



## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 (Nine Months Ended December 31, 2023) (Based on J-GAAP)

January 31, 2024

Company name: Marvelous Inc. Listing: Tokyo Stock Exchange  
 Stock code: 7844 URL: <https://corp.marv.jp/english/index.html>  
 Representative: Suminobu Sato, President  
 Contact: Chihiro Noguchi, Director, General Manager of Corporate Division E-mail: [ir@marv.jp](mailto:ir@marv.jp)  
 Scheduled date of filing Quarterly Securities Report: February 2, 2024  
 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 the Fiscal Year Ending March 31, 2024 (April 1, 2023-December 31, 2023)

(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 FY2024	21,760	18.2	1,390	(56.2)	1,746	(50.2)	1,174	(51.3)
3Q FY2023	18,412	(2.9)	3,176	(20.7)	3,509	(16.2)	2,410	(17.9)

Note: Comprehensive income (million yen): 3Q FY2024: 1,559 (-41.0%) 3Q FY2023: 2,643 (-14.3%)

	Net income per share	Diluted net income per share
	Yen	Yen
3Q FY2024	19.41	–
3Q FY2023	39.89	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
3Q FY2024	36,101	28,868	79.9	476.05
FY2023	36,447	29,227	80.1	482.69

Reference: Shareholders' equity (million yen): 3Q FY2024: 28,835 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	–	0.00	–		
FY2024 (forecasts)				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	28,500	12.5	2,000	(19.6)	2,400	(18.1)	1,650	(14.3)	27.26

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 (available in Japanese language only)” announced today (January 31, 2024).

**\*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 FY2024	62,216,400shares	FY2023	62,216,400shares
2) Number of treasury shares at end of period	3Q FY2024	1,643,146shares	FY2023	1,747,846shares
3) Average number of shares outstanding during the period (nine months)	3Q FY2024	60,517,668shares	3Q FY2023	60,425,657shares

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 are 375,300 shares for the fiscal year ended March 31, 2023, and 270,600 shares for the nine months ended December 31, 2023.

\* 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 (nine months), in the domestic home-use games market, sales of software remained firm owing to an increase in download sales despite a decline in package sales. In addition, the hardware market was very strong due to the increase in sales owing to the elimination of the PlayStation® 5 shortage and the continued popularity of Nintendo Switch™, and that led to growth in the overall market. In the mobile game market, while its growth has reached a period of stability and its size has remained almost flat, a severe competitive environment has been continuing such as prevailing new titles by overseas companies. In the amusement market, its expansion trend continued, with prize games continuing to perform well and medal games recovering in some areas. In the music and video market, the package market continued to shrink, but the video distribution market, which became established in daily life after the COVID-19 pandemic, remained at a high level despite intensified competition. In the live entertainment market, the attendance is recovering from the effects of the COVID-19 pandemic.

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 diverse 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-December 31, 2023) came to net sales of 21,760 million yen (up 18.2% compared with the same period of the previous year), operating profit of 1,390 million yen (down 56.2% compared with the same period of the previous year), ordinary profit of 1,746 million yen (down 50.2% compared with the same period of the previous year), and profit attributable to owners of parent of 1,174 million yen (down 51.3% 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 this business, the North American, European and Steam® versions of the completely new RPG FREDERICA (Title in North America and Europe: SILENT HOPE) released in Japan in September 2023 were released sequentially from October 3 of the same year. In addition, several new games have been released in Japan and overseas, including the completely new fashion and communication game Fashion Dreamer for Nintendo Switch™, which was released in Japan and Asia on November 2, 2023, and in North America and Europe on November 3, 2023.

However, in addition to the sluggish sales of LOOP8 released in the first quarter, sales of these new titles were significantly lower than expected, and we were unable to recover development expenses and recorded a loss.

In the online division, Dolphin Wave, which was released in the same period of the previous year, remained strong, despite a reactionary decline in the significant contribution made at the start of the service. In addition, long-term operating titles such as Logres of Swords and Sorcery: Goddess of Ancient, SHINOVI MASTER -SENTRAN KAGURA NEW LINK- and Browser Sangokushi made a solid contribution to revenues despite a decline in sales over the years.

As a result, segment net sales totaled 12,137 million yen (up 18.2% compared with the same period of the previous year), with segment loss of 300 million yen (segment profit in the same period of the previous fiscal year was 1,635 million yen).

#### (ii) Amusement Business

In this business, we began operating the third new tag of Pokémon MEZASTAR, our flagship children's amusement machine, from November 22, 2023. Following the second quarter, we actively implemented marketing and promotional measures such as exhibiting at events and distributing tags in collaboration with other companies, resulting in a very strong performance. Pokémon Ga-Olé, which is currently operating overseas, continued to perform well and contributed significantly to the results. In addition, The new amusement machine huo ying ren zhe do pai shi jie, which started operation in mainland China on September 26, 2023, in which the popular works NARUTO are used, steadily increased the number of machines in operation.

As a result, segment net sales totaled 6,602 million yen (up 9.2% compared with the same period of the previous year), with segment profit of 2,512 million yen (up 7.9% compared with the same period of the previous year).

(iii) Audio and Visual Business

In this business, in addition to broadcasting the original TV anime series Power of Hope~PrecureFull Bloom~ from October to December 2023, which was one of the 20 year anniversary measures for the Pretty Cure series, we also performed a live concert of Soaring Sky ! Precure and a stage performance of DANCING☆STAR PRECURE THE STAGE, which featured male Pretty Cure in the series' first stage adaptation, from October to November of the same year.

In addition, new performances of series such as MUSICAL THE PRINCE OF TENNIS II, TOUKEN RANBU THE STAGE, and MUSICAL AO HARU TETSUDO were performed and received good reviews, and TOUKEN RANBU: THE MOVIE 2 was packaged for sale.

Although profit margins declined due to a reduction in subsidies related to stage performances, net sales and profit increased year-on-year because of an improvement in the sales environment for tickets and merchandise owing to the recovery from the COVID-19 pandemic.

As a result, segment net sales totaled 3,019 million yen (up 43.8% compared with the same period of the previous year) with segment profit of 436 million yen (up 10.6% 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 36,101 million yen (down 345 million yen from the end of the previous fiscal year), total liabilities of 7,233 million yen (up 13 million yen from the end of the previous fiscal year), and net assets of 28,868 million yen (down 358 million yen from the end of the previous fiscal year).

(Current assets)

Consolidated current assets at the end of the third quarter totaled 28,317 million yen, down 142 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 third quarter totaled 7,784 million yen, down 202 million yen from the end of the previous fiscal year, mainly due to a decrease in investment securities transferred to current assets.

(Current liabilities)

Consolidated current liabilities at the end of the third quarter totaled 6,998 million yen, up 117 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 234 million yen, down 104 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 28,868 million yen, down 358 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 1,174 million yen in profit attributable to owners of parent.

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

With regard to the consolidated earnings forecast for the fiscal year ending March 31, 2024, the full-year consolidated earnings forecast announced on May 11, 2023 has been revised, taking into account the results for the consolidated cumulative third quarter of the current fiscal year and the outlook for the future. For details, please refer to the "Announcement on Revisions to the Full-year Forecasts (available in Japanese language only)" announced today (January 31, 2024).