



# Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2023 (Nine Months Ended December 31, 2022) (Based on J-GAAP)

January 31, 2023

Company name: Marvelous Inc. Listing: Tokyo Stock Exchange  
 Stock Code: 7844 URL: <https://corp.marv.jp/english/index.html>  
 Representative: Suminobu Sato, President  
 Contact: Seiichiro Kato, Director, Head of Administration Unit TEL: +81-3-5769-7447  
 Scheduled date of filing Quarterly Securities Report: February 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 Third Quarter of Fiscal Year Ending March 31, 2023 (April 1, 2022–December 31, 2022)

(1) Consolidated Results of Operations (nine 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	%
3Q FY 2023	18,412	(2.9)	3,176	(20.7)	3,509	(16.2)	2,410	(17.9)
3Q FY 2022	18,953	9.6	4,006	19.9	4,190	27.5	2,937	25.3

Note: Comprehensive income (million yen): 3Q FY 2023: 2,643 (-14.3%) 3Q FY 2022: 3,083 (32.2%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY 2023	39.89	–
3Q FY 2022	48.65	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q FY 2023	37,842	29,678	78.3	490.25
FY 2022	36,531	28,973	79.2	479.23

Reference: Shareholders' equity (million yen): 3Q FY 2023: 29,645 FY 2022: 28,939

## 2. Dividends

	Dividends per share				
	1Q-end	Interim	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
FY 2022	–	0.00	–	33.00	33.00
FY 2023	–	0.00	–	–	–
FY 2023 (forecasts)	–	–	–	33.00	33.00

Note: Revisions to the most recently announced dividend forecast: Yes

For the revision of the dividend forecast, please refer to the “Announcement on revisions to the full-year forecasts and the year-end dividend forecast (available in Japanese language only)” announced today (January 31, 2023).

## 3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2023 (April 1, 2022–March 31, 2023)

(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	25,900	0.7	4,000	(13.1)	4,300	(14.9)	2,940	(23.0)	48.64

Note: Revisions to the most recently announced financial forecast: Yes

For the revision of the consolidated earnings forecast, please refer to the “Announcement on revisions to the full-year forecasts and the year-end dividend forecast (available in Japanese language only)” announced today (January 31, 2023).

**\*Notes**

(1) Changes in significant subsidiaries during the consolidated period (nine 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	3Q FY 2023	62,216,400 shares	FY 2022	62,216,400 shares
2) Number of treasury shares at end of period	3Q FY 2023	1,747,846 shares	FY 2022	1,828,646 shares
3) Average number of shares during the period	3Q FY 2023	60,425,657 shares	3Q FY 2022	60,372,995 shares

Note: The number of treasury shares at end of the period is stated including shares held by the Custody Bank of Japan, Ltd. (Trust E Units) as trust assets of the Board Benefit Trust (BBT). The number of such treasury shares is 456,100 shares for the year ended March 31, 2022, and 375,300 shares for the nine months ended December 31, 2022.

\* 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.

For details, please refer to P. 2 “1. Qualitative Information Concerning Quarterly Results (3) Explanation of Business Outlook Including Consolidated Business Forecast.”

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 was robust, with both hardware and software sales significantly exceeding the previous year's market size, driven by the launch of large-scale popular titles and signs of an end to the shortage of game consoles. In the mobile game market, some new titles became hits, but as the market matured, the competitive environment surrounding not only new titles but also existing titles remained harsh. Meanwhile, the size of the domestic amusement market recovered to the level before the COVID-19 pandemic, thanks mainly to strong sales of prize games. In the audio and visual market, competition among video distribution services intensified due to shrinking home nesting demand. However, the video distribution market continues to expand, as new services are being launched in Japan. In the live entertainment market, the market environment remained challenging due to the eighth wave of COVID-19 cases, resulting in another round of cancellations of performances on account of infection of people involved in the performances.

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. In order 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, 2022, to December 31, 2022) came to net sales of 18,412 million yen (down 2.9% compared with the same period of the previous year), operating profit of 3,176 million yen (down 20.7% compared with the same period of the previous year), ordinary profit of 3,509 million yen (down 16.2% compared with the same period of the previous year), and profit attributable to owners of parent of 2,410 million yen (down 17.9% compared with the same period of the previous year).

Results by business segment are described below.

The reportable segments have been changed since the first quarter of the current fiscal year, and the comparison and analysis for the period under review are based on the changed categories.

#### (i) Digital Contents Business

In the consumer division of this business, No More Heroes 3 released for the Nintendo Switch™ in 2021 became also available for the versions of PlayStation® 4 / PlayStation® 5, Xbox Series X|S/Xbox One, and Steam® in October. However, due to a limited selection of titles as well as lower sales in the U.S. and European markets caused by shrinking home nesting demand and the deteriorating economic environment, both sales and profits decreased.

In the online division, the new smartphone title Dolphin Wave, which began to be distributed on October 20, 2022, under the brand of HONEY PARADE GAMES, which has developed the SENRAN KAGURA series and other titles, has performed well since the launch. Long-term operating titles such as Logres of Swords and Sorcery: Goddess of Ancient and Browser Sangokushi also performed well, although sales declined over the years. On the other hand, write-downs were implemented for some existing titles, as it was determined that they were not expected to generate the anticipated revenues.

As a result, segment net sales totaled 10,266 million yen (down 9.4% compared with the same period of the previous year), with segment profit of 1,635 million yen (down 53.1% compared with the same period of the previous year).

#### (ii) Amusement Business

In this segment, in our mainstay kids' amusement machine Pokémon MEZASTAR, the new tag started operating on September 15, 2022, and performed well. Also on November 22, 2022, the latest tag started operating. Sales of Pokémon Ga-Olé, which is operating overseas, were affected by COVID-19 in some regions, but were favorable in other regions.

As a result, segment net sales totaled 6,047 million yen (up 28.5% compared with the same period of the previous year), with segment profit of 2,328 million yen (up 60.7% compared with the same period of the previous year).

(iii) Audio and Visual Business

In the audio and visual production division of this business, Delicious Party♡PRECURE LIVE 2022 Cheers!Delicious LIVE Party♡, a live concert of the Pretty Cure series, was held in October 2022. In addition, we have packaged and commercialized TV animations such as Yu-Gi-Oh! GO RUSH!!, Delicious Party♡Pretty Cure, and Aoashi.

In the stage production division, in addition to performances of the latest productions of Musical “Ouran High School Host Club” and PERSONA5 the Stage, also as new productions, MUSICAL ACE OF DIAMOND and “MAHOROBAKANATA” were performed. Live performances of MUSICAL THE PRINCE OF TENNIS and Musical HAKUOKI were also held. However, both sales and profits were severely affected by the fact that sales from the performances held during the seventh wave of COVID-19 cases were recorded during the period under review and that some performances were canceled due to infection of people involved in the performances. Meanwhile, owing to the recording of J-LODlive (Japan content Localization and Distribution live entertainment) subsidies during the first quarter of the current fiscal year, profits increased from a year-earlier period despite a decrease in sales.

As a result, segment net sales totaled 2,099 million yen (down 28.0% compared with the same period of the previous year), with segment profit of 394 million yen (up 189.9% 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 third quarter, the Group had total assets of 37,842 million yen (up 1,311 million yen from the end of the previous fiscal year), total liabilities of 8,164 million yen (up 606 million yen from the end of the previous fiscal year), and net assets of 29,678 million yen (up 704 million yen from the end of the previous fiscal year).

(Current assets)

Consolidated current assets at the end of the third quarter totaled 28,609 million yen, up 503 million yen from the end of the previous fiscal year owing mainly to increases in accounts receivable - trade and inventories.

(Non-current assets)

Consolidated non-current assets at the end of the third quarter totaled 9,233 million yen, up 808 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 third quarter totaled 7,825 million yen, up 682 million yen from the end of the previous fiscal year, owing mainly to increases in accounts payable - trade and accounts payable - other.

(Non-current liabilities)

Consolidated non-current liabilities at the end of the third quarter totaled 338 million yen, down 76 million yen from the end of the previous fiscal year, owing mainly to a decrease in provision for share awards for directors (and other officers).

(Net assets)

Consolidated net assets at the end of the third quarter totaled 29,678 million yen, up 704 million yen from the end of the previous fiscal year, owing to the fact that profit attributable to owners of parent of 2,410 million yen was recorded, despite a decrease in retained earnings due to dividends paid in the previous fiscal year.

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

We had previously disclosed our forecast in a range format due to the difficulty of forecasting with specific figures. However, we have now revised the full-year consolidated earnings forecasts for the fiscal year ending March 31, 2023, announced on July 29, 2022, based on progress through the third quarter and information available at the moment.

For details, please refer to the “Announcement on revisions to the full-year forecasts and the year-end dividend forecast (available in Japanese language only)” announced today (January 31, 2023).