

Fact Sheet

First Half of Fiscal Year Ending March 31, 2014

MarvelousAQL Inc.

Stock Exchange Listing: First Section of Tokyo Stock Exchange Stock Code: 7844 URL: <http://www.maql.co.jp/>

Contact: Corporate Strategy Office TEL: +81-3-5769-7447



In line with our management philosophy of the "'Amazement' and 'Emotion' to the world with New Entertainment," MarvelousAQL Inc. is a comprehensive entertainment company which develops online games, game software, games for amusement consoles, audio & visual software, musical performances, and other products and services.

Summary of Consolidated Quarterly financial information (Unit: million yen)

	1Q (3 months)	2Q (6 months)	3Q (9 months)	4Q (full-year)
Net Sales	4,410	9,585	-	-
Operating Income	849	1,365	-	-
Ordinary Income	876	1,385	-	-
Net Income	531	860	-	-
Net Income Per Share (yen)	9.94	16.10	-	-

Results of Operations

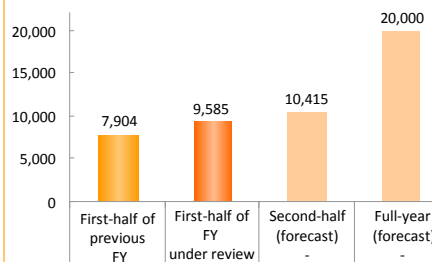
In the period under review, the entertainment industry saw continued growth in the market for social games, although the rate of expansion showed a declining trend. In addition to traditional web browser games, the rapid adoption of smartphones has spawned the sudden growth of the app game market where users play apps installed on their smartphone. By contrast, an adverse environment remains in the market for home-use games. Yet signs of a recovery were evident at September's Tokyo Game Show 2013, where all eyes gathered on Japan's first public showing of Sony PlayStation 4 (PS4) as fans lined up in hordes outside the demo play space for the opportunity to try out an actual PS4 console. In the audio & visual sectors, growth continued in the Blu-ray disc market and an expansionary trend was seen in the fee-based video distribution market.

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. Leveraging its robust intellectual property, 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 "buzz" among today's users while endeavoring to enhance its services.

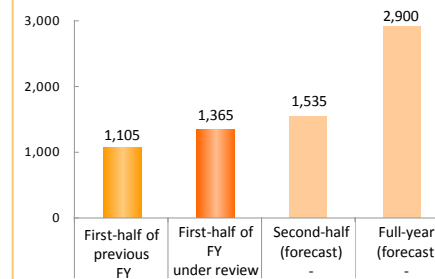
As a result, the Group's net sales in the first half (April 1, 2013 to September 30, 2013) marked 9,585 million yen (up 21.3% compared with the same period of the previous year), with operating income of 1,365 million yen (up 23.5% compared with the same period of the previous year), ordinary income of 1,385 million yen (up 35.6% compared with the same period of the previous year), and net income of 860 million yen (up 33.4% compared with the same period of the previous year).

First Half (six months) Financial Results (Unit: million yen)

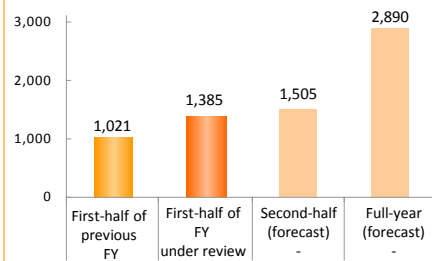
Net Sales



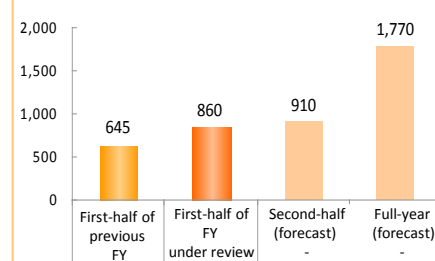
Operating Income



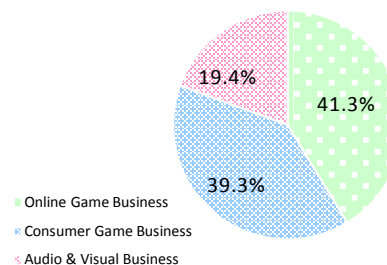
Ordinary Income



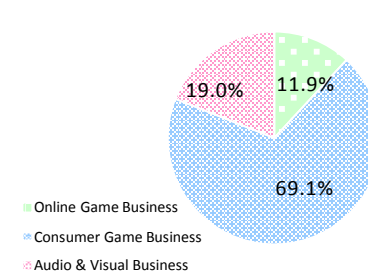
Net Income



Percentage of Net Sales by Segment



Percentage of Operating Income by Segment



Important matters concerning the summary of financial information

On October 1, 2013, the Company executed a stock split of its common shares at the ratio of 100 shares to 1. The net income per share takes into consideration the effects of this stock split.

Online Game Business

Leading Titles

Browser Sangokushi



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Ikki-Tousen Burst Fight



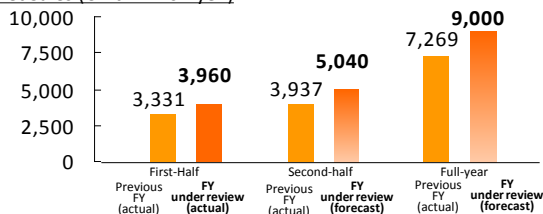
© 2011 塩崎雄二・ワニブックス/
一騎当千集闘士血風録パートナーズ
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Remarks about Performance

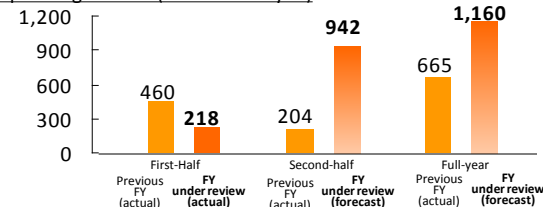
In the field of PC browser games, main titles such as “Browser Sangokushi” continued their reign as long-time best sellers, but revenues fell below those of the same prior-year period amidst a market scale-back. In mobile games on the other hand, “Ikki-Tousen Burst Fight” and “SEN-RAN KAGURA New Wave” continued their strong growth from the previous fiscal year and the new title “High School DxD” entered distribution with a successful launch in September 2013. However, in overseas markets, first half releases in North America were unable to lift performance above plan and the Company took a one-time write-off on money-losing titles.

As a result, segment net sales totaled 3,960 million yen (up 18.9% compared with the same period of the previous year), with segment operating income of 218 million yen (down 52.6% compared with the same period of the previous year).

Net Sales (Unit: million yen)



Operating Income (Unit: million yen)



Consumer Game Business

“SEN-RAN KAGURA” series



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Pokémon TRETТА



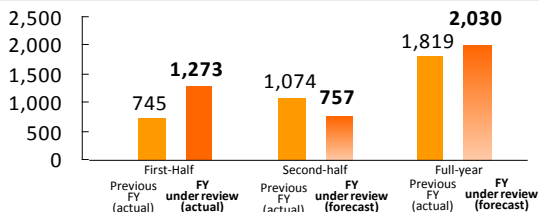
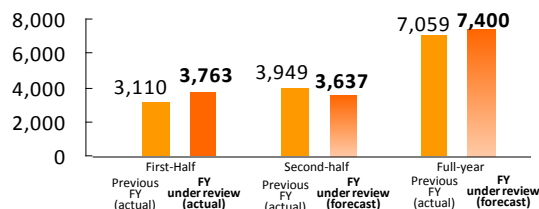
©2013 Pokémon.
©1995-2013 Nintendo/Creatures Inc./



GAME FREAK inc. Developed by T-ARTS and MAQL

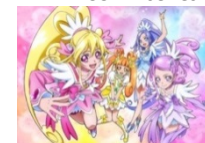
At the Company’s sales sector of the Consumer Games Business segment, “VALHALLA KNIGHTS 3 (PS Vita)” has recorded strong sales since its launch in May 2013 along with outstanding repeat orders for “SEN-RAN KAGURA: SHINOVI VERSUS (PS Vita)” and “OBOROMURAMASA (PS Vita),” which were brought to market last fiscal year. Repeat orders on other existing works also boosted revenues. In overseas operations, U.S. subsidiary Marvelous USA, Inc. posted similarly strong sales. The amusement division continued to develop favorably after the start of the amusement console for children “Pokémon TRETТА” in July 2012, with strong contributions to divisional business results.

As a result, segment net sales totaled 3,763 million yen (up 21.0% compared with the same period of the previous year), with segment operating income of 1,273 million yen (up 70.9% compared with the same period of the previous year).



Audio & Visual Business

“PRE-CURE” series



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MUSICAL THE PRINCE OF TENNIS

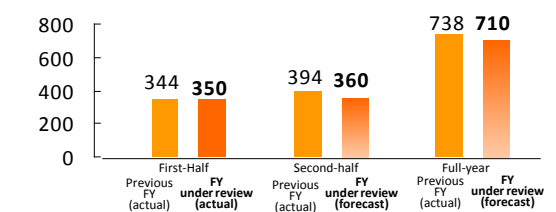
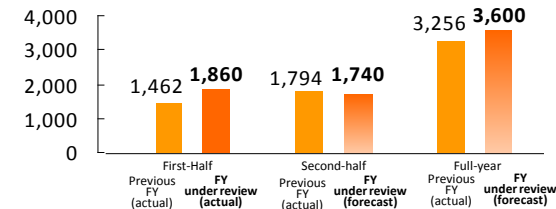


©2009 TAKESHI KONOMI
©2012 NAS, THE PRINCE OF TENNIS II PROJECT
©1999 TAKESHI KONOMI/
2011 MUSICAL THE PRINCE OF TENNIS PROJECT

The audio & visual production sector of the Audio & Visual business segment reported healthy sales from the video commercialization of “DOKIDOKI! PRECURE,” a new TV animation production in the “PRECURE” series, and “My Teen Romantic Comedy SNAFU,” a TV animation product lead-managed by the Company.

The stage production division marked a total 61 performances of “MUSICAL THE PRINCE OF TENNIS,” accompanied by new releases of five related DVDs. The performance of “Musical Yowamushi Pedal Inter-high Arc The First Result,” whose presale tickets sold out immediately, continued to receive kudos which originated with its previous production, allowing the performances to become established as a major series.

As a result, segment net sales totaled 1,861 million yen (up 27.3% compared with the same period of the previous year), with segment operating income of 350 million yen (up 1.5% compared with the same period of the previous year).



[Consolidated Statement of Income]

(Unit: million yen)

		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
Net Sales	Former MMV	10,139	8,284	6,965	10,423	17,579	9,585
	Former AQI	6,180	7,197	7,239			
Gross Operating Income	Former MMV	1,616	677	1,740	4,491	8,116	4,682
	Former AQI	2,032	2,586	3,644			
Operating Income	Former MMV	-1,238	-1,668	202	1,044	2,329	1,365
	Former AQI	-7	58	1,070			
Ordinary Income	Former MMV	-1,308	-1,725	147	1,025	2,325	1,385
	Former AQI	13	63	1,041			
Net Income	Former MMV	-1,221	-1,623	131	3,533	1,919	860
	Former AQI	-468	58	537			

[Consolidated Balance Sheet]

(Unit: million yen)

		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
Current Assets	Former MMV	5,870	3,889	3,271	11,932	12,593	12,887
	Former AQI	6,364	6,377	7,231			
Fixed Assets	Former MMV	860	823	820	1,734	2,748	2,597
	Former AQI	1,414	1,403	1,003			
Total Assets	Former MMV	6,731	4,713	4,092	13,667	15,341	15,484
	Former AQI	7,779	7,780	8,235			
Current Liabilities	Former MMV	5,431	4,447	3,496	4,361	4,570	4,526
	Former AQI	1,272	1,186	1,320			
Long-Term Liabilities	Former MMV	8	72	271	202	76	62
	Former AQI	90	169	35			
Net Assets	Former MMV	1,291	193	325	9,102	10,694	10,895
	Former AQI	6,416	6,424	6,878			
Shareholders' Equity	Former MMV	1,276	193	325	9,102	10,694	10,895
	Former AQI	6,364	6,417	6,878			

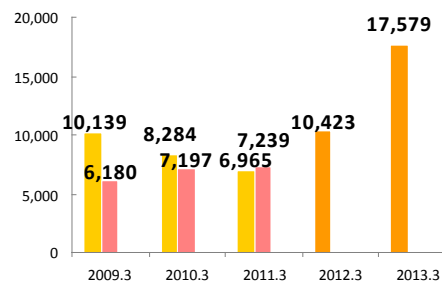
[Cash Flow Statement]

(Unit: million yen)

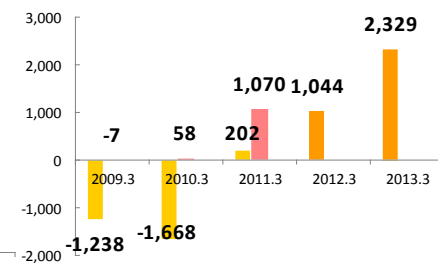
		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
Cash flows from Operating activities	Former MMV	-1,038	-210	1,360	1,399	2,817	-
	Former AQI	-35	-193	2,904			
Cash flows from Investing activities	Former MMV	-153	-22	-246	435	-2,130	-
	Former AQI	-114	-598	-2,762			
Cash flows from financing activities	Former MMV	937	5	-237	-479	-975	-
	Former AQI	-40	104	-216			
Cash and Cash Equivalents at End of Period	Former MMV	1,109	874	1,749	5,979	5,723	-
	Former AQI	3,187	2,483	2,401			

Former MMV AQI MarvelousAQL

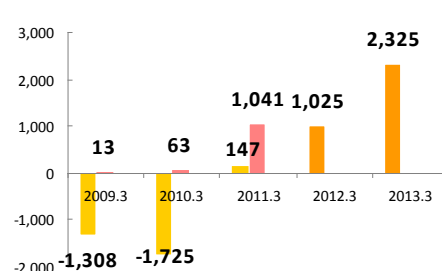
Net Sales (million yen)



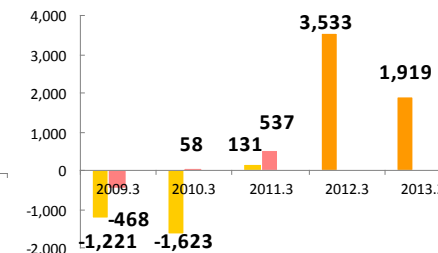
Operating Income (million yen)



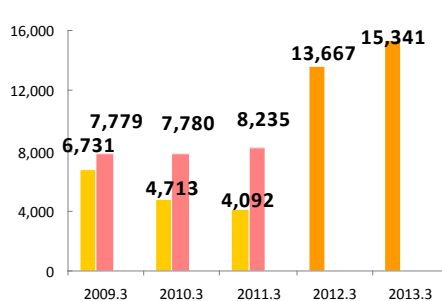
Ordinary Income (million yen)



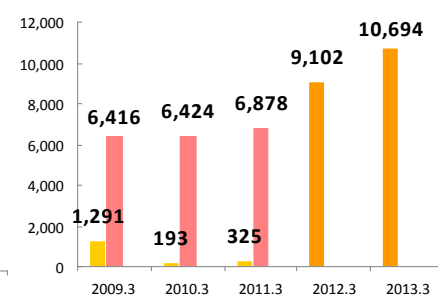
Net Income (million yen)



Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
Net income per share (yen)	Former MMV	-145.67	-136.18	10.76	107.62	35.90	16.10
	Former AQI	-86.25	10.76	98.73			
Net assets per share (yen)	Former MMV	153.64	15.83	26.65	170.29	200.07	203.83
	Former AQI	1,171.16	1,180.61	1,261.95			

[Profitability]

		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
Gross profit rate (%)	Former MMV	15.9	8.2	25.0	43.1	46.2	48.8
	Former AQI	32.9	35.9	50.3			
Operating profit ratio (%)	Former MMV	-12.2	-20.1	2.9	10.0	13.3	14.2
	Former AQI	-0.1	0.8	14.8			
Ordinary profit ratio (%)	Former MMV	-12.9	-20.8	2.1	9.8	13.2	14.5
	Former AQI	0.2	0.9	14.4			
Net profit ratio (%)	Former MMV	-12.0	-19.6	1.9	33.9	10.9	9.0
	Former AQI	-7.6	0.8	7.4			

[Efficiency & Security]

		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
ROE (%)	Former MMV	-62.8	-220.9	50.6	75.0	19.4	-
	Former AQI	-	0.9	8.1			
ROA (%)	Former MMV	-18.0	-30.2	3.4	11.6	16.0	-
	Former AQI	0.2	0.8	13.0			
Capital ratio (%)	Former MMV	19.0	4.1	7.9	66.6	69.7	70.4
	Former AQI	81.8	82.5	83.5			
D/E ratio (%)	Former MMV	210.1	1,099.6	559.7	15.2	7.9	6.6
	Former AQI	5.5	6.9	1.1			

[Return to shareholders]

		2009.3	2010.3	2011.3	2012.3	2013.3	2014.3 1H (six months)
Dividend (million yen)	Former MMV	0	0	0	323	668	-
	Former AQI	0	81	201			
DOE (%)	Former MMV	0.0	0.0	0.0	6.1	6.8	-
	Former AQI	0.0	1.3	2.9			
Dividend payout ratio (%)	Former MMV	0.0	0.0	0.0	5.6	34.8	-
	Former AQI	0.0	139.3	37.5			

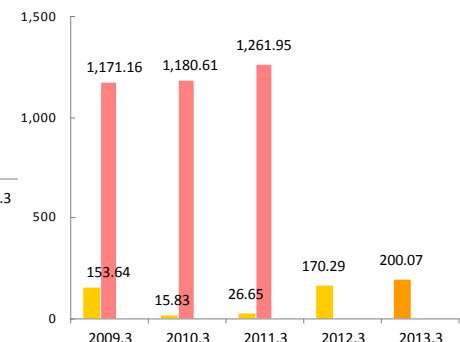
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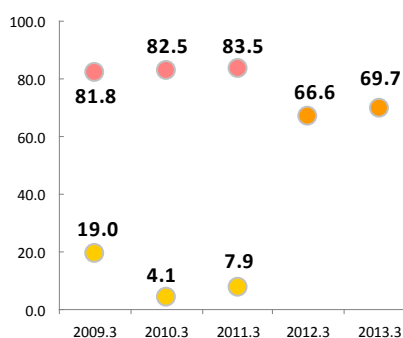
Net income per share (yen)



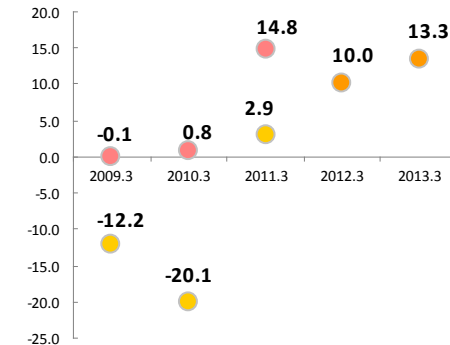
Net assets per share (yen)



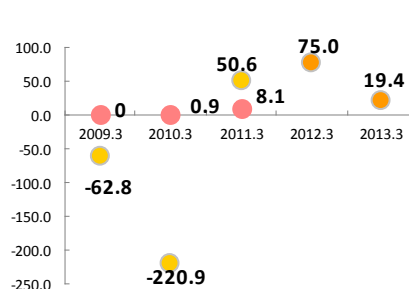
Capital ratio (%)



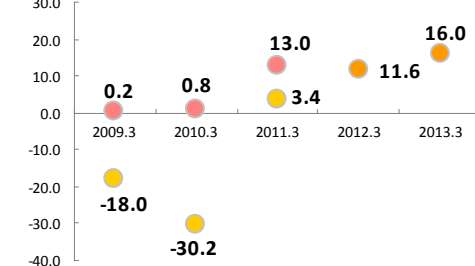
Operating profit ratio (%)



ROE (%)



ROA (%)



Future Developments & Outlook for Current Fiscal Year

On November 1, 2012, approximately one year after the management integration, the Company listed its shares on the Tokyo Stock Exchange, first Section, marking a new milestone in the development of the Company.

Building on our strengths as a comprehensive entertainment company, we will push ahead with the lateral expansion and enhancement of each business division and the creation of flagship titles, and unleash further comprehensive synergies. Moreover, through the expansion and enhancement of mobile operations and the strengthening of overseas operations and other measures focused on our times, we will aim to achieve steady growth and work to evolve into a global content provider that amazes the world.

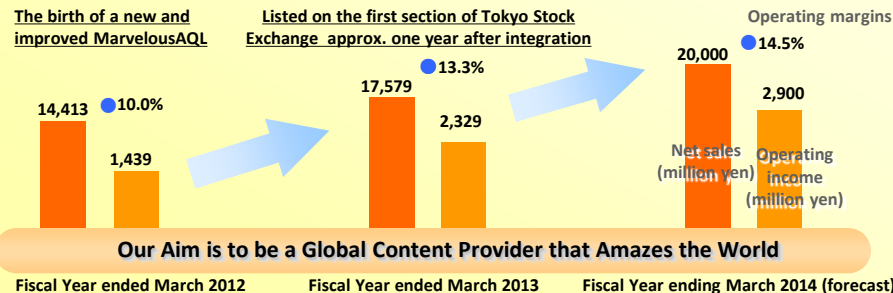
As to business initiatives in the fiscal year ending March 2014, the Group will keep up the favorable performances of the Consumer Game Business division and the Audio & Visual Business division, with Online Game Business operations remaining at the center of efforts. In the mobile games field in particular, measures will be further strengthened to launch titles that have the potential to develop into new pillars of operations.

As a result of the aforementioned efforts, consolidated results for the next term are forecast to achieve net sales of 20,000 million yen, operating income of 2,900 million yen, ordinary income of 2,890 million yen, and net income of 1,770 million yen.

We aim to expand our business and improve profitability by “creating and developing powerful IPs” and strengthening, expanding, and accelerating our strategy which utilizes our advantages as a “comprehensive entertainment company.”

Strengthening, expanding, accelerating
Initiatives centered on powerful IP
Activation of further integration effects

Next Stage



Basic Information

Company Profile (As of September 30, 2013)

• Company Name:	MarvelousAQL	
• Head Office:	5F Shinagawa Seaside East Tower, 4-12-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo, Japan	
• Established:	June 25, 1997	
• Capital:	¥1,128 million	
• Officers:	Representative director and chairman	Haruki Nakayama
	President	Shuichi Motoda
	Vice President	Toshinori Aoki
	Director	Yoshiaki Matsumoto
	Director	Nobuyuki Yamakaku
	Director	Yoshiteru Yamaguchi
	Director (External)	Shunichi Nakamura
	Director (External)	Ken Kutaragi
	Standing Statutory Auditor (External)	Isamu Tsuji
	Corporate Auditor (External)	Iwao Nishi
	Corporate Auditor (External)	Katsuhiko Nishimura

Business Activities

Online Game Business

Developing apps and games capitalizing on the Company’s proprietary intellectual property and other companies’ promising intellectual property for various platforms

Consumer Game Business

Proposing, developing, producing and marketing game software for home game consoles and game machines for amusement facilities

Audio & Video Business

Proposing, producing, and marketing a variety of contents including audio and visual, as well as proposing, producing, and exhibiting stage and musical performances

Stock Information (as of September 30, 2013)

- End of term: March 31
- Shares per unit: 1
- Total number of authorized shares: 900,000
- Total shares outstanding: 535,931
- Number of shareholders: 10,629

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.32 %
• Amuse Capital Inc.	12.50 %
• Haruki Nakayama	10.22 %
• Trust & Custody Services Bank, Ltd. (securities investment trust account)	5.20 %
• Japan Trustee Services Bank Ltd. (trust account)	3.47 %
• Amuse Capital Investment, K.K.	3.43 %
• DEUTSCHE BANK AG LONDON-PB NON-TREATY CLIENTS 613	3.37 %
• Japan Securities Finance Co., Ltd.	2.66 %
• TOHOKUSHINSHA FILM CORPORATION	1.45 %
• Nomura PB Nominees TK 1 Limited	1.16 %

[Stock Quote] (As of November 6, 2013)

- Stock Quote: 576 yen
- Market Cap 30,869 million yen