

**Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2014  
(Three Months Ended June 30, 2013) (Based on J-GAAP)**

August 7, 2013

Company name: MarvelousAQL Inc. Listing: First Section of Tokyo Stock Exchange  
 Stock Code: 7844 URL: <http://www.maql.co.jp>  
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 Scheduled date of filing Quarterly Securities Report: August 12, 2013  
 Scheduled commencement date of dividend payout: —  
 Explanatory documents supplemental to the abridged Quarterly Financial Statement: Yes  
 Quarterly results briefing: None

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

**1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2014  
(April 1, 2013 – June 30, 2013)**

(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 2014	4,410	46.2	849	205.3	876	237.3	531	254.7
1Q FY 2013	3,016	199.3	278	—	259	—	149	—

(Note) Comprehensive income (million yen): 1Q FY 2014: 532 (264.0%) 1Q FY 2013: 146 (—%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
1Q FY 2014	993.65		—	
1Q FY 2013	280.14		—	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
1Q FY 2014	14,553		10,558		72.6		19,752.94	
FY 2013	15,341		10,694		69.7		20,006.82	

(Reference) Shareholders' equity (million yen): 1Q FY 2014: 10,558 FY 2013: 10,694

**2. Dividends**

	Dividends per share				
	1Q-end	Interim	3Q-end	Yearend	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2013	—	0.00	—	1,250.00	1,250.00
FY 2014	—	—	—	—	—
FY 2014 (forecasts)	—	0.00	—	1,200.00	1,200.00

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

The year-end dividend of 1,250.00 yen for the fiscal year ended March 31, 2013 consists of a regular dividend of 1,200.00 yen and a special dividend of 50.00 yen commemorating the listing of the Company's shares on the first section of the Tokyo Stock Exchange.

**3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2014 (April 1, 2013 – March 31, 2014)**

(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)	9,600	21.5	1,110	0.4	1,110	8.7	670	3.9	1,253.39
Full year	20,000	13.8	2,900	24.5	2,890	24.3	1,770	(7.8)	3,311.19

Note: Revisions to the financial 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 3.

(3) Changes in accounting principles, estimates and restatement

- 1) Changes in accounting principles caused by revision of accounting standards: None
- 2) Changes in accounting principles other than those mentioned above: None
- 3) Changes in accounting estimates: None
- 4) Restatement: None

(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 2014	535,931 shares	FY 2013	535,931 shares
2) Number of treasury stock at end of period	1Q FY 2014	1,380 shares	FY 2013	1,380 shares
3) Average number of shares outstanding during the period (three months)	1Q FY 2014	534,551 shares	1Q FY 2013	534,551 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

### (1) Qualitative information concerning consolidated results of operations

In the period under review, the entertainment industry saw continued growth in the market for social games. Although the rate of expansion decreased in absolute terms, market size is seen to keep expanding. Moreover, the market for applications geared at smartphones and tablets displayed rapid growth along with the progressing transformation and expansion in business models and user strata. By contrast, in the market for home-use games the adverse environment remains unchanged, but the outlook is for a recovery on the back of new hardware launches. The audio & visual sectors showed a sustained active 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, 2013 to June 30, 2013) marked 4,410 million yen (up 46.2% compared with the same period of the previous year), with operating income of 849 million yen (up 205.3% compared with the same period of the previous year), ordinary income of 876 million yen (up 237.3% compared with the same period of the previous year), and net income of 531 million yen (up 254.7% compared with the same period of the previous year).

Results by business segment are described below.

#### (Online Game Business)

The online game business saw stable conditions for PC browser games surrounding existing main titles such as "Browser Sangokushi", "Browser Pro Yakyu NEXT", and "Logres of Swords and Sorcery". Moreover, June 2013 marked the regular service start for the "Browser Kingdom Rising" strategy simulation game, which plays out in a Sangokushi themed environment. In mobile games, "Ikki-Tousen Burst Fight" and "SENTRAN KAGURA New Wave" continued to perform well from the previous fiscal year. Additionally, in April 2013 an innovative coin RPG for iOS named "COIN SAGA" was taken into service.

Moreover, in overseas business development, respectively in May and June 2013 Marvelous launched for the North American market "Ninja Warrior Game", a U.S. version of the popular sports entertainment program "SASUKE", and the action and adventure RPG "Cross Horizon", both offerings for Android and iOS.

As a result, segment net sales totaled 1,944 million yen (up 24.2% compared with the same period of the previous year), with segment operating income of 181 million yen (down 40.7% compared with the same period of the previous year).

#### (Consumer Game Business)

At the Company's sales sector of the Consumer Game Business segment, "VALHALLA KNIGHTS 3 (PS Vita)" has been doing well since its launch in May 2013, along with outstanding repeat orders for "SENTRAN KAGURA: SHINOVI VERSUS (PS Vita)" and "OBOROMURAMASA (PS Vita)" brought to market last fiscal year. Similarly, overseas operations reported strong sales of "Pandora's Tower (Wii)" published in April 2013 by U.S. subsidiary Marvelous USA, Inc.

The amusement division continued to develop favorably after the start of the amusement console for children "Pokémon TRETITA" in July 2012, with strong contributions to divisional business results.

As a result, segment net sales totaled 1,677 million yen (up 154.8% compared with the same period of the previous year), with segment operating income of 739 million yen (operating income of the same period of the previous year was 11 million yen).

#### (Audio & Visual Business)

The audio & visual production sector of the Audio & Visual business segment initiated broadcasting and video commercialization of "DOKIDOKI! PRECURE", a new TV animation production in the "PRECURE" series, and the TV animation "My Teen Romantic Comedy SNAFU" a product lead-managed by the Company.

The stage production division marked a total 51 performances of "MUSICAL THE PRINCE OF TENNIS" accompanied by sales of two related new DVDs. Orders have been favorable along with repeat orders for earlier productions.

As a result, segment net sales totaled 788 million yen (down 0.6% compared with the same period of the previous year), with segment operating income of 183 million yen (down 10.4% compared with the same period of the previous year).

**(2) Qualitative information concerning consolidated financial position**

(Assets)

Consolidated assets at the end of the first quarter totaled 14,553 million yen, which was 788 million yen less than at the end of the previous fiscal year. Main factors were a decline in trade notes and accounts receivable.

(Liabilities)

Consolidated liabilities at the end of the first quarter totaled 3,994 million yen, which was 652 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 10,558 million yen, which was 135 million yen less than at the end of the previous fiscal year. Main factors overriding 531 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 72.6% from 69.7% at the end of the previous fiscal year.

**(3) Qualitative information concerning consolidated business performance forecast**

Consolidated business results projections for the second quarter have been revised given that repeat order receipts for new software at the consumer products division have been higher than initially planned. However, projections for the full fiscal year have been left unchanged given uncertainties in the second half of the fiscal year.