,990	-	8,005	-	-1,984	80.1%
SGA expenses	6,444	-	5,946	-	-498	92.3%
Thereof advertising expenses	1,380	-	938	-	-442	68.0%
Operating profit	2,111	11.4%	3,340	19.3%	1,228	158.2%
Non-operating profit/loss	24	-	-53	-	-77	-
Ordinary profit	2,135	11.5%	3,286	19.0%	1,150	153.9%
Extra ordinary profit/loss	-44	-	52	-	96	-
Income taxes	755	-	994	-	239	131.8%
Profit attributable to owners of parent	1,336	7.2%	2,344	13.6%	1,007	175.4%

Segment Results



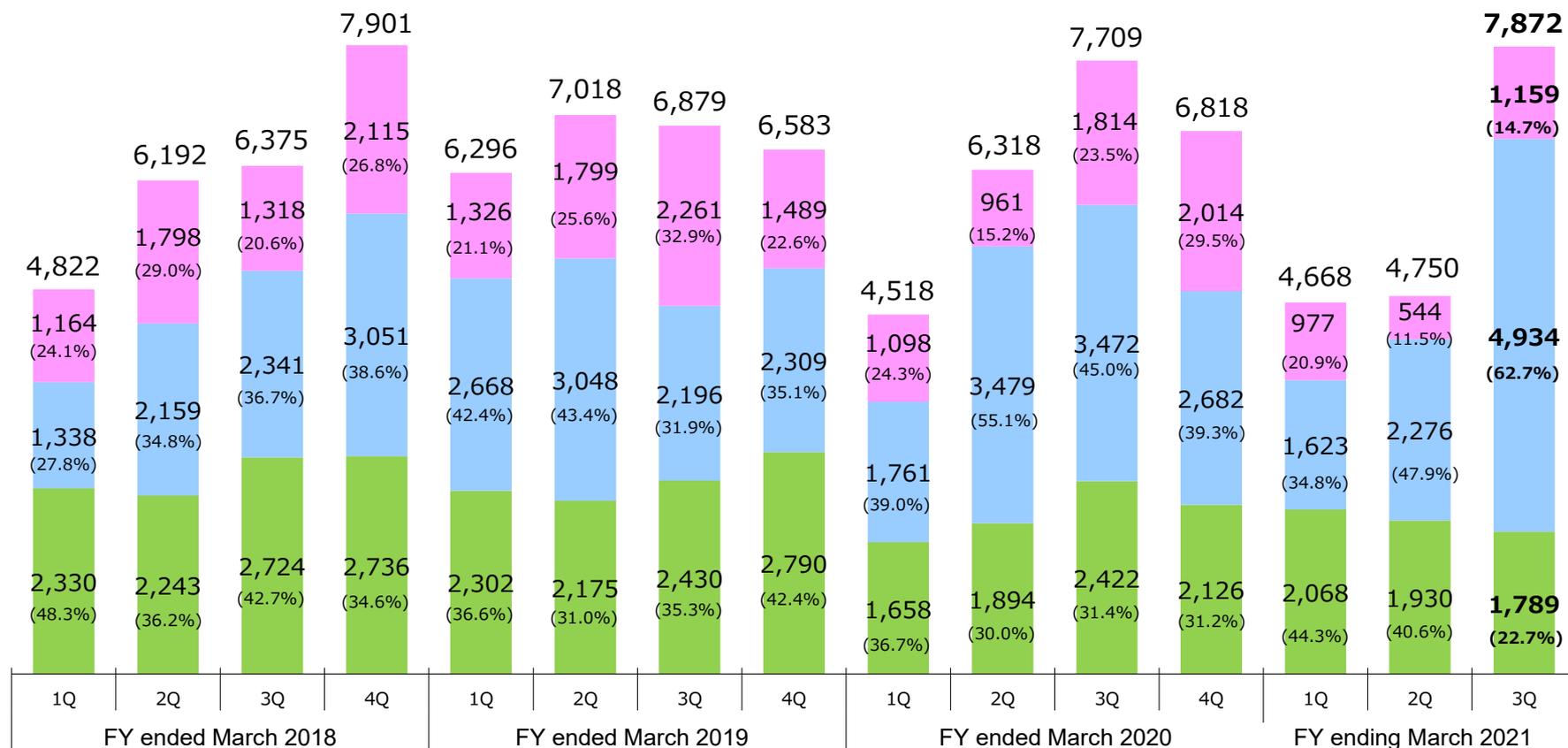
		3Q FY ended March 2020	3Q FY ending March 2021	YOY change	
Unit: million yen		Actual	Actual	(Amount)	(%)
Net sales	Online Game Business	5,975	5,788	-187	96.9%
	Consumer Game Business	8,714	8,834	120	101.4%
	Audio & Visual Business	3,874	2,681	-1,192	69.2%
	Total	18,546	17,292	-1,254	93.2%
Segment profit	Online Game Business	120	1,331	1,211	1105.4%
	Consumer Game Business	1,936	2,474	537	127.8%
	Audio & Visual Business	1,127	626	-501	55.5%
	Total	3,184	4,432	1,247	139.2%
Company-level costs, etc.		-1,073	-1,092	-19	101.8%
Operating profit total		2,111	3,340	1,228	158.2%

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: 3Q FY Ending March 2021 Progress Status

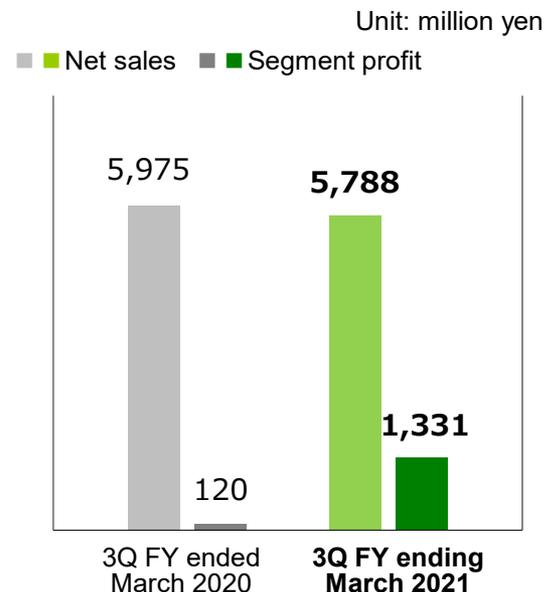


[Results Up Until 3Q FY Ending March 2021]

Sales remained robust and profits ratio increased due to the disposal of unprofitable titles in the previous fiscal year.

[Title Performance]

- Sales of “SHINOVI MASTER -SENTRAN KAGURA NEW LINK-” and “Logres of Swords and Sorcery: Goddess of Ancient,” remained at the same level as the previous fiscal year, as their anniversary events were implemented successfully.
- “Ikki-Tousen Extra Burst” showed low continuation rate despite increase of new users due to half anniversary events and promotion effects.



[Title Rollouts]

**SHINOVI MASTER
-SENTRAN KAGURA NEW LINK-**
(F2P app)



Launched on Nov. 29, 2017

©Marvelous Inc.
©HONEY PARADE GAMES Inc.

**Logres of Swords and Sorcery:
Goddess of Ancient**
(F2P app)



Launched on Dec. 17, 2013

©Marvelous Inc. Aiming Inc.

Ikki-Tousen Extra Burst
(F2P app)



Launched on May 25, 2020

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Online Game Business: Initiatives Starting in 4Q FY Ending March 2021

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- Service of a PC version (DMM GAMES) of “Ikki-Tosen Extra Burst” is planned to be launched soon, and it is aimed to recover by increasing the number of users and sales.
- A new game app “The Thousand Musketeers: Rhodoknight” is under development with pre-registered users numbering more than 100,000 (official service launch day is yet to be determined).
- Aim at maintaining sales of existing titles with efforts to continue stable operation.

Ikki-Tosen Extra Burst

(F2P app)



Launched on May 25, 2020

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The Thousand Musketeers: Rhodoknight

(F2P app)



Official service launch day is yet
to be determined.

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Consumer Game Business: 3Q FY Ending March 2021 Progress Status



[Results Up Until 3Q FY Ending March 2021]

- Sales and profits increased due to strong sales at overseas subsidiaries and the big hits of new game software
- Amusement division is affected by the re-spread of COVID-19.

[Title Performance]

- “No More Heroes” and “No More Heroes 2: Desperate Struggle” Nintendo Switch download versions were launched in October; and sales in North America and Europe maintain robust.
- Japanese style action RPG “TENSUI NO SAKUNAHIME” released in November became a hit with over 850,000 shipments (accumulated) worldwide (as of January 29, 2021).
- In the amusement division, the income of each title including “Pokémon MEZASTAR” declined due to the impact of COVID-19. Overseas “Pokémon Ga-Olé” performed well in regions where operations commenced.

[Title Rollouts]

No More Heroes
No More Heroes 2: Desperate Struggle
(Nintendo Switch Download Version)



Japan, Asia, North America and Europe:
Released on October 28, 2020

©Marvelous Inc. / Grasshopper Manufacture Inc.

TENSUI NO SAKUNAHIME
(PlayStation®4/
Nintendo Switch/
Windows PC)



Japanese and Asian versions:
Released on November 12, 2020
North American version and PC version:
Released on November 10, 2020
European version: Released on November 20, 2020

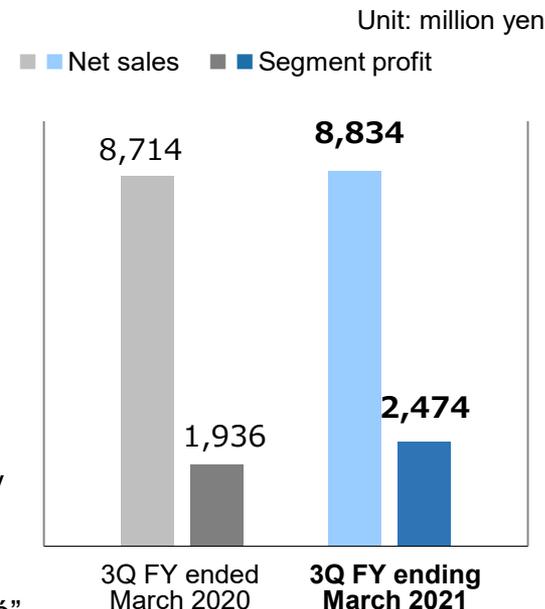
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Pokémon MEZASTAR
(Amusement)



Launched on September 17, 2020

©2021 Pokémon. ©1995-2021 Nintendo/Creatures Inc./GAME FREAK inc.
Developed by T-ARTS and MARV ポケモン・Pokémonは任天堂・クリーチャーズ・ゲームフリークの登録商標です。



Consumer Game Business: Initiatives in 4Q of FY Ending March 2021

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- The completely new title for Nintendo Switch “BOKUJO MONOGATARI OLIVE TOWN TO KIBO NO DAICHI” will be released in Japan and Asia in February, and in North America and Europe in March. As its reservations are strong, we will strengthen the promotion and aim for the best hit in the series.
- TV commercials of “TENSUI NO SAKUNAHIME” will go on the air in January, aiming to further expand sales.

BOKUJO MONOGATARI OLIVE TOWN TO KIBO NO DAICHI (Nintendo Switch)



Japanese and Asian versions:
To be released on February 25, 2021
North American version :
To be released on March 23, 2021
European version:
To be released on March 26, 2021



Audio & Visual Business: 3Q FY Ending March 2021 Progress Status



[Results Up Until 3Q FY Ending March 2021]

- Stage performances were held with gradually increasing capacity after deregulation on capacity.
- Sales and operating profit decreased year on year due to cancellation of performances in the first half of the fiscal year.
Package sales and video distribution maintained robust.

[Title Performance]

- TV anime “Akudama Drive” was broadcasted from October to December, and some of them were packaged and commercialized.
- “Pretty Cure Miracle Leap the Movie” was released on October 31.
- The original comedy drama “Hansam Senkyo” was broadcasted from October to December.
- “Katekyo Hitman Reborn!” the STAGE -SECRET BULLET- and 4 other works were performed on the stage.
- Blu-ray and DVD of “Touken Ranbu the Stage ” were launched and the sales are strong.

[Title Rollouts]

Akudama Drive



December 2020
BD/DVD Volume 1
released

© Pierrot,TooKyoGames/Akudama Drive Production Committee

Pretty Cure Miracle
Leap the Movie



Released in
October 2020

©2020 Pretty Cure Miracle Leap the Movie Production Committee

Drama “Hansamu Senkyo”



TV broadcast from October
to December 2020

©HansamusenkyoProject

“Katekyo Hitman Reborn!”
the STAGE
-SECRET BULLET-



Performed in
November 2020

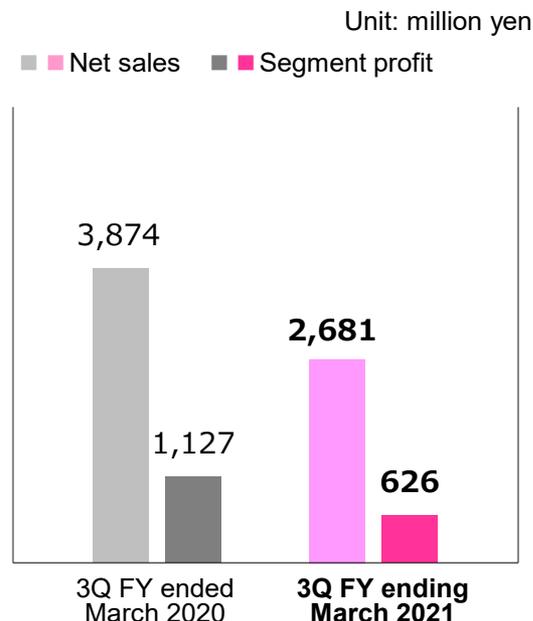
© Akira Amano・Hideaki Koyasu / Shueisha
© REBORN! THE STAGE PROJECT

Touken Ranbu the Stage



December 2020
BD/DVD released

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



Audio & Visual Business: Initiatives Starting in 4Q FY Ending March 2021

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- Broadcast of new Pretty Cure Series “Tropical-Rouge ! Pretty Cure” will start on TV in February.
- In response to the re-regulation of events due to the declaration of an emergency situation, the times of some performances were changed and refunds, etc. were given.
- Stage performances, which had been canceled due to the spread of COVID-19, will be performed again.

Tropical-Rouge ! Pretty Cure



February 2021 Start of TV broadcasting scheduled

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MUSICAL THE PRINCE OF TENNIS II The First Stage



Performances scheduled for December 2020 - February 2021

©2009 TAKESHI KONOMI/2020 MUSICAL THE PRINCE OF TENNIS II PROJECT

Touken Ranbu the Stage



Performances scheduled for January - March 2021

© Touken Ranbu the Stage Production Committee
© 2015 EXNOA LLC/Nitroplus

MUSICAL AO HARU TETSUDO 4 Unquiet on the Kyushu Expedition



To be performed in February 2021

©Musical AO HARU TETSUDO Project

STAGE [YOWAMUSHI PEDAL] SPARE BIKE : Ep. Heroes!!



To be performed in March 2021

©WATARU WATANABE (Akitashoten) 2008/Yowamushi Pedal Stage Project

**Fiscal Year Ending March 2021,
Full-Year Business Forecast**

Fiscal Year Ending March 2021, Full-Year Business Forecast



Results forecasts

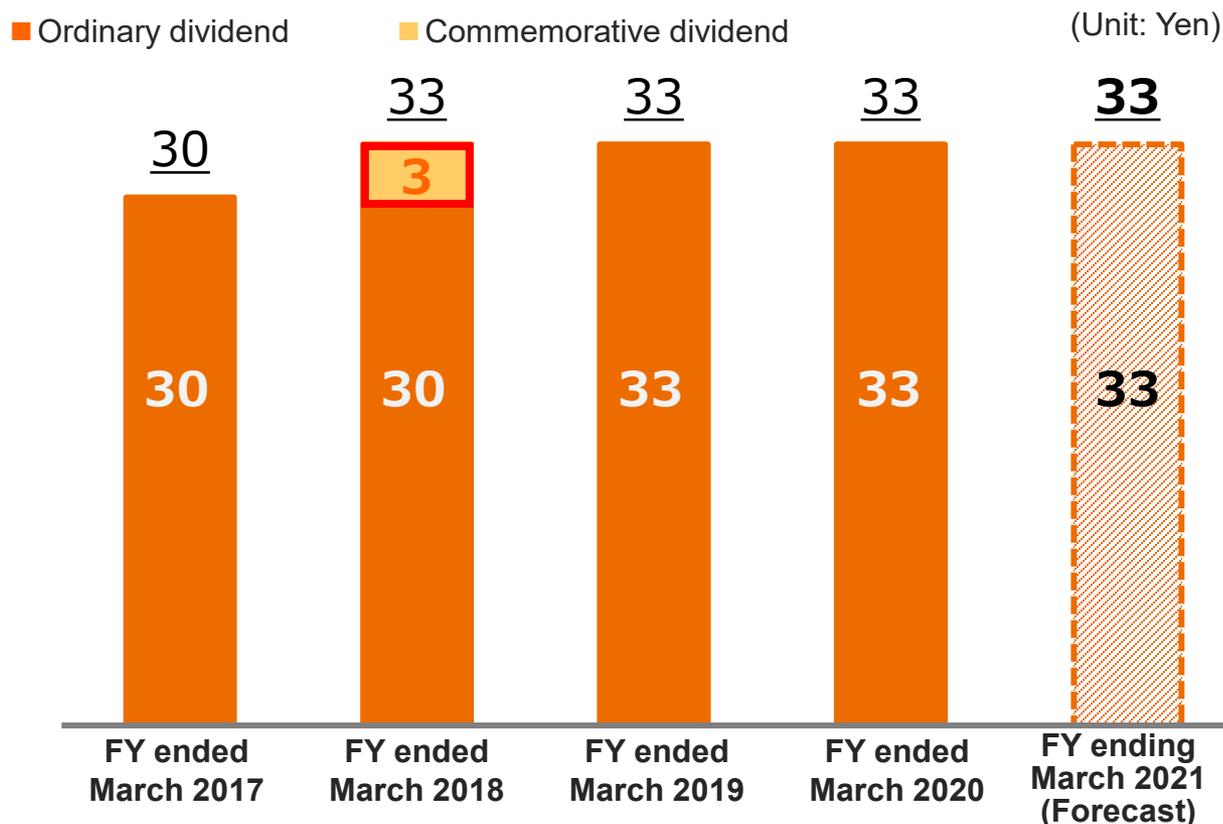
- Following the smash hit of "TENSUI NO SAKUNAHIME", expected to contribute to profits by releasing a completely new work of "BOKUJO MONOGATARI"
- Amusement and stage performance business continues to suffer severe business conditions due to the impact of COVID-19.
- Active promotion of strong online and consumer games will be carried out.

	FY ended March 2020	FY ending March 2021	YOY change	(Reference) FY ending March 2021 Forecast (Published on Oct. 30, 2020)
Unit: million yen	Actual	Revised forecast	(%)	
Net sales	25,365	24,000	94.6%	21,000 - 23,400
Operating profit	2,449	3,600	147.0%	2,450 - 3,000
Ordinary profit	2,502	3,550	141.9%	2,450 - 3,000
Profit attributable to owners of parent	1,797	2,450	136.3%	1,800 - 2,100

Dividends Forecasts and Dividend Policy

Dividends forecasts

For the fiscal year ending March 2021, we plan an ordinary dividend of 33 yen, the same amount as in the previous fiscal year.



Dividend policy

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

Dividend payout ratio	37.3%	48.6%	50.9%	95.0%	78.3%

Thank you very much for your attention.

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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.