

**Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2013
(Three Months Ended June 30, 2012) (Based on J-GAAP)**

August 9, 2012

Company name:	MarvelousAQL Inc.	Listing:	Second Section of Tokyo Stock Exchange
Stock Code:	7844	URL:	http://www.maql.co.jp
Representative:	Shuichi Motoda, President		
Contact:	Nobuyuki Yamakaku, Director	Tel:	+81-3-5769-7447
Scheduled date of filing Quarterly Securities Report:			August 14, 2012
Scheduled commencement date of dividend payout:			—
Explanatory documents supplemental to the abridged Quarterly Financial Statement:	Yes		
Quarterly results briefing:	Yes (For Institutional Investors and Analysts)		

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

**1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2013
(April 1, 2012 – June 30, 2012)**

(1) Consolidated Results of Operations (three months) (Percentages represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY 2013	3,016	199.3	278	—	259	—	149	—
1Q FY 2012	1,008	(44.6)	21	(90.5)	14	(92.5)	9	(94.9)

(Note) Comprehensive income (million yen): 1Q FY 2013: 146 (—%) 1Q FY 2012: 13 (–93.0%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1Q FY 2013	280.14		—	
1Q FY 2012	78.20		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
1Q FY 2013	13,082		8,925		68.2		16,697.12	
FY 2012	13,667		9,102		66.6		17,028.50	

(Reference) Shareholders' equity (million yen): 1Q FY 2013: 8,925 1Q FY 2012: 9,102

2. Dividends

	Dividends per share				
	1Q-end	Interim	3Q-end	Yearend	Annual
FY 2012	—	0.00	—	605.00	605.00
FY 2013	—	—	—	—	—
FY 2013 (forecasts)	—	0.00	—	1,000.00	1,000.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2013 (April 1, 2012 – March 31, 2013)

(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
1H (six months)	7,360	161.7	620	—	580	—	300	—	561.21
Full year	18,500	77.5	2,200	110.6	2,130	107.8	1,290	(63.5)	2,413.24

Note: Revisions to the dividend forecast in the current quarter: Yes

***Notes**

(1) Changes in significant subsidiaries during the consolidated period (three 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

(Note) For details, refer to “(2) Application of accounting procedures specific to creation of quarterly financial statement” under “2. Summary Information (Notes)” on page 4.

(3) Changes in accounting principles, estimates and restatement

1) Changes in accounting principles caused by revision of accounting standards: Yes

2) Changes in accounting principles other than those mentioned above: None

3) Changes in accounting estimates: Yes

4) Restatement: None

(Note) For details, refer to “(3) Changes in accounting principles, estimates and restatement” under “2. Summary Information (Notes)” on page 4.

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

1) Number of shares outstanding (including treasury stock) at end of period	1Q FY 2013	535,931 shares	FY 2012	535,931 shares
2) Number of treasury stock at end of period	1Q FY 2013	1,380 shares	FY 2012	1,380 shares
3) Average number of shares outstanding during the period (three months)	1Q FY 2013	534,551 shares	1Q FY 2012	122,000 shares

*** 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; however, 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 was completed.

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

The forward-looking statements such as the forecasts for the business performance described in this document are based on the judgments made by the Company in accordance with information currently available that is rational. For this reason, actual results may differ from these forecasts due to a number of factors, including but not limited to the operating environment. For the underlying assumptions and usage of earnings projections refer to “1. (3) Qualitative information concerning consolidated business performance forecast” on page 3 of the Attachment to the summary of consolidated financial statement.

1. Qualitative Information Concerning Quarterly Results

On October 1, 2011, the Company executed an absorption-type merger with AQ Interactive Inc. and Liveware Inc. in which MarvelousAQL Inc. became the surviving company. In addition, the company modified its reporting segments into three businesses, the Online Game Business, Consumer Game Business, and Audio & Visual Business.

(1) Qualitative information concerning consolidated results of operations

In the entertainment industry, of which the Group is a part, the market for social games continues to grow at a fast pace, with the wider online games market in calendar year 2011 (January through December 2011) reaching a size of approximately 420 billion yen, according to estimates of the Japan Online Game Association. The market for home-use games in the first half of calendar year 2012 (January through June 2012) combined for hardware and software was 100.7% of the year earlier, thanks to the market launch of new hardware and proliferating game software, marking a turnaround to recovery, according to research of Enterbrain, Inc. Despite the adverse market environment, bright spots have started to appear also in the music and video sectors, evidenced by a lively market for single CDs and ongoing growth in the Blu-ray disc market.

Under such circumstances, the Group has been operating as a comprehensive entertainment provider based on a "multi-content, multi-use, and multi-device" strategy, unrolling a program of varied entertainment contents for every business environment and a variety of devices. Based on powerful IP initiatives, the Group has been proactively advancing its branding strategies, alliance strategies, and global strategies, and is working to offer contents of high topicality while making efforts to strengthen services.

As a result, the Group's net sales in the first quarter (April 1, 2011 to June 30, 2012) marked 3,016 million yen, with operating income of 278 million yen, ordinary income of 259 million yen, and net income of 149 million yen.#

Results by business segment are described below.

(Online Game Business)

In the online game business, "Browser Sangokushi," "Browser Pro Yakyu," "Logres of Swords and Sorcery," "Browser Sangokushi for Mobile," "BOKUJO MONOGATARI for mobile" and other main titles have continued to do well and contribute to earnings.

Moreover, the Group proactively advanced its alliance strategies and multi-initiatives, and launched services for "Browser mc★axis," "Ikki-Tousen Burst Fight," and "Browser Sengoku BASARA," starting respectively in April, May, and June 2012. On the other hand, the Group decided to discontinue services for partly underperforming titles such as "MINNA DE BOKUJO MONOGATARI" and "Browser Pro Yakyu for Mobile". Additionally, as a European foothold for these operations, England-based subsidiary MAQL Europe Limited was established in April 2012.

As a result, segment net sales totaled 1,565 million yen, with segment income of 305 million yen.

(Consumer Game Business)

At the Company's sales sector of the Consumer Game Business segment, the release of "ASSAULT GUNNERS" marked the Company's first title for PS Vita for exclusive purchase by download. At the same time, repeat orders were favorable centered on "HARVEST MOON 3D (Nintendo 3DS)" launched last fiscal year (February 23, 2012). Meanwhile, the Group's development service business registered a steady flow of orders, specifically a large scale order for "SOUL SACRIFICE (PS Vita)" from Sony Computer Entertainment.

At the amusement division, with "Pokémon BATTRIO," the Pokémon amusement console for children moving into its final phase, last sales of the Battrio pack developed to plan.

As a result, segment net sales totaled 658 million yen, with segment income of 11 million yen.

(Audio & Visual Business)

The audio & visual production sector of the Audio & Visual business segment newly developed video products for the TV animations "SMILE PRECURE!" and "Pretty cure All Stars New Stage Echo of Heart." Moreover, new orders were favorable for video products and music products for earlier series, benefiting sales and earnings. The stage production sector turned out a total of 41 minutes of performance for the "MUSICAL THE PRINCE OF TENNIS" and launched sales for three new related DVDs, with orders developing favorably together with repeat orders for earlier productions. Furthermore, as an event for fans, the division launched the "MUSICAL THE PRINCE OF TENNIS: Sports Day 2012 Spring" (results will appear on accounts for the second quarter), which attracted much attention. Additionally, as a new stage performance production the division hosted "Musical HAKUOKI" based on the popular game (results will appear on accounts for the second quarter), which attracted sizeable audiences.

As a result, segment net sales totaled 792 million yen, with segment income of 205 million yen.

(2) Qualitative information concerning consolidated financial position

(Assets)

Consolidated assets at the end of the first quarter totaled 13,082 million yen, which was 584 million yen less than at the end of the previous fiscal year. Main factors were a decline in trade notes and accounts receivable and lower cash and deposits due to the payment of dividends.

(Liabilities)

Consolidated liabilities at the end of the first quarter totaled 4,157 million yen, which was 407 million yen less than at the end of the previous fiscal year. A decline in trade account payables was the main factor.

(Net assets)

Consolidated net assets at the end of the first quarter totaled 8,925 million yen, which was 177 million yen less than at the end of the previous fiscal year. Main factors overriding 149 million yen in net income posted for the period included a decline in retained earnings due to the year-dividend at the end of the previous fiscal year. The equity ratio increased to 68.2% from 66.6% at the end of the previous fiscal year.

(3) Qualitative information concerning consolidated business performance forecast

Consolidated results projections for the second quarter were revised as order receipts for new software at the Consumer Game Business have been outpacing initial plans. However, projections for the full fiscal year have been left unchanged given uncertainties in the second half of the fiscal year.