



Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Based on J-GAAP)

May 9, 2025

Company name: Marvelous Inc.

Listing: Tokyo Stock Exchange

Stock code: 7844

URL: <https://corp.marv.jp/english/index.html>

Representative: Shinichi Terui, President

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Scheduled date of Annual General Meeting of Shareholders: June 23, 2025

Scheduled commencement date of dividend payout: June 9, 2025

Scheduled date of filing Annual Securities Report: June 23, 2025

Explanatory documents supplemental to the abridged Financial Statements: Yes

Result briefing: None

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (April 1, 2024 – March 31, 2025)

(1) Consolidated Results of Operations (full-year) (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	%
FY2025	27,963	(5.2)	1,817	(24.7)	1,800	(40.1)	818	–
FY2024	29,493	16.4	2,415	(2.9)	3,002	2.4	(517)	–

Note: Comprehensive income (million yen): FY2025: 798 (810.5%) FY2024: 87 (-96.0%)

	Net income per share	Diluted net income per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
FY2025	13.52	–	3.1	5.3	6.5
FY2024	(8.55)	–	(1.8)	8.5	8.2

Reference: Equity in earnings/losses of affiliates (million yen): FY2024: – FY2023: –

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	32,903	26,187	79.5	431.60
FY2024	34,538	27,396	79.2	451.60

Reference: Shareholders' equity (million yen): FY2025: 26,143 FY2024: 27,354

(3) Consolidated Cash Flows Position

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2025	(101)	(2,540)	(2,007)	7,880
FY2024	2,892	(1,288)	(2,167)	12,677

2. Dividends

	Dividends per share					Total dividends (annual)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	Interim	3Q-end	Year-end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FY2024	–	0.00	–	33.00	33.00	2,007	–	7.1
FY2025	–	0.00	–	10.00	10.00	608	74.0	2.3
FY2026 (forecasts)	–	0.00	–	12.00	12.00		51.9	

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2026 (April 1, 2025 – March 31, 2026)

(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	35,000	25.2	2,000	10.0	2,000	11.1	1,400	71.0	23.11

Note: Since the Company manages its business performance on an annual basis, the forecast for the second quarter (cumulative) has been omitted.

***Notes**

(1) Significant changes in the scope of consolidation during the period: None
 New: None (Company name:)
 Excluded: None (Company name:)

(2) 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: Yes
 3) Changes in accounting estimates: Yes
 4) Restatements: None

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

1) Number of shares outstanding (including treasury shares) at end of period	FY2025	62,216,400 shares	FY2024	62,216,400 shares
2) Number of treasury shares at end of period	FY2025	1,643,231 shares	FY2024	1,643,151 shares
3) Average number of shares outstanding during the period	FY2025	60,573,194 shares	FY2024	60,531,487 shares

Note: The number of treasury shares at end of the period is stated, including 270,600 shares held by Custody Bank of Japan, Ltd. (Trust E Units) as trust assets of the Board Benefit Trust (BBT).

Reference: Non-Consolidated Financial Results

Non-consolidated Financial Results for the Year Ended March 2025 (April 1, 2024 – March 31, 2025)

(1) Non-consolidated Results of Operations (full-year) (Percentages represent year-over-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025	23,458	(0.5)	1,634	(7.1)	1,679	(55.8)	1,027	(8.3)
FY2024	23,583	7.8	1,760	(18.1)	3,802	41.6	1,120	(38.9)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2025	16.96	–
FY2024	18.51	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2025	28,200	22,325	79.2	368.56
FY2024	29,626	23,306	78.7	384.77

Reference: Shareholders' equity (million yen): FY2025: 22,325 FY2024: 23,306

* The summary of financial statements is not subject to 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 "1. Summary of Consolidated Business Results (4) Outlook."

1. Summary of Consolidated Business Results

(1) Summary of business results for the period

The entertainment industry, to which the Group belongs, saw the domestic home-use game market enter a transitional phase in the hardware market, with sales gradually slowing amid price revisions of the PlayStation®5 and growing expectations for the next-generation Nintendo Switch™ console. However, the overall market remained stable, driven by some hit titles in the software market. In the mobile game market, while the market size has remained nearly flat, there have been some hits among IP-based titles, but the competitive environment remains challenging. In the domestic amusement market, the continued strong performance of prize games and the growing inbound demand have contributed to revitalizing the overall market. In the music and video market, while the package market continued to shrink and the competitive environment remained extremely intense, the video distribution market maintained stable growth, driven by content diversification and the expansion of real-time distribution. In the live entertainment market, audience turnout recovered to pre-COVID-19 levels, driven by large-scale performances in major cities, while the online distribution market shrank.

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.

However, net sales fell below the previous year's level due to fewer releases of core consumer titles in the current fiscal year compared to the previous year, and a decrease in stage video-related income. In terms of profit, operating income decreased due to factors such as the recording of replacement costs for old and new amusement machines, one-time amortization of certain animation content assets in the Audio and Visual Business, and significant investment losses related to IP development, in addition to the decline in revenue. On the other hand, in terms of final profit and loss, although some underperforming overseas amusement machine chassis assets were recorded as impairment losses in extraordinary losses, the elimination of extraordinary losses due to changes in accounting estimates in the previous fiscal year resulted in a return to profitability.

As a result, the Group's consolidated operating results for the period under review (April 1, 2024 to March 31, 2025) came to net sales of 27,963 million yen (down 5.2% from the previous fiscal year), operating profit of 1,817 million yen (down 24.7% from the previous fiscal year), ordinary profit of 1,800 million yen (down 40.1% from the previous fiscal year), and profit attributable to owners of parent of 818 million yen (loss attributable to owners of parent of 517 million yen in the previous fiscal year).

Results by business segment are described below.

(i) Digital Contents Business

In the consumer division of this business, we released FARMAGIA, a new original title on November 1, 2024. However, sales significantly fell short of the initial plan, and since this was the only core title released during the period, sales declined substantially compared to the previous year. On the other hand, although research and development expenses increased due to a change in accounting estimates implemented at the end of the previous fiscal year, a significant decrease in cost of sales led to a substantial improvement in profit.

In the online division, BIKKURIMAN Wonder Collection, the new smartphone game app, which launched on April 19, 2024, got off to a solid start and contributed to revenue. In addition, although sales of existing titles declined over time, collaboration events and other measures for each title performed steadily, exceeding the plan and contributing to overall results.

As a result, segment net sales totaled of 12,898 million yen (down 16.4% from the previous fiscal year), with segment profit of 937 million yen (up 97.6% from the previous fiscal year).

(ii) Amusement Business

In this business, we launched the latest Pokémon amusement machine, on July 11, 2024, followed by the rollout of the new versions in September and November 2024, and February 2025. The product got off to a strong start, with the number of chips distributed surpassing 10 million in just about one month, the

fastest pace among all past Pokémon amusement machines. Overseas Pokémon Ga-Olé also performed well, achieving results that exceeded the previous fiscal year despite being the final year of operation before the replacement of the machines. In addition, we began the phased rollout of TRY CATCH, our new-concept crane game machine, at amusement facilities nationwide starting in November 2024.

Although revenue increased due to the expansion of overseas sales and the launch of TRY CATCH, profit decreased as a result of upfront costs associated with the replacement of domestic kids' amusement machines with new models and underperformance in some new overseas businesses.

As a result, segment net sales totaled of 10,446 million yen (up 15.8% from the previous fiscal year), with segment profit of 2,685 million yen (down 13.6% from the previous fiscal year).

(iii) Audio and Visual Business

In this business, the TV animation TOUKEN RANBU KAI KYODEN was broadcast in April 2024, followed by the second phase of the TV animation The Café Terrace and its Goddesses in July 2024. Additionally, the original TV animation Witchy Precure!! ~MIRAI DAYS~ from the Precure series, along with the TV animation From Bureaucrat to Villainess: Dad's Been Reincarnated! and the TV animation FARMAGIA, started broadcasting in January 2025. The Company also released packaged products for titles related to the Precure series, including the TV animation Wonderful Precure!, as well as for other titles such as the TV animation The Unwanted Undead Adventurer. The latest production of the movie version of Precure, Wonderful Precure! the Movie, was released on September 13, 2024, and achieved favorable results.

In addition, new performances of series such as MUSICAL THE PRINCE OF TENNIS, TOUKEN RANBU THE STAGE, "World Trigger the Stage", and DANCING☆STAR PRECURE THE STAGE, as well as the final performance of the stage, Stage [Yowamushi Pedal] and a concert performance of MUSICAL 『MORIARTY THE PATRIOT』, were performed and received good reviews, and new plays in this fiscal year, such as Stage 【OSHI NO KO】 Episode 2.5 Dimensional Stage and 舞台『魔道祖師』 were performed.

However, the business as a whole experienced a significant decline in package sales and distribution revenues related to stage performances, and as a result of a rigorous evaluation of the future collectability of visual content assets of some animation productions, a one-time write-off was made and recorded as a valuation loss in cost of sales. Furthermore, a segment loss was recorded due to an increase in investment losses related to the development of new IPs.

As a result, segment net sales totaled of 4,618 million yen (down 8.3% from the previous fiscal year), with segment loss of 49 million yen (segment profit of 531 million yen in the previous fiscal year).

(2) Summary of financial position for the period

The financial position of the Group at the end of the current consolidated accounting period is as follows.

Assets at the end of the current financial year were 32,903 million yen, a decrease of 1,635 million yen compared to the end of the previous financial year, mainly due to a decrease in cash and deposits, despite an increase in amusement facility equipment and work in progress.

Total liabilities at the end of the current fiscal year amounted to 6,716 million yen, down 425 million yen from the end of the previous fiscal year, mainly due to a decrease in accrued royalties and accounts payable.

Net assets at the end of the financial year under review amounted to JPY 26,187 million, a decrease of JPY 1,209 million compared to the end of the previous financial year, mainly due to a decrease in retained earnings as a result of dividends, despite the recording of net profit attributable to shareholders of the parent company.

(3) Summary of cash flows for the period

Cash and cash equivalents ('funds') in the current financial year. Cash and cash equivalents (hereinafter referred to as 'funds') decreased by ¥4,797 million to ¥7,880 million compared with the end of the previous financial year.

Cash flows and relevant factors in the period under review are as follows:

[Cash flows from operating activities]

Funds spent as a result of operating activities amounted to JPY 101 million (income of JPY 2,892 million in the previous year), mainly due to an increase in inventories of JPY 2,564 million and an increase in trade receivables of JPY 502 million, despite income before income taxes of JPY 1,648 million and depreciation of JPY 1,345 million.

[Cash flows from investing activities]

Funds used in investing activities amounted to JPY 2,540 million (previous year: JPY 1,288 million), mainly due to expenditure of JPY 2,172 million for the acquisition of property, plant and equipment and JPY 1,282 million for the acquisition of intangible assets, despite income of JPY 1,000 million from the redemption of investment securities.

[Cash flows from financing activities]

Funds used in financing activities amounted to JPY 2,007 million (previous year: expenditure of JPY 2,167 million), mainly due to dividend payments of JPY 2,007 million.

Reference: Trends in cash flow indicators

	FY2021	FY2022	FY2023	FY2024	FY2025
Shareholders' equity ratio (%)	79.9	79.2	80.1	79.2	79.5
Shareholders' equity ratio based on market prices (%)	155.3	119.3	109.5	121.9	86.5
Interest-bearing debt to cash flow ratio (annual)	3.7	5.7	16.4	0.0	–
Interest coverage ratio (times)	3,557.5	2,839.2	352.7	2,729.5	–

Shareholders' equity ratio: Shareholders' equity/Total assets

Shareholders' equity ratio based on market prices: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest paid

- Notes:
1. Indicators are calculated using consolidated financial figures.
 2. Market capitalization is calculated using the total number of issued shares minus treasury shares.
 3. Cash flow refers to cash flow from operating activities.
 4. Interest-bearing debt refers to all liabilities appearing on the consolidated balance sheet that interest is paid on. Interest payments are based on the interest paid of the consolidated cash flow statement.
 5. There is no interest-bearing debt at the end of the year ending 31 March 2024 and at the end of the year ending 31 March 2025.
 6. As operating cash flow was negative at the end of the year ended 31 March 2025, the ratio of debt to cash flow and the interest coverage ratio are not stated.

(4) Outlook

In the Digital Contents Business, three latest titles in the consumer game series and one new online game are scheduled to be released from the Company's core IP, as well as several indie and acquisition titles. As a result, sales are expected to grow significantly from the previous year. On the other hand, as development costs for these titles will be recorded as cost from the time of release, profit growth is expected to be limited and a full contribution to profits is not expected until the second half of the year. In the Amusement Business, a full year of contributions from titles released in the previous year, the elimination of upfront costs and further growth in overseas business are expected. In the Audio and Visual Business, efforts will be made to improve profitability by reviewing unprofitable projects.

2. Basic Approach to the Selection of Accounting Standards

The Company prepares financial statements and other materials in accordance with generally accepted accounting principles in Japan (J-GAAP). We are considering the voluntary application of International Financial Reporting Standards (IFRS), however, we will continue to apply the J-GAAP by comprehensively taking consideration of securing comparisons with the financial data of other companies and the possibility of fund procurement in overseas markets. We will continue to consider the voluntary application of IFRS.

* Note: This document has been machine 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.