



# Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (Three Months Ended June 30, 2023) (Based on J-GAAP)

July 31, 2023

Company name: Marvelous Inc. Listing: Tokyo Stock Exchange  
 Stock code: 7844 URL: <https://corp.marv.jp/english/index.html>  
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 Scheduled date of filing Quarterly Securities Report: August, 2, 2023  
 Scheduled commencement date of dividend payout: –  
 Explanatory documents supplemental to the abridged Quarterly Financial Statement: Yes  
 Quarterly Result briefing: None

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

## 1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023–June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q FY2024	6,883	29.4	531	(31.9)	886	(21.7)	609	(19.0)
1Q FY2023	5,319	(17.8)	780	(46.7)	1,132	(23.2)	752	(30.0)

Note: Comprehensive income (million yen): 1Q FY2024: 1,033 (-13.1%) 1Q FY2023: 1,189 (6.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
1Q FY2024	10.08	–
1Q FY2023	12.45	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q FY2024	34,445	28,253	81.9	466.54
FY2023	36,447	29,227	80.1	482.69

Reference: Shareholders' equity (million yen): 1Q FY2024: 28,211 FY2023: 29,187

## 2. Dividends

	Dividends per share				
	1Q-end	Interim	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY2023	–	0.00	–	33.00	33.00
FY2024	–	–	–	–	–
FY2024 (forecasts)	–	0.00	–	33.00	33.00

Note: Revisions to the most recently announced dividend forecast: None

## 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	27,000	6.5	3,500	40.7	3,600	22.8	2,520	30.9	41.67

Note: Revisions to the most recently announced financial forecast: None

**\*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 the preparation of quarterly consolidated financial statements: Yes

(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 shares) at end of period	1Q FY2024	62,216,400 shares	FY2023	62,216,400 shares
2) Number of treasury shares at end of period	1Q FY2024	1,747,846 shares	FY2023	1,747,846 shares
3) Average number of shares outstanding during the period (three months)	1Q FY2024	60,468,554 shares	1Q FY2023	60,387,754 shares

Note: The number of treasury shares at end of the period is stated, including 375,300 shares held by Custody Bank of Japan, Ltd. (Trust E Units) as trust assets of the Board Benefit Trust (BBT).

\* The summary of quarterly financial statements is not subject to a quarterly review by a certified public accountant (CPA) or an audit firm.

\* Cautionary statement with respect to forward-looking statements and other special items

The forecasts and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions deemed to be reasonable. Actual results may differ materially from these forecasts due to a variety of factors.

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

## 1. Qualitative Information Concerning Quarterly Results

### (1) Explanation of Consolidated Business Results

The entertainment industry in the period under review, the domestic home video game market performed well in both hardware and software segments largely over the market scale in the previous fiscal year owing to the release of large popular titles and the stable supply of game consoles thanks to the end of the part shortage. In the mobile game market, while its growth has reached a plateau, a severe competitive environment continued for both new and existing titles. In the domestic amusement market, sales of prize games changed well, which enlarged its market scale to the level before the coronavirus crisis. In the music and video market, the video distribution market continued to grow gradually in reaction to stay-at-home demand, though competition intensified, while the market for packaged products continued to shrink. In the live entertainment market, audience turnout has been improving due to deregulation for the COVID-19, such as its re-categorization to a Class V infectious disease, but it is taking time for the turnout to recover to the pre-COVID-19 level.

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 entertainment content in all business segments and on a variety of devices. 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 excitement among today's users while endeavoring to enhance its services.

As a result, the Group's consolidated operating results for the period under review (April 1, 2023 – June 30, 2023) came to net sales of 6,883 million yen (up 29.4% compared with the same period of the previous year), operating profit of 531 million yen (down 31.9% compared with the same period of the previous year), ordinary profit of 886 million yen (down 21.7% compared with the same period of the previous year), and profit attributable to owners of parent of 609 million yen (down 19.0% compared with the same period of the previous year).

Results by business segment are described below.

#### (i) Digital Contents Business

In the consumer division of the Business, we released a completely new Juvenile RPG "LOOP8" in Japan and Asia on June 1 and in North America and Europe on June 6 and its Steam® version on June 7 in 2023, but sales fell short of the target. On the other hand, we released the North American, European and Steam® versions of BOKUJO MONOGATARI Welcome! WONDERFUL LIFE, which were released in Japan in the previous fiscal year, sequentially from June 27, 2023, and they sold well.

In the online division, sales of long-term operation titles, including Logres of Swords and Sorcery: Goddess of Ancient and SHINOVI MASTER -SEN-RAN KAGURA NEW LINK-, decreased owing to aging but were supplemented with those of Dolphin Wave released in the previous fiscal year, which performed well in the half-year anniversary campaign, and results improved year on year.

As a result, segment net sales totaled 4,133 million yen (up 36.4% compared with the same period of the previous year), with segment profit of 114 million yen (down 54.5% compared with the same period of the previous year).

#### (ii) Amusement Business

In this business, we started operation the new tag of Pokémon MEZASTAR, our mainstay kids' amusement machine, from April 20, 2023, and it performed well. However, sales decreased slightly year on year, as they were influenced by an increase in other leisure, such as trips, owing to re-categorization of COVID-19 to a Class V infectious disease. On the other hand, Pokémon Ga-Olé, which we are expanding overseas, continued to perform well especially in Taiwan and also remained strong in other areas.

As a result, segment net sales totaled 1,673 million yen (down 3.0% compared with the same period of the previous year), with segment profit of 640 million yen (down 8.9% compared with the same period of the previous year).

#### (iii) Audio and Visual Business

In this business, we broadcast TV animation The Café Terrace and its Goddesses from April to June 2023 and in addition packaged and commercialized the Pretty Cure series, including Soaring Sky! Precure.

Moreover, in addition to the performance of new plays of series such as Musical HAKUOKI SHINKAI, we presented Stage[The Vampire dies in no time.], which received a favorable reception.

(Based on J-GAAP)

Although sales from stage performances and related packages increased, net sales increased and profit declined year on year due to, among other factors, a decrease in subsidies, etc., and an upfront investment in animation programs.

As a result, segment net sales totaled 1,076 million yen (up 91.4% compared with the same period of the previous year), with segment profit of 201 million yen (down 12.2% compared with the same period of the previous year).

## **(2) Explanation of Consolidated Financial Position**

On the consolidated balance sheets at the end of the first quarter, the Group had assets of 34,445 million yen (down 2,001 million yen from the end of the previous fiscal year), liabilities of 6,192 million yen (down 1,027 million yen from the end of the previous fiscal year), and net assets of 28,253 million yen (down 974 million yen from the end of the previous fiscal year).

### **Current Assets**

Consolidated current assets at the end of the first quarter totaled 26,327 million yen, down 2,132 million yen from the end of the previous fiscal year, mainly due to a decrease in cash and deposits.

### **Non-current Assets**

Consolidated non-current assets at the end of the first quarter totaled 8,117 million yen, up 130 million yen from the end of the previous fiscal year, owing mainly to an increase in intangible assets.

### **Current Liabilities**

Consolidated current liabilities at the end of the first quarter totaled 5,853 million yen, a decrease of 1,027 million yen from the end of the previous fiscal year, owing mainly to a decrease in income taxes payable.

### **Non-current Liabilities**

Consolidated non-current liabilities at the end of the first quarter totaled 338 million yen, up 0 million yen from the end of the previous fiscal year owing mainly to an increase in deferred tax liabilities.

### **Net Assets**

Consolidated net assets at the end of the first quarter totaled 28,253 million yen, down 974 million yen from the end of the previous fiscal year, due to a decrease in retained earnings resulting from dividends for the previous fiscal year, despite recording 609 million yen in profit attributable to owners of parent.

## **(3) Explanation of Business Outlook Including Consolidated Business Forecast**

As for the consolidated business forecast for the fiscal year ending March 31, 2024, we have not changed the business forecast announced on May 11, 2023.