

The word "MARVELOUS!" is written in a large, bold, orange, sans-serif font, slanted upwards from left to right. The background features a white diagonal stripe separating two yellow sections.

Marvelous Inc.

Stock Code: 7844

(First Section of Tokyo Stock Exchange)

**Fiscal Year Ending March 31, 2015
First Quarter**

Results Briefing Materials

August 7, 2014

This document contains forward-looking statements which are based on information currently available to the Company and which may change as a result of numerous factors including the macroeconomic environment and industry trends relevant to the Company. Therefore, these forward-looking statements are made subject to certain risks and uncertainties which could cause results including actual business performance to differ materially from those presented.

Fiscal Year Ending March 2015, First Quarter Results Summary

Fiscal Year Ending March 2015 Business Forecast

Segment Results

Fiscal Year Ending March 2015, First Quarter Results Summary

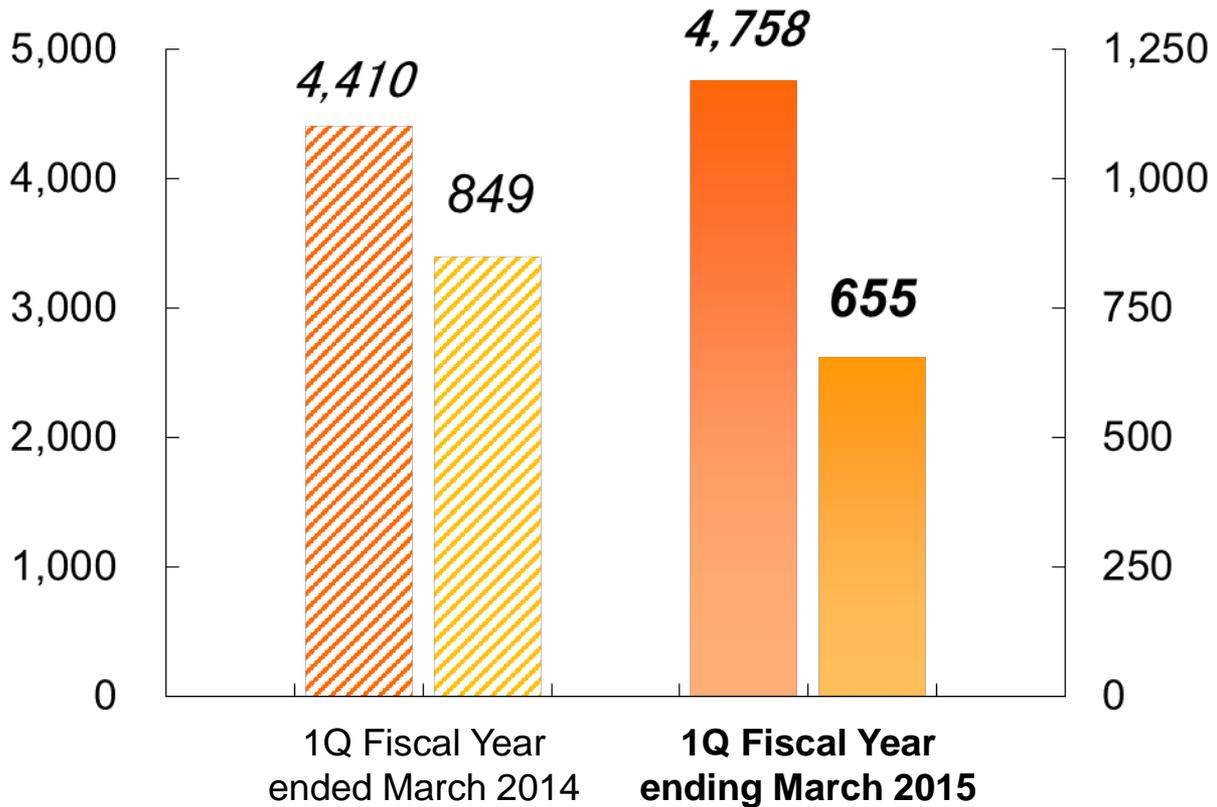
Earnings Highlights (Unit: million yen)

(Operating Profit Ratio)

19.3%

13.8%

Net sales Operating income



Main Factors

Rising sales from strong performance of app games

Decline in profit margins from backlash in repeat sales of consumer game software

Financial Highlights (P/L)

Growth in business scale continuing compared with year-earlier period

(Unit: million yen)

1Q of FY ended March 2014

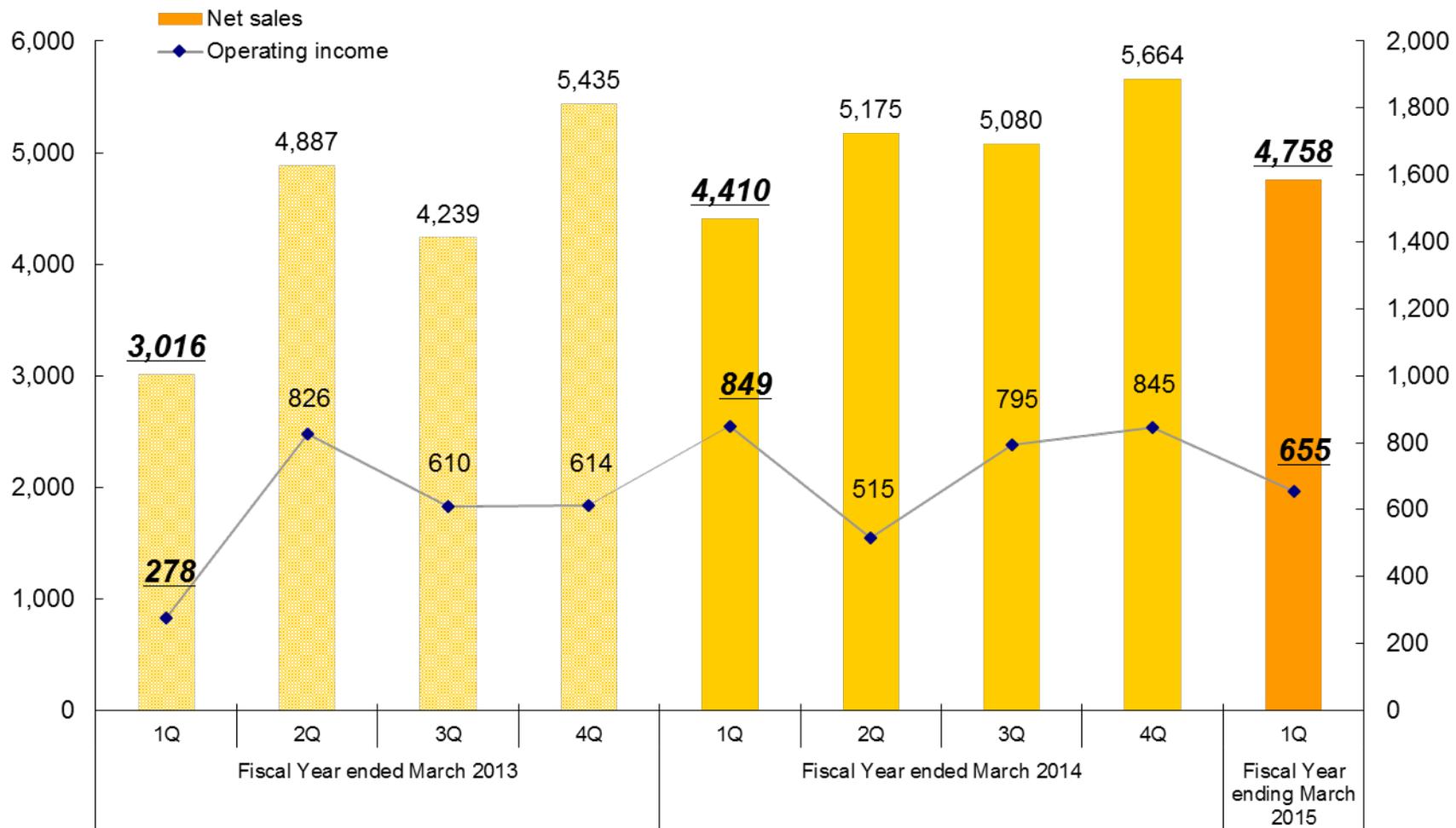
	Actual	Profit ratio
Net sales	4,410	
Cost of sales	1,935	
SGA expenses	1,625	
Operating income	849	19.3%
Non-operating income/losses	27	
Ordinary income	876	19.9%
Extraordinary income/losses	-	
Income taxes	345	
Net income	531	12.0%

1Q of FY ending March 2015

Actual	Profit ratio	YOY change	YOY change (%)
4,758		348	108%
2,033		97	105%
2,069		444	127%
655	13.8%	-193	77%
-6		-33	—
649	13.7%	-227	74%
-10		-10	—
215		-130	62%
424	8.9%	-107	80%

Financial Highlights (by Quarter)

(Unit: million yen)



Financial Highlights – Segment Results

(Unit: million yen)	1Q FY ended March 2014	1Q FY ending March 2015		
	Actual	Actual	YOY change	YOY change (%)
● Online Game Business	1,944	2,656	711	137%
● Consumer Game Business	1,677	1,278	-399	76%
● Audio & Visual Business	788	825	36	105%
Net Sales (total)	4,410	4,758	348	108%
● Online Game Business	181	395	213	218%
● Consumer Game Business	739	298	-440	40%
● Audio & Visual Business	183	228	44	124%
Segment Income (total)	1,104	922	-182	83%
Adjustments & eliminations	-255	-266	-10	104%
Operating Income (total)	849	655	-193	77%

Point

Online Game Business

- Net increase in sales due to favorable performance of app games
- Year-earlier unprofitable titles resolved

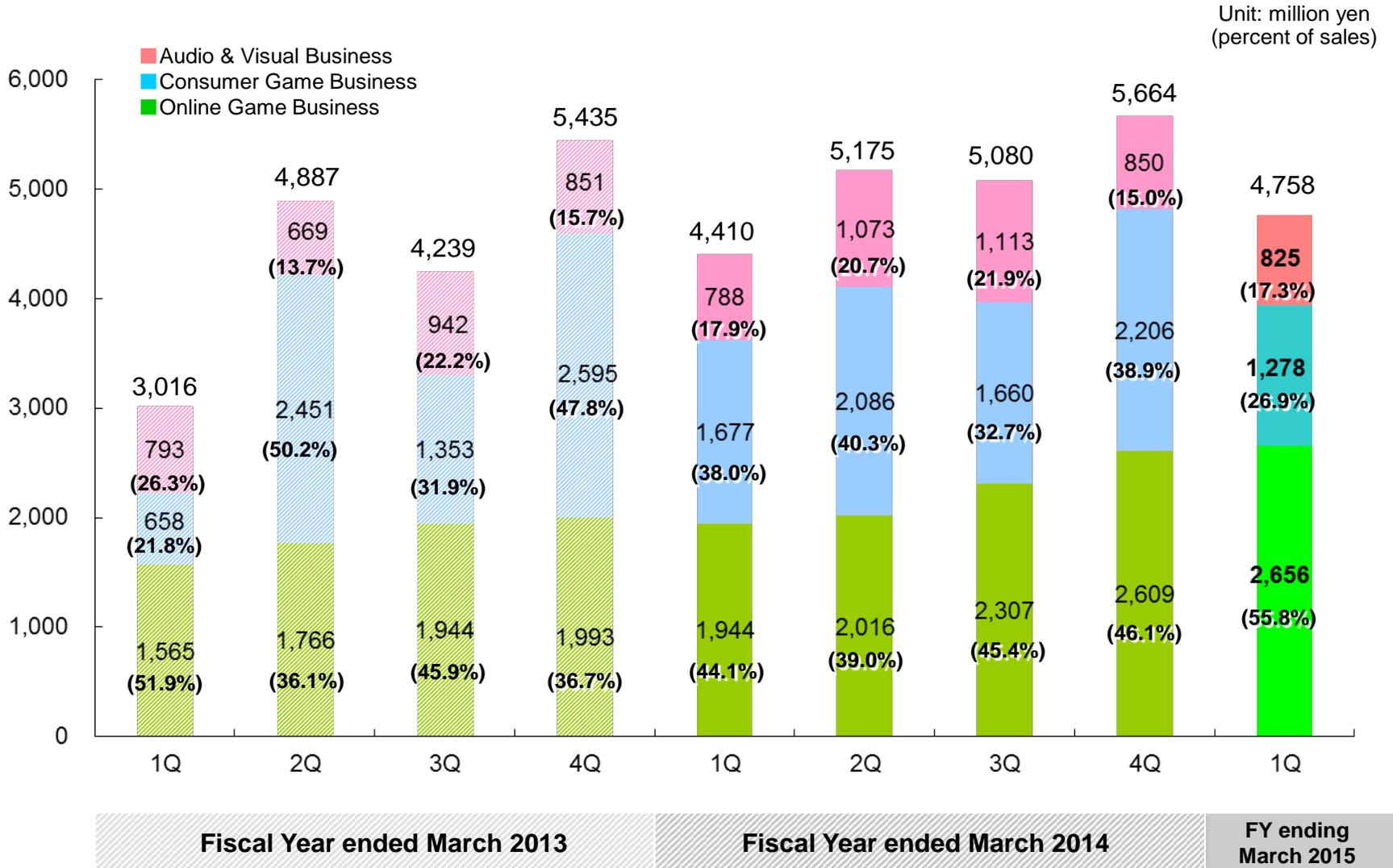
Consumer Game Business

- No new titles were released this first quarter
- Decline in repeat sales in reaction to strong sales in the first quarter of the previous fiscal year

Audio & Visual Business

- Solid performance of classic titles
- Continued strong sales of stage performance related DVDs

Financial Highlights (Sales Breakdown by Quarter)



Balance Sheet Highlights

- Decrease in current assets due to dividend payments and income taxes, etc.
- Increase in noncurrent assets from reasons including accounting recognition of PUZZLE & DRAGONS Z Tamer Battle consoles
- Increase in current liabilities from reasons including payment for above consoles partly coming due within the next month
- Decrease in net assets due to difference between recognized net income and dividend payment

(Unit: million yen)	End of March 2014	End of June 2014	Change
Current assets (total)	14,583	14,085	-498
Noncurrent assets (total)	2,233	2,730	496
Total Assets	16,816	16,815	-1
Current liabilities (total)	4,840	5,089	248
Noncurrent liabilities (total)	54	64	9
Total Liabilities	4,895	5,153	258
Net Assets (total)	11,921	11,661	-259

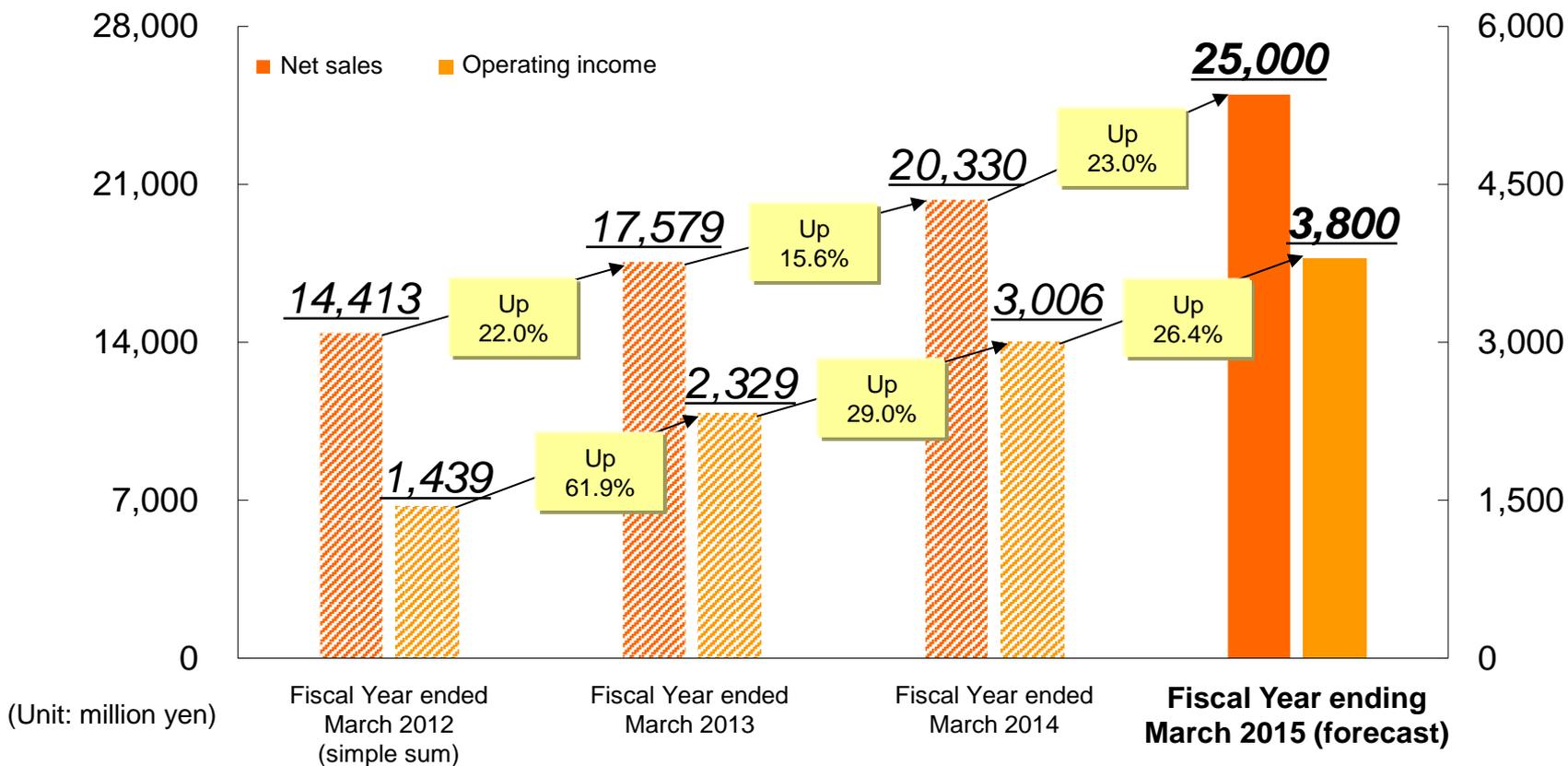
Fiscal Year Ending March 2015 Business Forecast

Initial business forecast projections unchanged

Fiscal Year ending March 2015 (Unit: million yen)	First Half	Second Half	Full Year		YOY change	
	Forecast	Forecast	Forecast	Profit ratio	(Amount)	(%)
Net sales	10,300	14,700	25,000	—	4,669	123.0%
Operating income	1,210	2,590	3,800	15.2%	793	126.4%
Ordinary income	1,205	2,585	3,790	15.2%	748	124.6%
Net income	723	1,551	2,274	9.1%	391	120.8%

(Reference) Results for Fiscal Year ended March 2014 (Unit: million yen)	First Half	Second Half	Full Year	
	Actual	Actual	Actual	Profit ratio
Net sales	9,585	10,744	20,330	—
Operating income	1,365	1,641	3,006	14.8%
Ordinary income	1,385	1,656	3,041	15.0%
Net income	860	1,021	1,882	9.3%

Maintaining 2-digit growth for 3 years running
Fiscal Year ended March 2014 had over 20% growth
in both sales and profits



Fiscal Year Ending March 2015 Segment Forecasts



Full-year business forecast projections for scale expansion in segment sales

First-half expected to decline compared with the year-earlier period due to sales backlash after concentration in the earlier period and effects of strategic investments

Fiscal Year ending March 2015					Results for Fiscal Year ended March 2014		
(Unit: million yen)		1H Forecast	2H Forecast	Full-Year Forecast	1H	2H	Full Year
Net Sales	● Online Game Business	5,200	5,300	10,500	3,960	4,917	8,877
	● Consumer Game Business	3,500	6,800	10,300	3,763	3,866	7,630
	● Audio & Visual Business	1,600	2,600	4,200	1,861	1,963	3,825
	Net Sales (total)	10,300	14,700	25,000	9,585	10,744	20,330
Segment Income	● Online Game Business	670	770	1,440	218	524	742
	● Consumer Game Business	750	1,770	2,520	1,273	994	2,268
	● Audio & Visual Business	340	580	920	350	571	921
	Segment Income (total)	1,760	3,120	4,880	1,842	2,089	3,932
Adjustments & eliminations		-550	-530	-1080	-477	-448	-925
Operating Income (total)		1,210	2,590	3,800	1,365	1,641	3,006

Segment Results

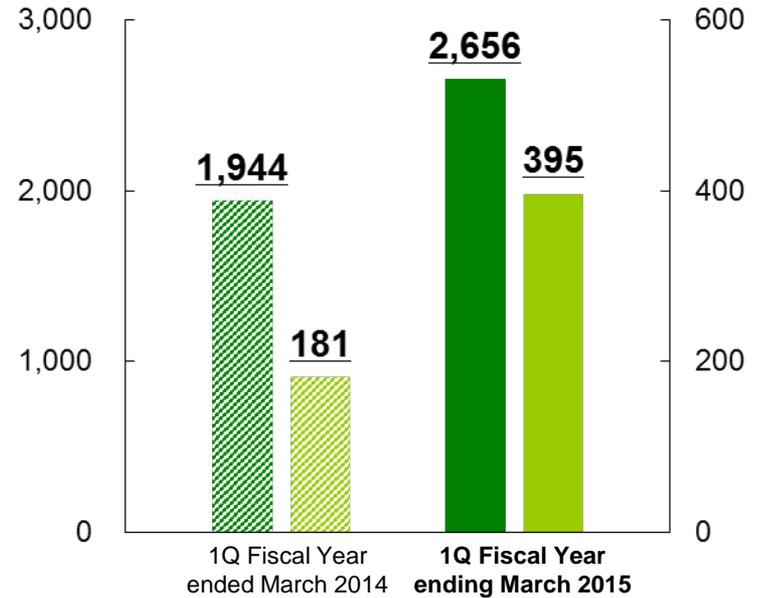
1Q Results

Net sales: **Growth from strong app games**
 Profits: **Enhanced profit margins from efficiency gains**

Title Performance

- Favorable sales growth of “Logres of Swords and Sorcery: Goddess of Ancient”
- Browser game classics also have strong performance
- Rigorous title selection criteria compelled termination of some titles and lump-sum amortization of preparatory development cost

(Unit: million yen) ■ Net sales ■ Operating income



“Browser Sangokushi”
(PC browser)

Service launched in July 2009



©Marvelous Inc.

“Logres of Swords and Sorcery: Goddess of Ancient”
(native app)

Service launched in December 2013



©Marvelous Inc. Aiming Inc.

“Ikki-Tousen Burst Fight”
(Mobile browser)

Service launched in May 2012



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Title Rollouts

Television commercial for “Logres of Swords and Sorcery: Goddess of Ancient” under preparation

The Company’s first free-to-play game for PS Vita “HIGH SCHOOL D×D NEWFIGHT” scheduled for dissemination

Planning and development of new titles to continue centered on native apps

Title Rollouts

HIGH SCHOOL D×D NEWFIGHT

Scheduled for release this summer



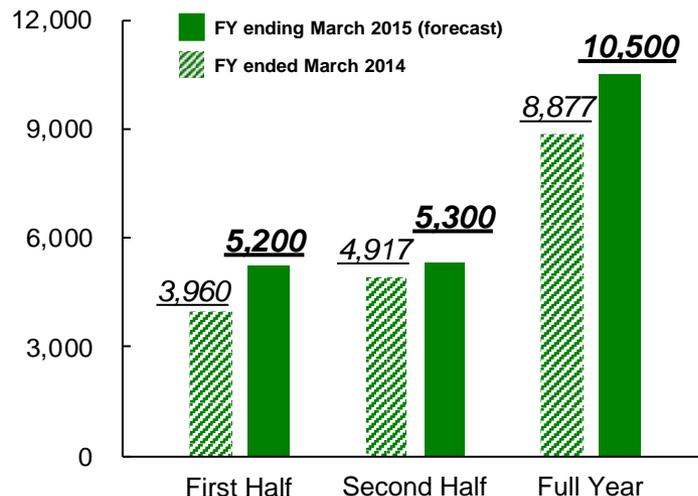
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Original IP

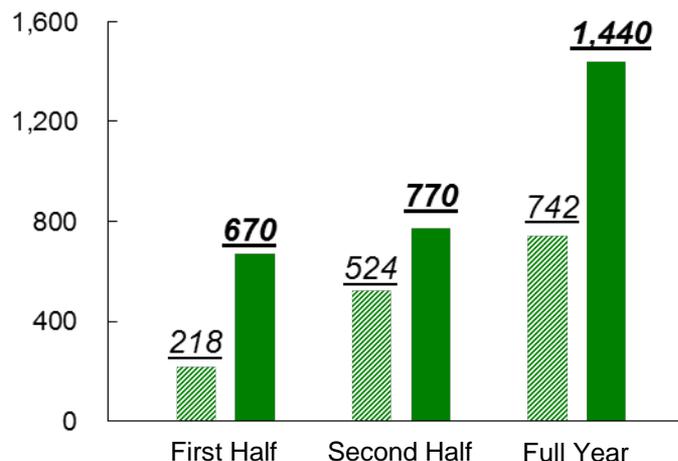
IP for the world

IP for the world

Net Sales (Unit: million yen)



Segment Income (Unit: million yen)



1Q Results

Net sales: Decline due to difference in the timing of title introductions

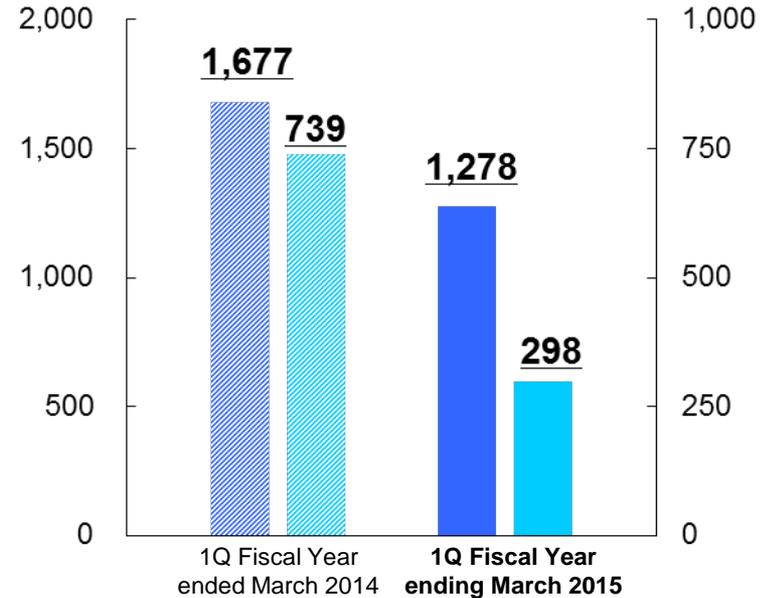
Profits: Decline in profit margins due to backlash in repeat sales

Title Performance

- Service for “PUZZLE & DRAGONS Z Tamer Battle” as new amusement machine for young children initiated on June 26, 2014 (contributions to business results beginning in the second quarter)
- No new consumer game titles in the first quarter
- Decline in repeat sales in reaction to concentrated sales in the first half of the previous fiscal year

(Unit: million yen)

■ Net sales ■ Operating income



Title Rollouts

Pokémon TRETТА (Amusement)

Running strong since July 2012



©2014 Pokémon. ©1995-2014 Nintendo/Creatures Inc./GAME FREAK inc. Developed by T-ARTS and MARV



PUZZLE & DRAGONS Z Tamer Battle (Amusement)

Running strong since June 2014



© GungHo Online Entertainment, Inc. / Marvelous Inc.



Released “SENTRAN KAGURA 2” on August 7, 2014

Line-up of numerous new titles, including “Bakumatsu Rock: Ultra Soul” and “KINKI NO MAGNA,” to be released in the 2nd quarter and later

Title Rollouts

SENTRAN KAGURA 2 (3DS)

Released August 7, 2014



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Bakumatsu Rock: Ultra Soul (PS Vita/PSP)

Scheduled for release September 25, 2014



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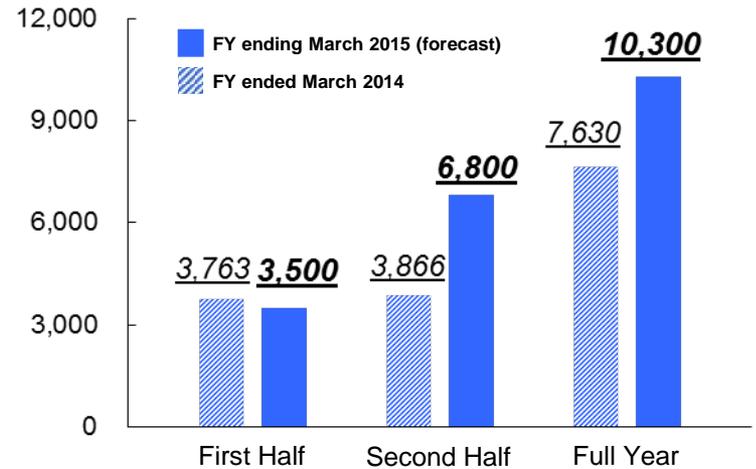
KINKI NO MAGNA (3DS)

Scheduled for release October 2, 2014

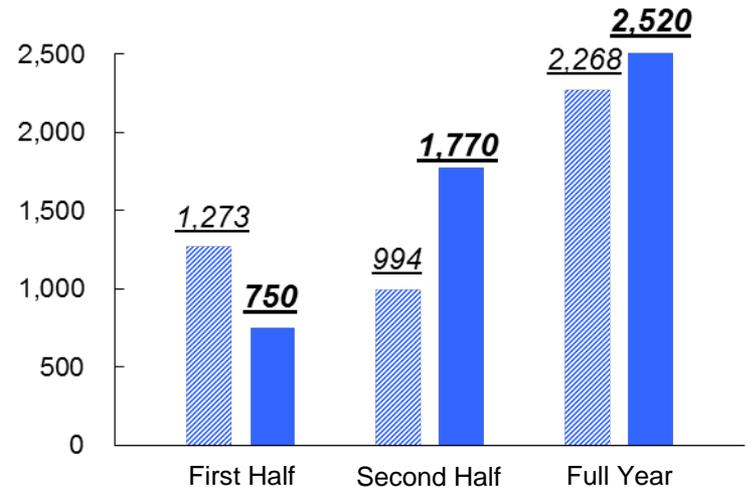


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Net Sales (Unit: million yen)



Segment Income (Unit: million yen)



1Q Results

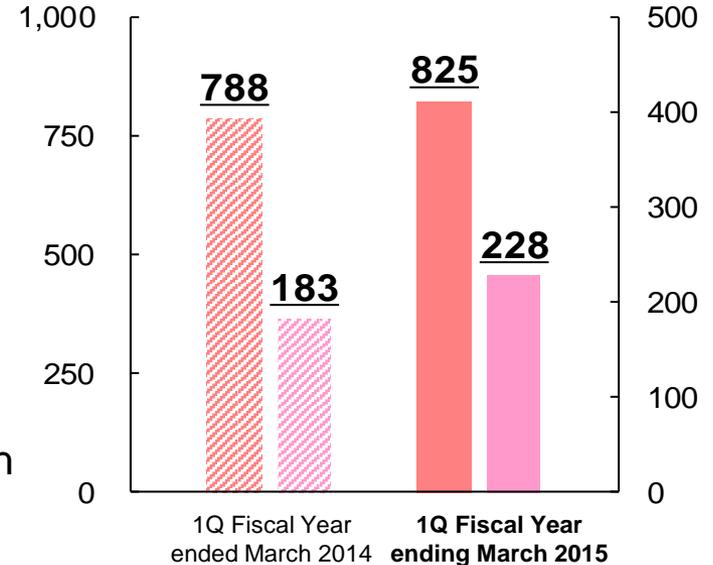
Net sales: **Main line series continuing their strong performances**

Profits: **Earnings contributions from expanding repeat sales**

Title Performance

- Audio-visual product commercialization of the TV anime “HAPPINESSCHARGE PRETTY CURE!”
- Favorable DVD sales related to the “Stage Yowamushi Pedal” and “Musical HAKUOKI” series
- Solid revenues from secondary usage charges such as sales and distribution of legacy production overseas programs

(Unit: million yen) ■ Net sales ■ Operating income



HAPPINESSCHARGE PRETTY CURE!

Popular broadcast, Sunday mornings at 8:30, on Asahi Broadcasting Corporation (ABC) and TV Asahi affiliated stations



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MUSICAL THE PRINCE OF TENNIS

Performances December 2013 – March 2014



©TAKESHI KONOMI / SHUEISHA, NAS, THE NEW PRINCE OF TENNIS PROJECT
©TAKESHI KONOMI / SHUEISHA, MUSICAL THE PRINCE OF TENNIS PRODUCTION COMMITTEE

Stage Yowamushi Pedal
Ep. Inter-high The First Result (DVD)

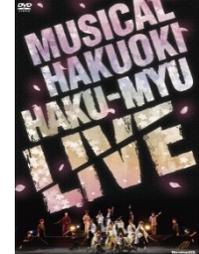
Released January 2014



©Wataru Watanabe (Akitashoten) 2008
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Musical HAKUOKI
HAKU-MYU LIVE (DVD)

Released April 2014



©IDEA FACTORY·DESIGN FACTORY / Musical HAKUOKI Project

Title Rollouts

Video product commercialization of new anime “BakumatsuRock” and “Tokyo Ghoul,” both on air since July

Tickets sold out for additional performance of new stage production “Stage K”

Performance scheduled for latest production of “Stage Yowamushi Pedal”

Title Rollouts

BakumatsuRock

Broadcast started in July 2014



©2014 Marvelous Inc. /BakumatsuRock Production Committee

Tokyo Ghoul

Broadcast started in July 2014



©Sui Ishida/Shueisha, Tokyo Ghoul Production Committee

Stage Yowamushi Pedal Ep.HAKOGAKU The Beast On the Road

Performances scheduled in October 2014



©Wataru Watanabe (Akitashoten) 2008 / Yowamushi Pedal Production Committee 2013 ©Wataru Watanabe (Akitashoten) / Marvelous, Toho, D×L Creation

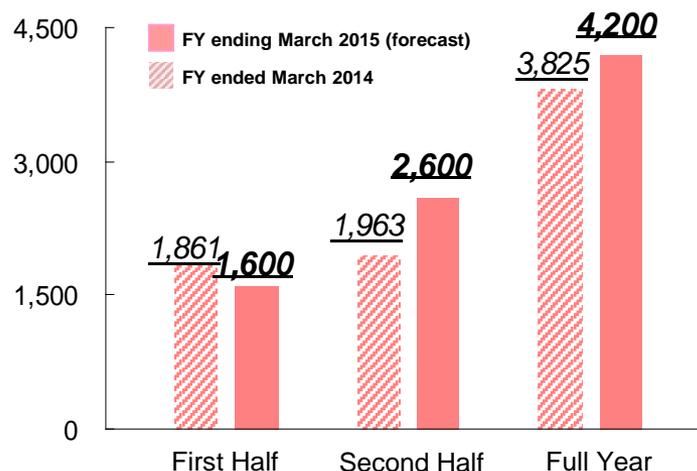
Stage K

Performances scheduled in August 2014

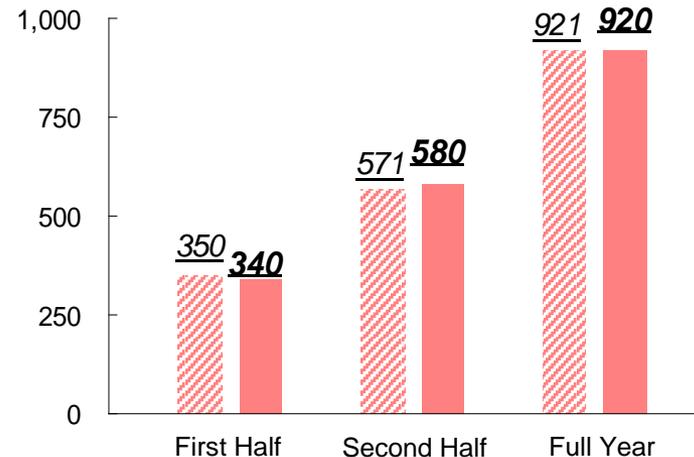


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Net Sales (Unit: million yen)



Segment Income (Unit: million yen)



Thank you for your kind attention.

Inquiries

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