

Stock Code: 7844 (First Section of Tokyo Stock Exchange)

MarvelousAQL Inc.



Fiscal Year Ended March 31, 2014

Financial Results Briefing

May 13, 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 Ended March 2014 Financial Results Summary

Fiscal Year Ending March 2015 Business Forecast

Segment Results

Company Direction

Fiscal Year Ended March 2014 Financial Results Summary

Earnings Highlights

Net sales **¥20.3 billion**

Year-over-year: **Up 15.6%**

Operating income **¥3.0 billion**

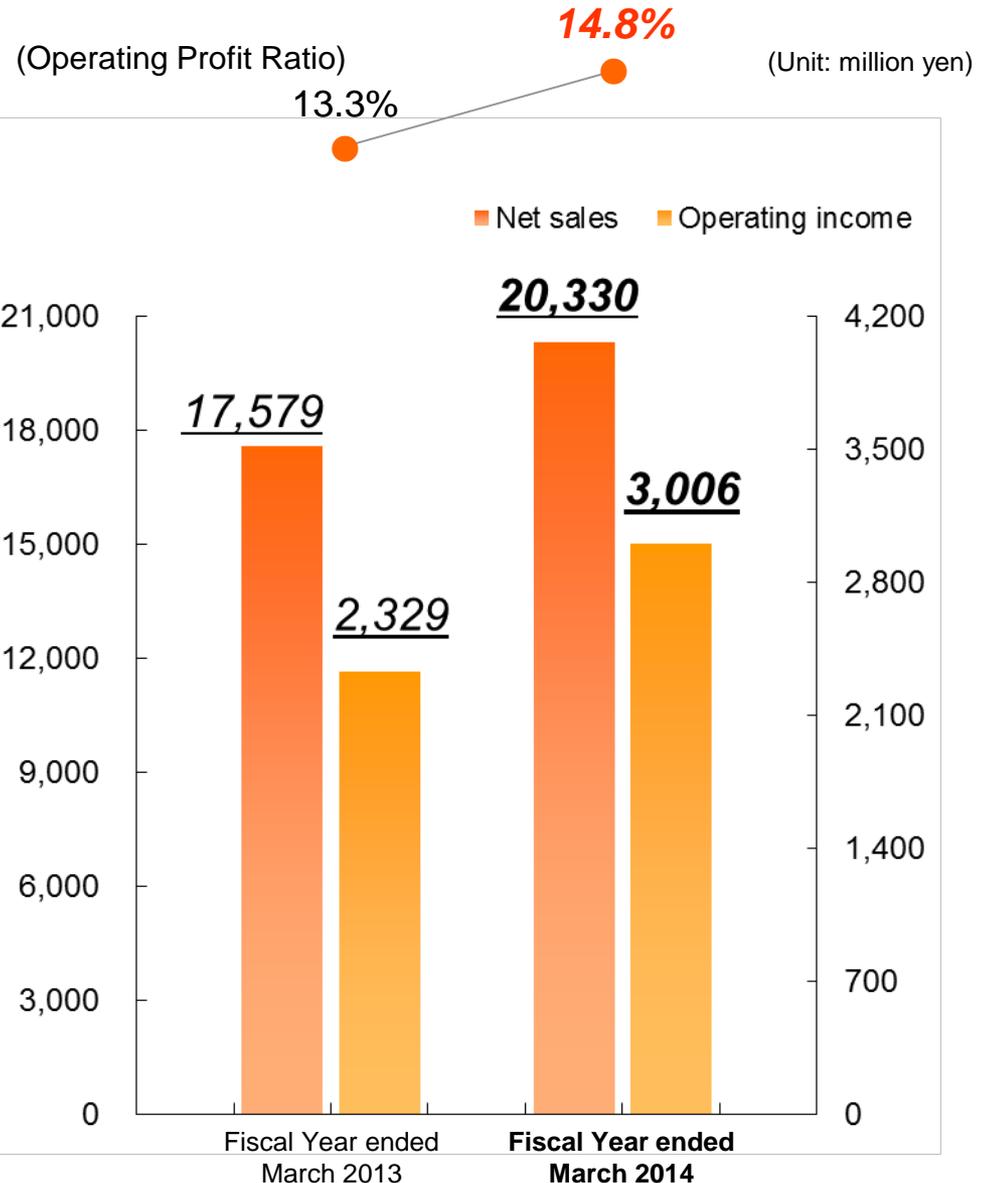
Year-over-year: **Up 29.0%**

Operating profit ratio **14.8%**

Year-over-year: **Up 1.5%**

Main Factors

- Pokémon TRETТА continues to have strong results
- Consumer game software has strong sales
- Stage Yowamushi Pedal becomes a big hit



Strong, 2-digit year-over-year growth continues in sales and profits

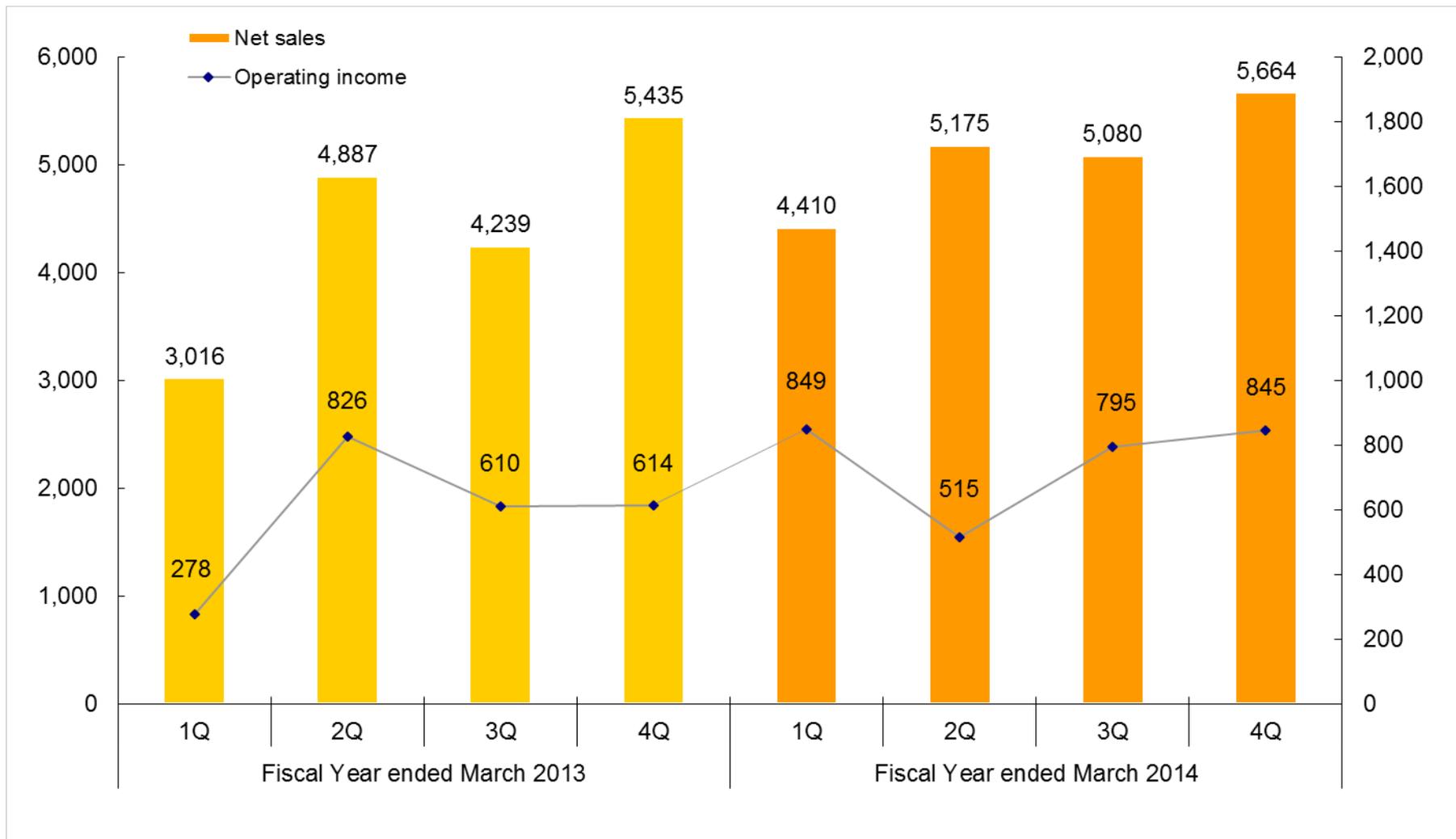
(Unit: million yen)

	FY ended March 2013	
	Actual	Profit ratio
Net sales	17,579	
Cost of sales	9,462	
SGA expenses	5,787	
Operating income	2,329	13.3%
Non-operating income/losses	-3	
Ordinary income	2,325	13.2%
Extraordinary income/losses	0	
Income taxes	406	
Net income	1,919	10.9%

FY ended March 2014			
Actual	Profit ratio	YOY change	YOY change (%)
20,330		2,751	116%
10,384		921	110%
6,939		1,152	120%
3,006	14.8%	676	129%
35		39	—
3,041	15.0%	715	131%
-59		-59	—
1,100		693	270%
1,882	9.3%	-37	98%

Financial Highlights (by Quarter)

(Unit: million yen)



Financial Highlights – Segment Results

(Unit: million yen)	FY ended March 2013	FY ended March 2014	
	Actual	Actual	YOY change (%)
● Online Game Business	7,269	8,877	122%
● Consumer Game Business	7,059	7,630	108%
● Audio & Visual Business	3,256	3,825	117%
Net Sales (total)	17,579	20,330	116%
● Online Game Business	665	742	112%
● Consumer Game Business	1,819	2,268	125%
● Audio & Visual Business	738	921	125%
Segment Income (total)	3,223	3,932	122%
Adjustments & eliminations	-893	-925	104%
Operating Income (total)	2,329	3,006	129%

Point

Online Game Business

- Large revenue increase from investment in new titles
- One-time write-off of development costs for discontinued titles
- Hit titles created from native apps

Consumer Game Business

- Strong performance of Pokémon TRETТА boosts earnings over the full year
- Game software has healthy sales for old and new titles alike

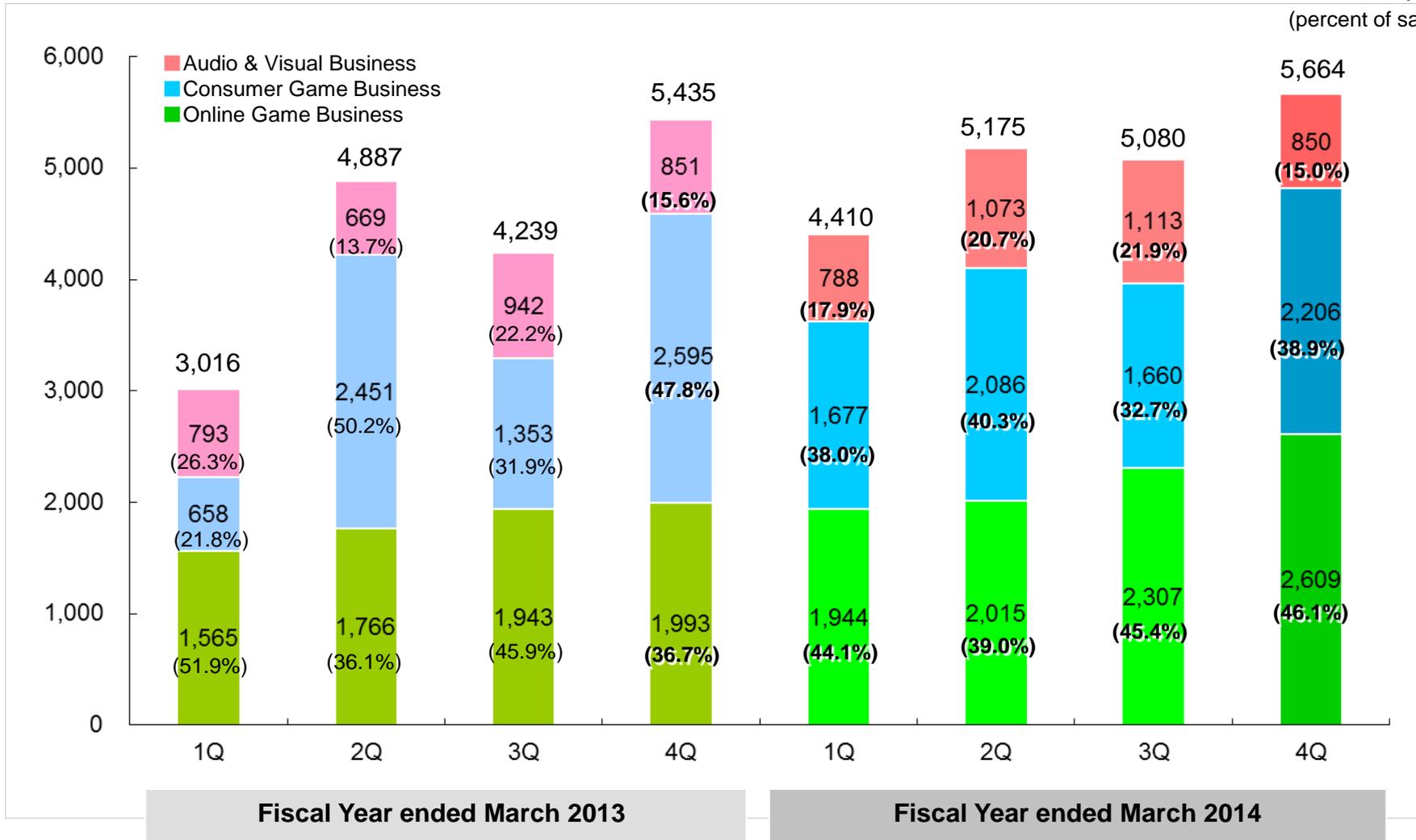
Audio & Visual Business

- "Stage Yowamushi Pedal" grows into a major series and retains foothold
- Main attractor titles continue to have firm sales

Financial Highlights (Sales Breakdown by Quarter)



Unit: million yen
(percent of sales)



Balance Sheet Highlights

- Current assets increase due to greater cash and deposits and to larger inventories resulting from consumer game software that has been developed but not offered for sale yet
- Noncurrent assets fall due to goodwill amortization, write-off of online game development costs, and recouping investment in stage performances
- Net assets increase due to recorded profit

(Unit: million yen)	End of March 2013	End of March 2014	Change
Current assets (total)	12,593	14,583	1,990
Noncurrent assets (total)	2,748	2,233	-515
Total Assets	15,341	16,816	1,474
Current liabilities (total)	4,570	4,840	270
Noncurrent liabilities (total)	76	54	-21
Total Liabilities	4,647	4,895	248
Net Assets (total)	10,694	11,921	1,226

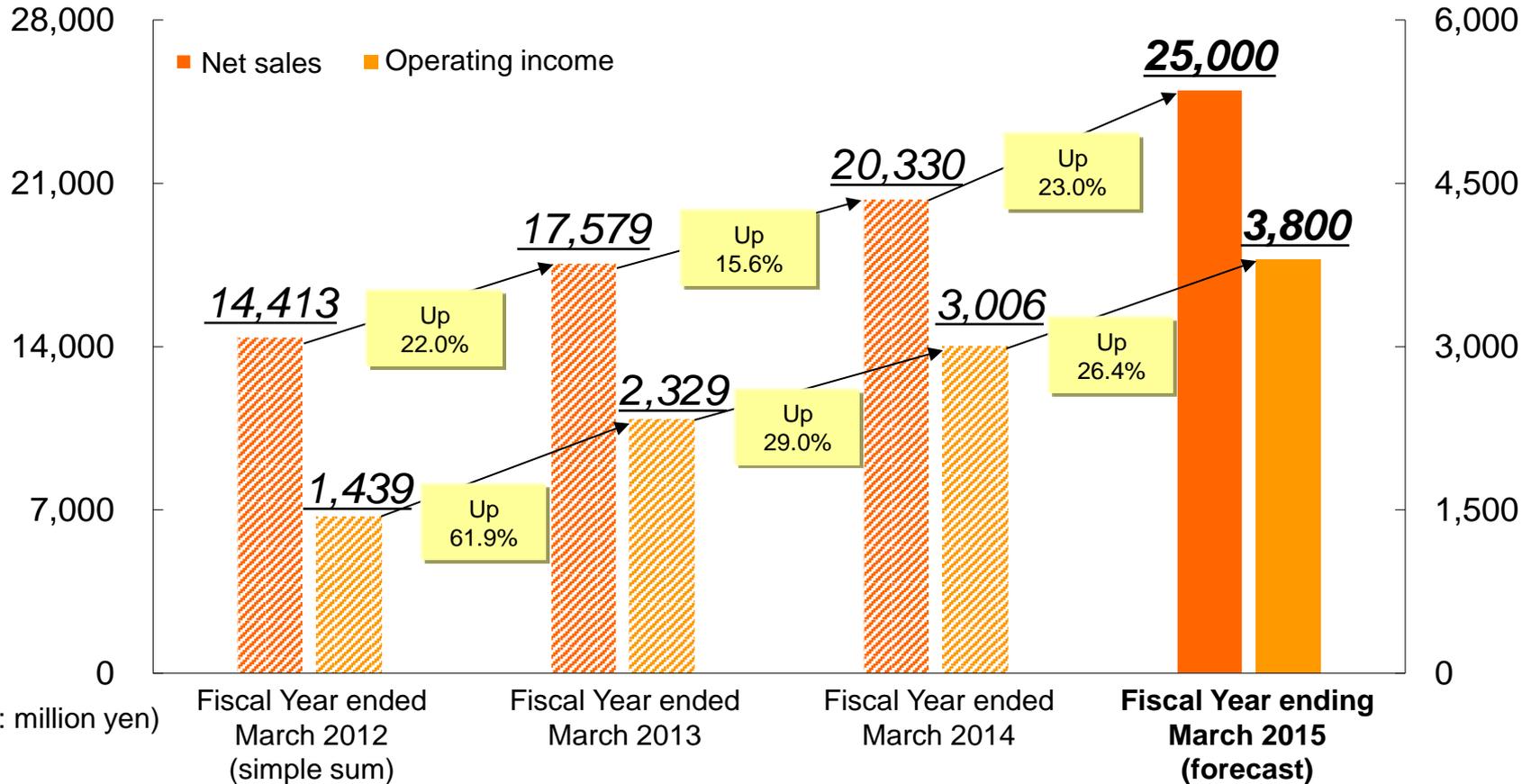
Fiscal Year Ending March 2015 Business Forecast

Maintaining 2-digit growth in sales and profits with a powerful lineup of new titles

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



**Expecting increased full-year revenues and profits in all segments
1Q and 1H will have year-over-year decline due to sales lull
following last year's spike in sales and prior investments**

Fiscal Year ending March 2015						Results for Fiscal Year ended March 2014				
(Unit: million yen)		1Q	1H Forecast	2H Forecast	Full-Year Forecast	1Q	1H	2H	Full Year	
Net Sales	● Online Game Business	1,920	4,000	6,500	10,500	1,944	3,960	4,917	8,877	
	● Consumer Game Business	1,200	4,700	5,600	10,300	1,677	3,763	3,866	7,630	
	● Audio & Visual Business	700	1,600	2,600	4,200	788	1,861	1,963	3,825	
	Net Sales (total)	3,820	10,300	14,700	25,000	4,410	9,585	10,744	20,330	
Segment Income	● Online Game Business	200	400	1,040	1,440	181	218	524	742	
	● Consumer Game Business	210	1,050	1,470	2,520	739	1,273	994	2,268	
	● Audio & Visual Business	170	340	580	920	183	350	571	921	
	Segment Income (total)	580	1,790	3,090	4,880	1,104	1,842	2,089	3,932	
Adjustments & eliminations		-310	-580	-500	-1,080	-255	-477	-448	-925	
Operating Income (total)		270	1,210	2,590	3,800	849	1,365	1,641	3,006	

| Segment Results

Net sales: **Growth from investment in new titles**

Profits: **Drop in profit ratio due to increased costs for development, operation, and advertising**

Title Performance

- "Logres of Swords and Sorcery: Goddess of Ancient" becomes our first hit in app games
- Browser game classics have strong performance
- Selected unprofitable titles discontinued in Japan and abroad with one-time write-off of development expenses

Title Rollouts

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

Service launched in December 2013



©MarvelousAQL Inc. Aiming Inc.

"Browser Sangokushi"
(PC browser)

Service launched in July 2009



©MarvelousAQL Inc.

"Ikki-Tousen Burst Fight"
(Mobile browser)

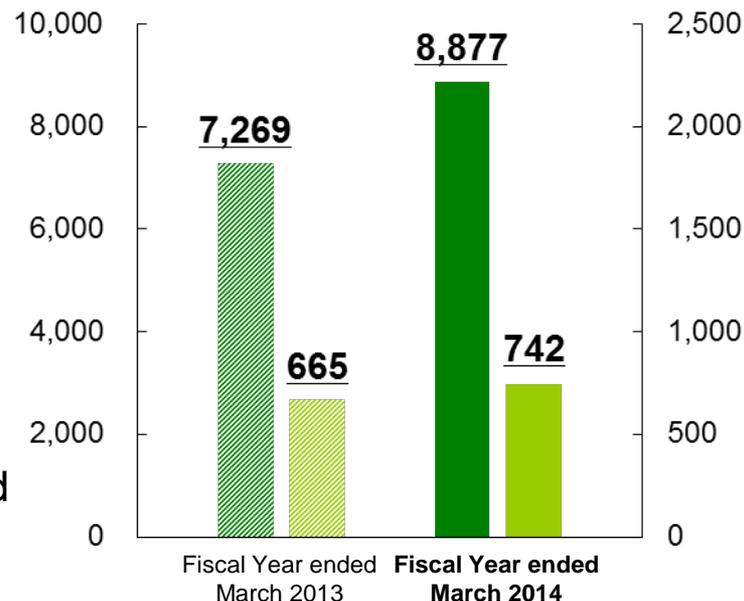
Service launched in May 2012



©2011 塩崎雄二・ワニブックス／一騎当千集闘闘士血風録パートナーズ ©MarvelousAQL Inc.

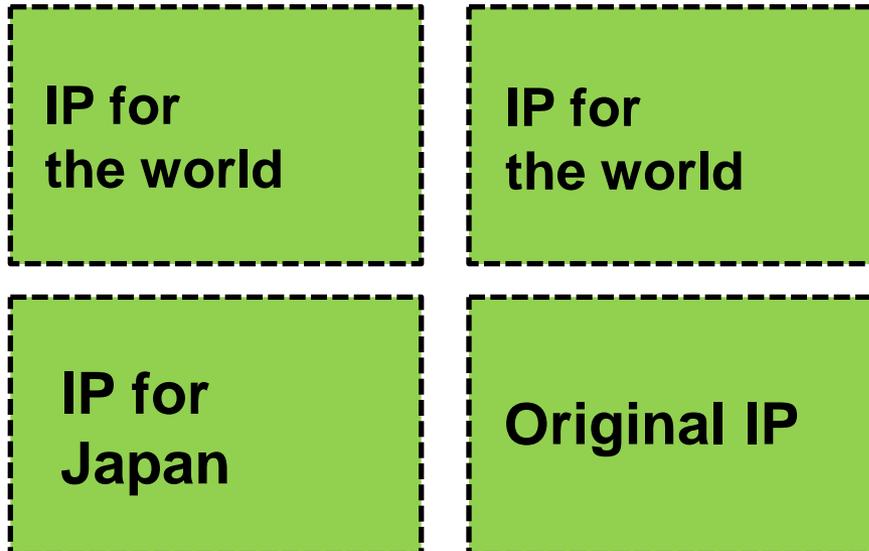
(Unit: million yen)

■ Net sales ■ Operating income

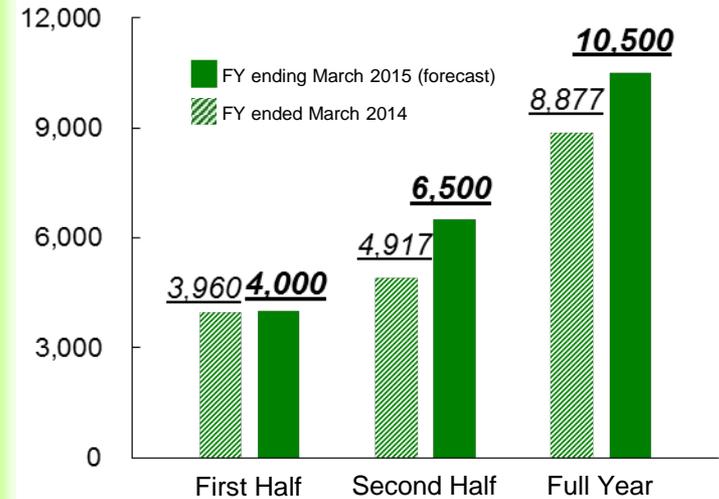


- Focus on our new hit, "Logres of Swords and Sorcery: Goddess of Ancient," for further success
- Plan and develop new titles centering on native apps
- Maintain and enhance classic flagship titles

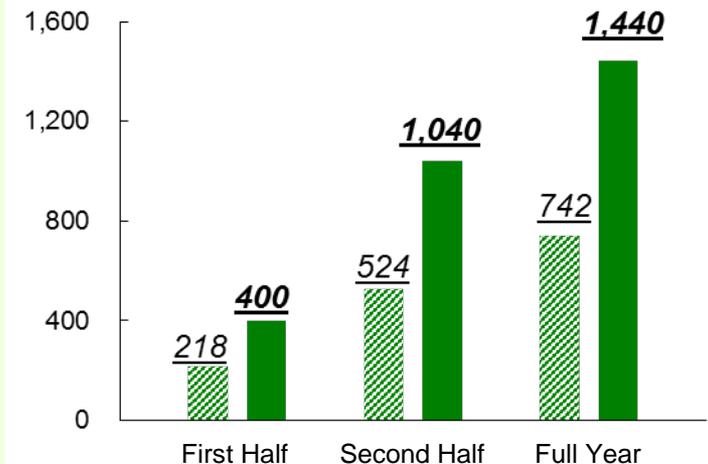
Title Rollouts



Net Sales (Unit: million yen)



Segment Income (Unit: million yen)

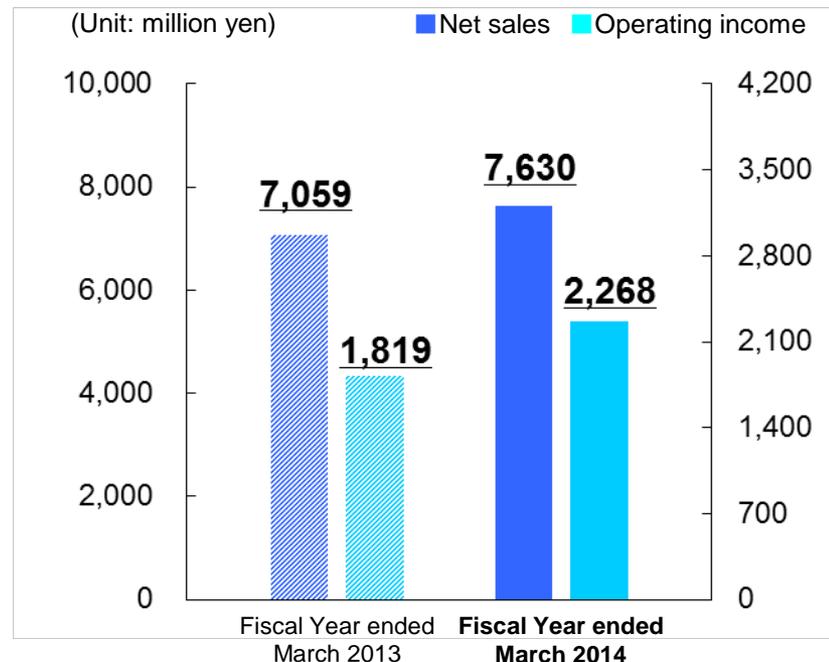


Net sales: **Up 8% year-over-year**

Profits: **Up 24% year-over-year**

Title Performance

- Pokémon TRETТА turns in solid performance over the full year
- "BOKUJYO MONOGATARI TSUNAGARU SHINTENCHI" with the best start of the series
- Orders for classic hits drive 1st half results and high profit ratios



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 MAQL

BOKUJYO MONOGATARI TSUNAGARU SHINTENCHI (Nintendo 3DS)

Released February 27, 2014



©2014 MarvelousAQL Inc. All Rights Reserved.
SUPER MARIO items © 2014 Nintendo.

BAKUMATSU ROCK (PSP)

Released February 27, 2014



©2014 MarvelousAQL Inc.

- Sales start for two new creations in the "SENTRAN KAGURA" series
- "IA/VT -COLORFUL-" and "KINKI NO MAGNA" lead a large lineup of new titles
- Summer release of new title in kids amusements, " PUZZLE & DRAGONS Z Tamer Battle "

Title Rollouts

SENTRAN KAGURA 2 (3DS)

To be released August 7, 2014



©2014 MarvelousAQL Inc.

KINKI NO MAGNA (3DS)

To be released in 2014



©2014 MarvelousAQL Inc.

PUZZLE & DRAGONS Z
Tamer Battle
(Amusement)

Launch planned for Summer 2014



© GungHo Online Entertainment, Inc. / MarvelousAQL Inc.

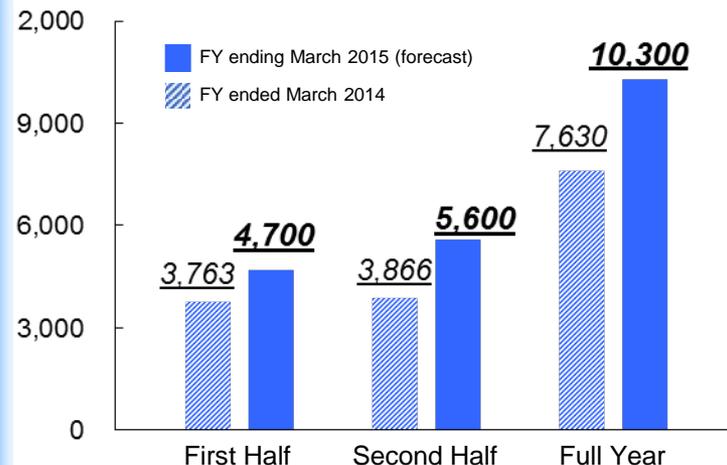
IA/VT -COLORFUL- (PS Vita)

To be released July 31, 2014

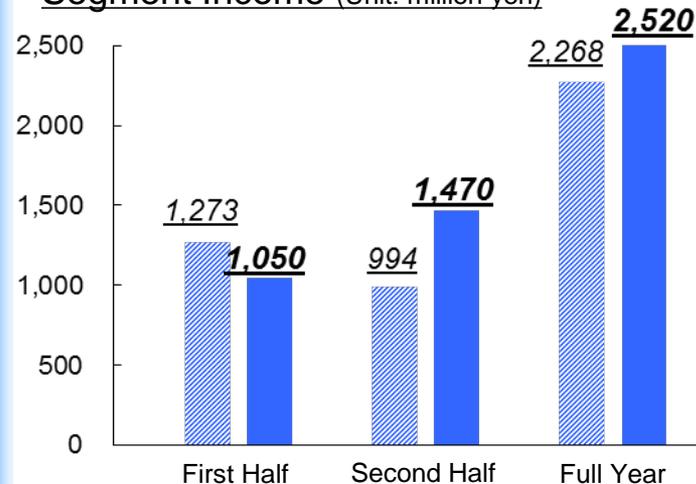


©2014 MarvelousAQL Inc./1st PLACE Co Ltd. | IA PROJECT

Net Sales (Unit: million yen)



Segment Income (Unit: million yen)

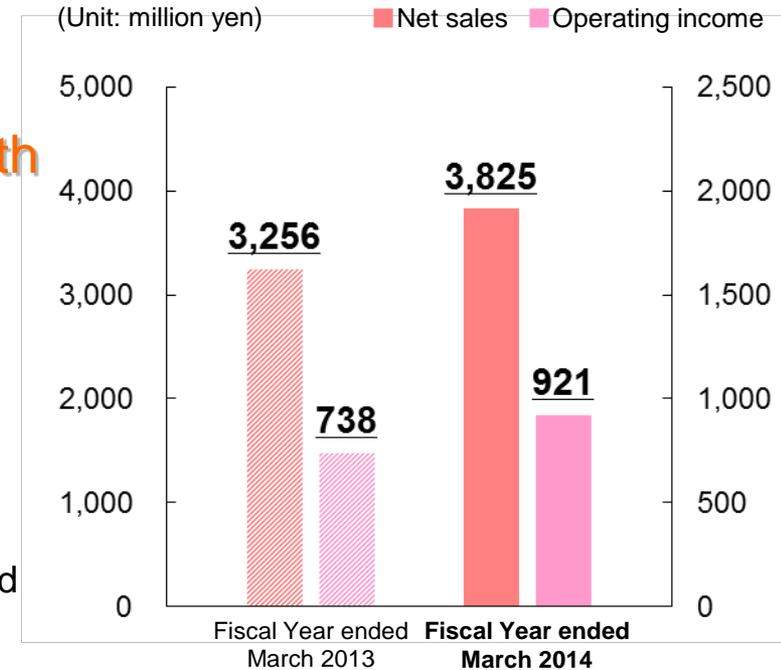


Net sales: **Strong trends in series products**

Profits: **Profit growth follows revenue growth**

Title Performance

- "PRETTY CURE" series and "MUSICAL THE PRINCE OF TENNIS" series, perennial favorite content for 10 years, keep steady trend
- Popularity of "Stage Yowamushi Pedal" increases with each added performance, creating sellouts and solid DVD sales
- "Musical HAKUOKI" series, signed-artists "vistlip," and "My Teen Romantic Comedy SNAFU" (a new lead-managed anime) also have strong showings



Title Rollouts

DOKI DOKI! PRETTY CURE!



©TOEI ANIMATION. ALL RIGHTS RESERVED

MUSICAL THE PRINCE OF TENNIS

Performances July – September 2013



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

Stage Yowamushi Pedal

Performances in March 2014



©Wataru Watanabe (Akitashoten) 2008
©Wataru Watanabe (Akitashoten) 2008 / MarvelousAQL, Toho, DXL CREATION

vistlip



©MarvelousAQL

- Keep a focus on the core "PRETTY CURE" series and "MUSICAL THE PRINCE OF TENNIS"
- And develop a third pillar, "Stage Yowamushi Pedal," for new hit content
- Promising new anime "Tokyo Ghoul" and "Bakumatsu Rock"
- Also put efforts into live entertainment, including "Musical HAKUOKI" and "Stage K"

Title Rollouts

HAPPINESSCHARGE PRETTY CURE!

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



©TOEI ANIMATION. ALL RIGHTS RESERVED

Bakumatsu Rock

Broadcast scheduled to start in July 2014



©2014 MarvelousAQL Inc./Bakumatsu Rock Production Committee

Tokyo Ghoul

Broadcast scheduled to start in July 2014



©Sui Ishida/Shueisha, Tokyo Ghoul Production Committee

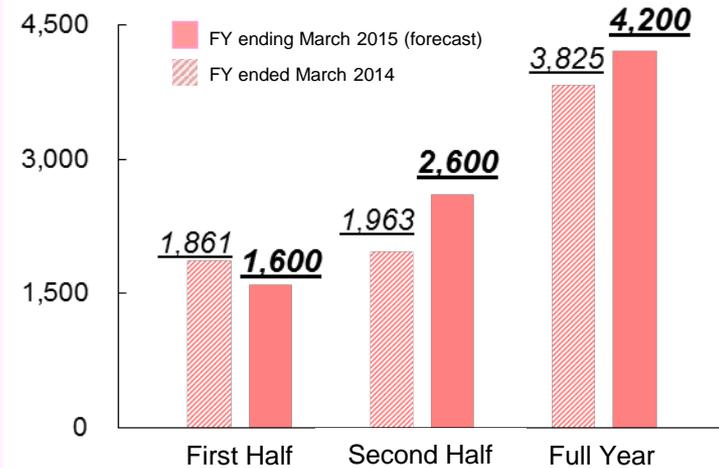
Stage K

Performances scheduled in August 2014

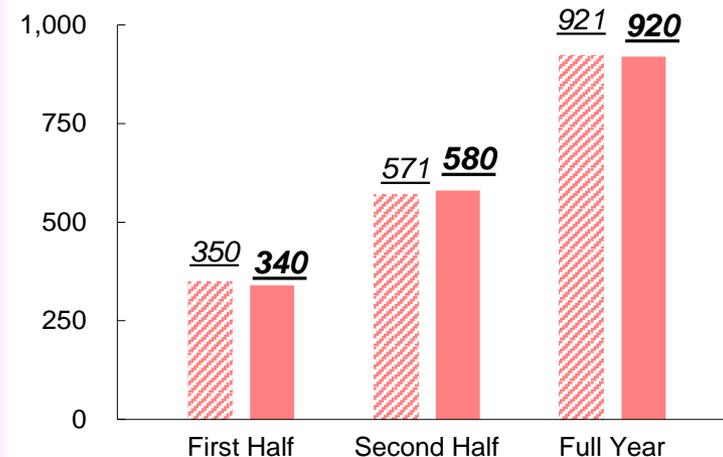


©GoRA・GoHands/k-project
©GoRA・GoHands/stage k-project

Net Sales (Unit: million yen)



Segment Income (Unit: million yen)



| Company Direction

MARVELOUS!

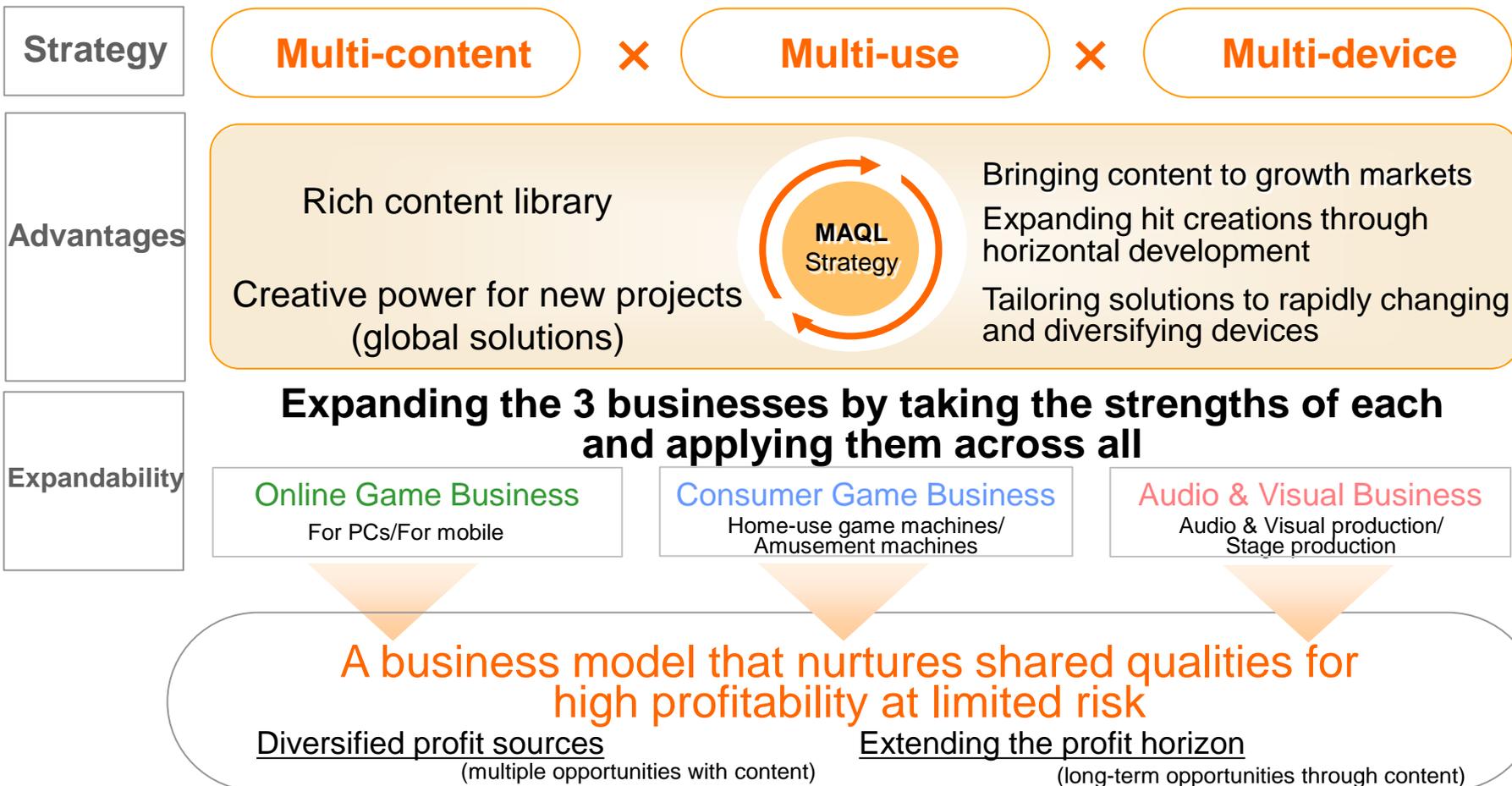
Birth of a New Marvelous – 2nd Stage Start –

MarvelousAQL Inc. will change its name to Marvelous Inc. on July 1, 2014 to mark the start of a new chapter for the company.

- Game industry undergoes major changes spurred by the diffusion of smartphones
- Utilizing our strengths as a comprehensive entertainment provider, achieved an annual growth of approx. 20%
- Revenues and profits up due to prudent decisions in core fields (operating income doubles)
- Business scale undergoes steady expansion through the strengthening of classic titles and creation of new IP in all three business segments
- Three-company integration proceeding as planned; foundation built for a leap forward
- Through integration and completion of the growth foundation, we are moving toward a system where we can make maximum use of our historical advantages and business model and take aggressive strides towards a great leap forward

A comprehensive entertainment company expanding its business over a broad area

Delivering diverse entertainment content in all business segments on a variety of devices

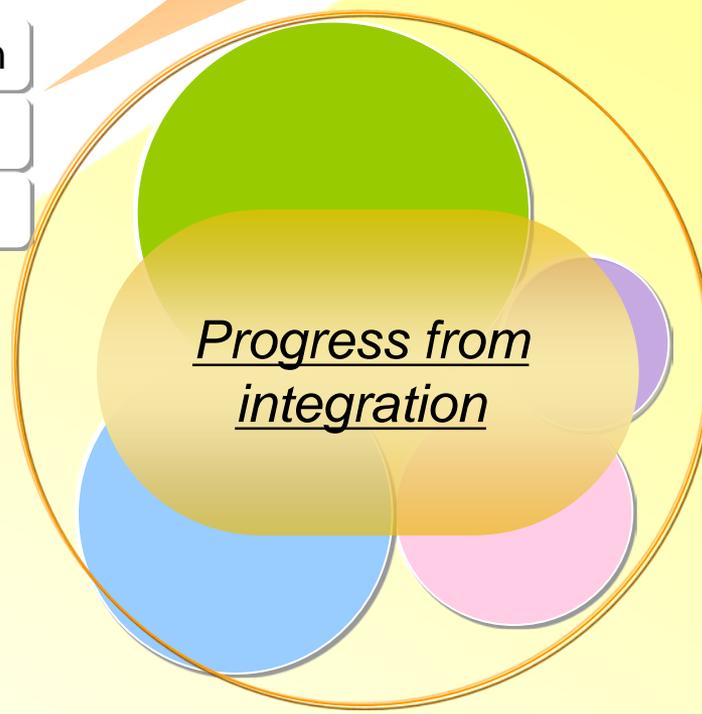
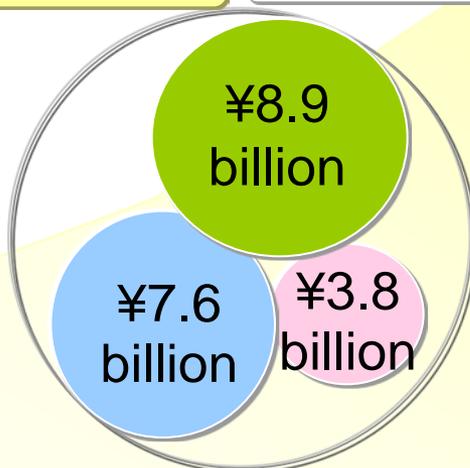
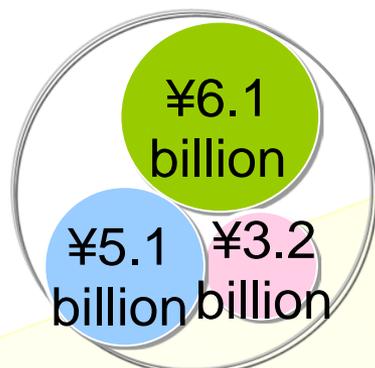


Progress Since Management Integration and Future Direction

Leveraging strengths in "creating and developing powerful IPs" as a "comprehensive entertainment company"

From integration, a great leap forward to the creation of higher added value

Net sales	¥14.4 billion	41% increase	¥20.3 billion
Operating income	¥1.4 billion	108% increase	¥3.0 billion
Profit ratio	10.0%	Up 4.8%	14.8%

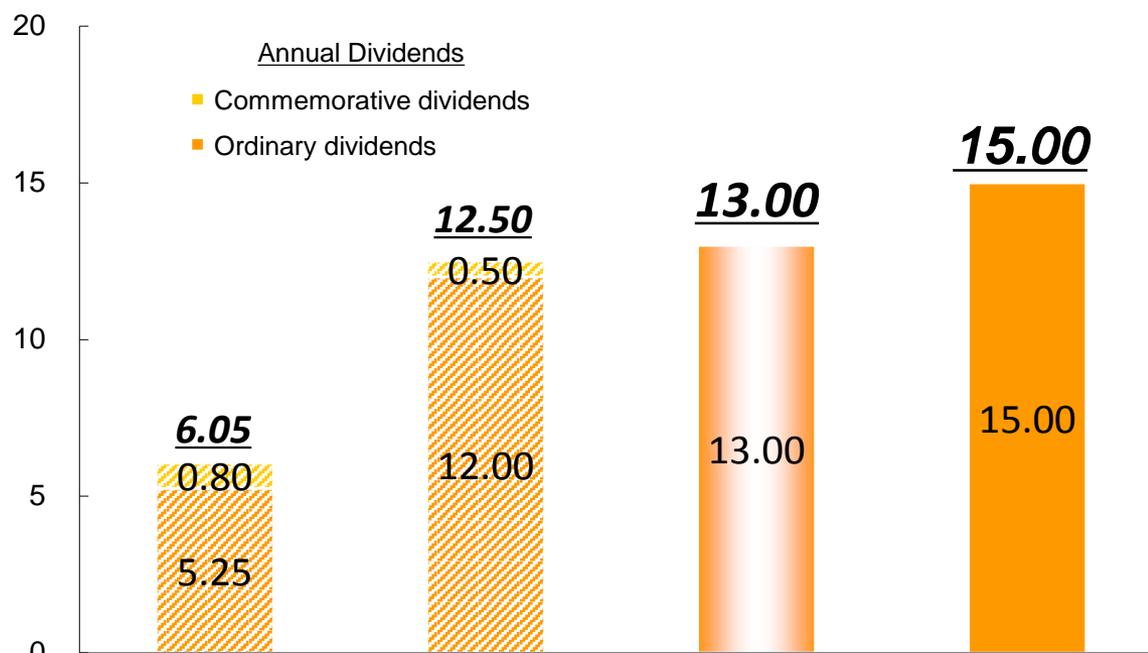


MARVELOUS!

FY ended
March 2012
(simple sum)

FY ended
March 2014

Fiscal Year ending March 2015: Planning 15 yen per year in line with dividend policy



Dividend Policy

It is the Company's basic policy to pay a continual and stable cash dividend at a target payout ratio of 30% or more while securing the internal reserves necessary for future business expansion and reinforcement of the Company's financial position.

	Fiscal Year ended March 2012	Fiscal Year ended March 2013	Fiscal Year ended March 2014	Fiscal Year ending March 2015 (forecast)
Payout ratio	5.6%	34.8%	36.9%	35.3%

* Values for Fiscal Year ended March 2013 and later are stated in consideration of the 100:1 stock split executed by the Company effective October 1, 2013.

Thank you for your kind attention.

Inquiries

Corporate Planning Department

TEL: +81-3-5769-7447

FAX: +81-3-5769-7448

URL: <http://www.maql.co.jp>

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.