



Marvelous

Sustainability Report

October 2021

MARVELOUS!

The Marvelous Group continues to take on the challenge of creating new value that leads to the happiness of people around the world in accordance with the Marvelous Handbook, which sets out the fundamental principles of our business activities. In order to contribute to the creation of a sustainable society through our business activities, we will engage in ESG-oriented management.



SUSTAINABLE DEVELOPMENT GOALS



Management Message

— Toward a Sustainable Company and Society —

Under the management philosophy of "Creating new entertainment to provide "Wonder" and "Excitement" to the world," the Marvelous Group engages in business activities to contribute to the creation of a fun future that everyone dreams of. To this end, we believe it is important to realize a sustainable society in which growth as a company and solutions to social issues are compatible, and we promote ESG management with consideration for the environment, society and governance.

In addition, the Marvelous Group will strive to increase corporate value by understanding the expectations and demands of all stakeholders, including shareholders, customers, business partners, local communities and employees, through various dialogues, and will also actively work to achieve the Sustainable Development Goals (SDGs) adopted by the United Nations. In order to achieve sustainable growth as an all-round entertainment company, we aim to establish the "Marvelous Brand" by promoting the creation and development of IP and its global expansion. As we expand our business globally, we will strive to contribute to society on an international scale. Furthermore, we will steadily achieve our goal of "A fun future that everyone dreams of" by continuing to grow together with society.

We sincerely appreciate the understanding and cooperation of all our stakeholders.



President Shuichi Motoda

ESG/CSR Activities to Achieve a Sustainable Society

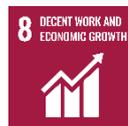
Environment

- Environmental awareness
- Promoting a paperless office



Social

- Promoting diversity
- Promoting the active engagement of women
- Promoting PWDs' employment
- Creating an employee-friendly environment
- Initiatives for Health and Safety
- Training talent
- CSR activities



Governance

- Enhancing corporate governance
- Observance of compliance
- Risk management measures
- Contact points for whistleblowers
- Relations with shareholders





Environmental awareness

- Marvelous engages in environment conscious action such as cutting down on office paper consumption through reduced and double-sided paper usage and by promoting the changeover to electronic internal approval systems.
- Umbrella stands installed at the offices of Marvelous are regularly checked for abandoned umbrellas, which are then donated to the "Makuake Project", a Specified Nonprofit Corporation.
- PET bottle caps are collected and donated to the "Bottle Cap Piggy-Bank Promotion Network," an incorporated NPO.

Performance (as of October 2021)

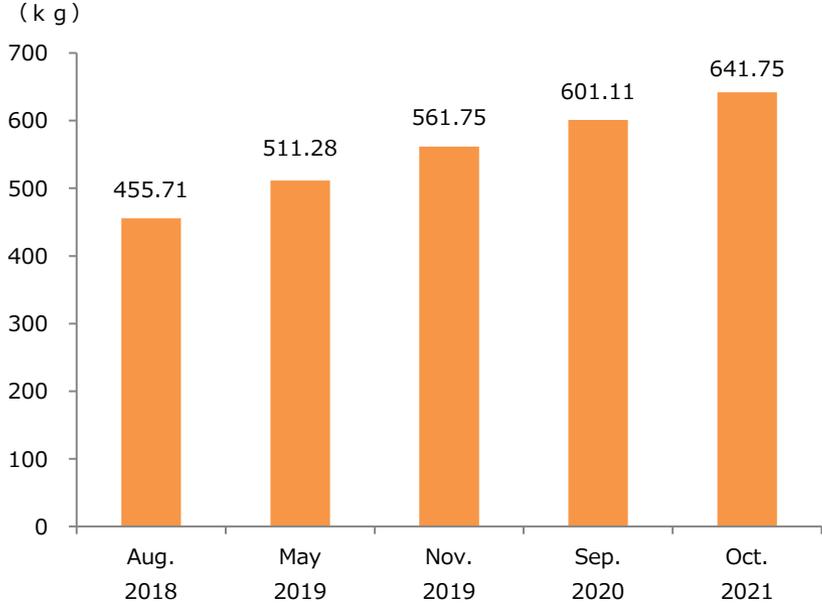
Weight	Number of bottle caps (estimate)
641.75kg	Approx. 270,388 bottle caps

Supplementary information:
 Cost of inoculation per person and quantity of bottle caps (estimate)

Polio (infantile paralysis)	20yen	Approx. 800 bottle caps
BCG (tuberculosis)	7yen	280 bottle caps
Measless	95yen	3,800 bottle caps
MMR vaccine (for protection against measles, mumps, and rebella)	114yen	4,560 bottle caps
DPT (diphtheria, pertussis, tetanus)	9yen	360 bottle caps

* 1 kilogram = 430 bottle caps (approx.) = ¥10 (approx.)
 * Every 1 kilogram of bottle caps (approx. 430 pieces) not incinerated as refuse equals a reduction of 3,150 grams in CO2 emission.

Collection experience of bottle caps (weight)



Promoting diversity

Marvelous is committed to promoting diversity by hiring diverse talent with different attributes such as gender, age, and nationality, and transforming such diversity into a corporate asset. This commitment is part of our efforts to realize the management philosophy of creating new entertainment to bring wonder and excitement to the world.

Promoting PWDs' employment

The idea is to respect diversity as a corporate citizen and fulfill our corporate social responsibility (CSR).

Green Farm Group

Marvelous launched this Group in March 2018 as part of its efforts to provide more business opportunities for persons with disabilities (PWDs). We support these employees so that they can work comfortably and fulfill their potential.

Lines of business

- Production of herb tea that is offered to job applicants as a free gift for promotional purposes
- Production of vegetables that are provided to our employees as part of our employee welfare program



Promoting women's active engagement

Marvelous has developed the General Employer Action Plan under the Act on Promotion of Women's Participation and Advancement in the Workplace to create an environment conducive to the continued employment of women.

1. Period of the Plan

From April 1, 2016 to March 31, 2026

2. Our problem

A low percentage of women in management despite no significant difference in the length of service between men and women.
Average years of service for men and women: 4.11 for men and 5.1 for women
Percentage of women in management: 6% as of March 2016

3. Goal

To increase the percentage of women in management to at least 10%

4. Specific activities and implementation periods

<Activity 1> Creating an environment where employees who became pregnant or took maternity and childcare leave can return to work without anxiety or apprehension

From April 2016 onward

Offering a consultation service for employees who need advice on accommodation before, during, after pregnancy, including childcare leave; promoting the service via our intranet and in-house newsletter among other channels

<Activity 2> Supporting a balance between household affairs (including childcare) and work

From April 2016 onward

Expanding our system of shorter working hours for childcare to include more options that better accommodate our employees' career or life plans

<Activity 3> Providing career support

From April 2016 onward

Allowing employees to acquire qualifications related to required knowledge and skills at the expense of Marvelous

Creating an employee-friendly environment

Development of the next generation

Marvelous has developed the General Employer Action Plan (under the Act on Advancement of Measures to Support Raising Next-Generation Children) to allow every employee to demonstrate his/her full potential. The idea is to build a working environment that allows our employees to strike a work-life balance, and for female employees in particular, to unleash their potential and develop their careers.

Period of the Plan

From April 1, 2021 to March 31, 2022

<What to achieve>

An in-house culture where employees of both genders feel free to take childcare leave, with a special focus on increasing the percentage of male employees taking such leave

<How to achieve>

Sending an e-mail to male employees who have a newborn baby that details, among other arrangements, childcare leave, childcare leave benefits, and an exemption from social security contributions during childcare leave

Including awareness-raising articles in our in-house newsletter

Creating an employee-friendly environment

Employee Welfare

At Marvelous, we have established various types of employee welfare to promote a good work-life balance, increase motivation, and provide employees with benefits. We are working to create a better working environment.

• Childcare support

At Marvelous, many employees who have young children are actively working. We have established a wide range of childcare support systems to assist our employees throughout pregnancy, childbirth and childcare, so that employees can work in accordance with life events. 100% of employees who took childcare leave have returned to work, and many employees are successfully building their careers while raising children.

• Anniversary leave

We have a leave system that grants employees one day off a year, such as for a birthday or wedding anniversary.

• Refresh leave, refresh allowance

Special leave is granted every 5 years, and benefits are paid according to the length of service for 10 years or longer.

• Support for club activities

In order to maintain and promote good health and to deepen mutual friendship among employees, we have established an in-house club activity support system (part of the cost is borne by the company).

Examples of club activities: bouldering club, golf club

• Intracompany sales system for new Consumer games

Under this system, employees can purchase our game software at employee discount prices in order to deepen their understanding of the company's products.

• Subsidy system for online entertainment costs

In order to deepen understanding of our company's products, we have established a subsidy system that covers half of the fees charged for our online entertainment content. (Up to 50,000 yen per month)

• Employee award system (MARVELOUS AWARD)

Awards are annually given to PJ and teams who have contributed to the company's performance and have made significant achievements.

Initiatives for Health and Safety

COVID-19 countermeasures

In order to prioritize the safety of employees and their families while conducting our business activities, Marvelous has implemented a variety of infection-control measures, including change of working styles (working from home, distributed work, etc.), encouraging online meetings, installation of temperature-measuring equipment in offices and full implementation of use of masks.

Influenza vaccination

Every year, before the flu season, the company provides influenza vaccinations to those who wish to receive them and covers the full cost.

Training talent

Enjoy Being Professional

Our business is to bring joy to people around the world. To this end, we call for and train talent who can enjoy the process of self-development. We have a rich training framework in place that accommodates both new graduates and mid-career recruits.

We want people who:

Continue to produce fun
+
Can turn fun into value, and
+
Can work with fun.

<Training arrangements>

- Pre-employment support, providing prospective new recruits with opportunities to ask questions and seek advice before joining us
- Dedicated trainers for new recruits fresh out of school, providing one-on-one OJT for a year in a joint project
- Career training of various kinds as well as information security training

CSR activities

Accommodating requests for work floor tours for preschoolers and students

Marvelous has been taking a proactive approach to accommodating requests for work floor tours as an extra-curricular activity for preschoolers and students. Thus Marvelous has been striving to aid visitors of pre-school and school-age toward realizing their dreams by allowing everyone to experience in direct contact the office environment and production processes of Marvelous and by using the opportunity for a frank exchange of opinions and aspirations for the future.



Support activities for UNICEF

Marvelous is a regular supporter of UNICEF through the Japan Committee for UNICEF, engaged in extending and promoting the protection of children's rights and the fulfillment of children's basic needs.

Support activities for Médecins Sans Frontières (MSF)

Marvelous is a regular supporter of Médecins Sans Frontières, providing assistance on the principle of independence, neutrality, and fairness regardless of race, politics, or religion mainly for medical and humanitarian assistance activities for people in danger of life.



Enhancing corporate governance

We believe that sustainable growth requires both efficient operations and a sound and transparent management structure. Thus, we consider enhancing corporate governance to be high on our management agenda. For details on our corporate governance system, see our Corporate Governance webpage.

Observance of compliance

In order to ensure that the duties of board directors and employees are executed in accordance with laws, regulations, and the articles of incorporation, the Compliance Committee holds meetings at regular intervals and verifies the execution of job duties.

Risk management measures

In managing the risk of loss, the Risk Management Committee holds regular meetings and comprehensively considers management frameworks and methods for dealing with the varied risks facing Marvelous.

Contact points for whistleblowers

Harassment counseling desk established

Marvelous has established Harassment Prevention Regulations in order to appropriately deal with problems at the workplace caused by harassment.

Whistleblowing consultation desk established

Marvelous has enacted Whistleblower Protection Regulations in order to facilitate the quick discovery and correction of misconduct, etc., through appropriate handling mechanisms for consultations and reports from employees and business partners concerning unlawful action at the organizational or individual level.

Relations with shareholders

We place special value on engagement with our shareholders in conducting our corporate activities. Through constant dialogue aimed at winning the trust of our shareholders, we take every opportunity to reflect their views and desires in our corporate activities.

Information meetings on recent operations and results briefing meetings

After each general meeting Marvelous holds information meetings on recent operations for all shareholders and invites institutional investors to results briefings at each quarterly account closing, with explanations of business results, market trends, current performance status information, business strategies, and other information.

Questionnaire survey of shareholders

Once each year Marvelous conducts a questionnaire survey which is mailed to shareholders together with the business report (Shareholder Communication) in order to research the interests, expectations, and complaints of shareholders. Marvelous works to use these survey results to enhance its future business activities and IR activities.