

Fact Sheet

Third Quarter of Fiscal Year Ending March 31, 2016

Marvelous Inc.

Stock Exchange Listing: First Section of Tokyo Stock Exchange Stock Code: 7844 URL: <http://www.marv.jp/>
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In line with our management philosophy of the "'Amazement' and 'Emotion' to the world with New Entertainment," Marvelous Inc. is a comprehensive entertainment company which develops online games, game software, amusement games, audio & visual content, stage and musical performances, and other products and services.

MARVELOUS!

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

	1Q (3 months)	2Q (6 months)	3Q (9 months)	4Q (full-year)
Net Sales	8,045	16,447	24,229	—
Operating Income	1,376	2,841	3,972	—
Ordinary Income	1,436	2,793	3,940	—
Profit attributable to owners of parent	992	1,910	2,690	—
Net Income Per Share (yen)	18.57	35.92	51.06	—

Results of Operations

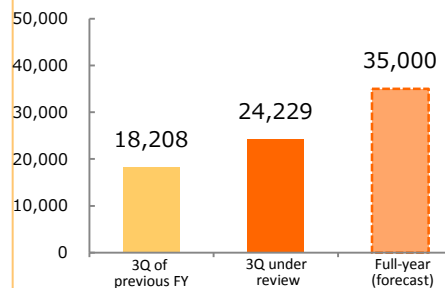
The entertainment industry in the period under review saw the expansion in the app games market moderate its pace, combined with a gradually intensifying competitive market environment caused by factors such as the emergence of popular IP titles, and game companies in Japan, Europe, the U.S., and Asian countries entering each other's markets. In the market for home-use games, PlayStation 4 has been strengthening its presence centered on Europe and the U.S., but the domestic market continues to contract overall. In the market for arcade games, although the market overall has been shrinking, machines themed on powerful IPs have been performing well. In the audio & visual sectors, while the environment for sales of package products remains adverse, demand continues to expand due to the popularity of Japanese *anime* in China, and in Japan and overseas the growth in video dissemination services is progressing. Moreover, "2.5 dimensional musical" format, which transforms the two-dimensional world of manga, *anime*, and games into stage performance contents, has established itself in Japan as a full-fledged genre and the number of performances and audiences continues to rise along with ongoing gains in market scale.

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. In order 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 "buzz" among today's users while endeavoring to enhance its services.

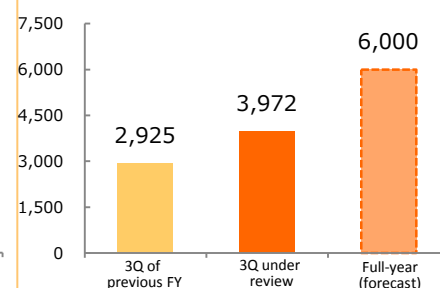
As a result, the Group's net sales in the third quarter (April 1, 2015 to December 31, 2015) marked 24,229 million yen (up 33.1% compared with the same period of the previous year), with operating income of 3,972 million yen (up 35.8% compared with the same period of the previous year), ordinary income of 3,940 million yen (up 26.6% compared with the same period of the previous year), and profit attributable to owners of parent of 2,690 million yen (up 43.5% compared with the same period of the previous year).

Third Quarter (nine months) Financial Results (Unit: million yen)

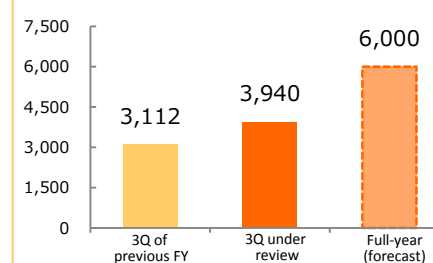
Net Sales



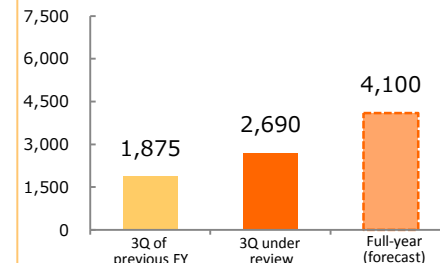
Operating Income



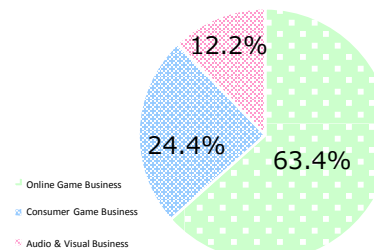
Ordinary Income



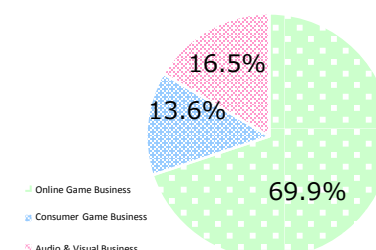
Profit attributable to owners of parent



Percentage of Net Sales by Segment



Percentage of Operating Income by Segment



Online Game Business

Consumer Game Business

Audio & Visual Business

Leading Titles

Logres of Swords and Sorcery: Goddess of Ancient

VALKYRIE DRIVE -SIREN-

NET HIGH

VALKYRIE DRIVE -BHIKKHUNI-

My Teen Romantic Comedy SNAFU TOO!

Stage [Yowamushi Pedal] Ep. IRREGULAR "The Rival Peaks"



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©WATARU WATARISHOGAKUKAN/ OREGAIRU2 PRODUCTION COMMITTEE

©Wataru Watanabe (Akitashoten) 2008 / Yowamushi Pedal GR Film Partners ©Wataru Watanabe (Akitashoten) 2008 / Marvelous, TOHO, SEGA LIVE CREATION

Remarks about Performance

In native apps, "Logres of Swords and Sorcery: Goddess of Ancient" continues to be a major source of divisional income. Service for this title was initiated on October 22, 2015, through Garena Online Private Limited in Taiwan, Hong Kong, and Macau. Performance has developed favorably from the time of release, and as of December 4, 2015, this title attained in Taiwan the No. 1 position in the App Store sales ranking. Additionally, in browser games, service for "VALKYRIE DRIVE -SIREN-" started on November 25, 2015, with existing titles showing solid performance.

As a result, segment net sales totaled 15,352 million yen (up 45.4% compared with the same period of the previous year), with segment operating income of 3,368 million yen (up 39.7% compared with the same period of the previous year).

At the Company's sales sector of the Consumer Game Business segment, "NET HIGH (PS Vita)" was released on November 26, 2015, and "VALKYRIE DRIVE -BHIKKHUNI- (PS Vita)" and "NITRO PLUS BLASTERZ -HEROINES INFINITE DUEL- (PS4/PS3)" were released on December 10, 2015. Furthermore, U.S. subsidiary Marvelous USA, Inc. on October 13, 2015, launched sales of "Corpse Party: Blood Drive (PS Vita)" (licenser: MAGES./5bp.) and on December 22, 2015, "The Legend of Heroes: Trails of Cold Steel (PS3/PS Vita)" (licenser: Nihon Falcom), etc., showing favorable performances along with repeat sales of individual titles.

At the amusement division, solid performance was reported due to factors such as the release of new sequel versions of "Pokémon TRETTA" and "MONSTER HUNTER SPIRITS," and by increasing the number of amusement consoles deployed.

As a result, segment net sales totaled 5,919 million yen (up 31.8% compared with the same period of the previous year), with segment operating income of 653 million yen (up 31.2% compared with the same period of the previous year).

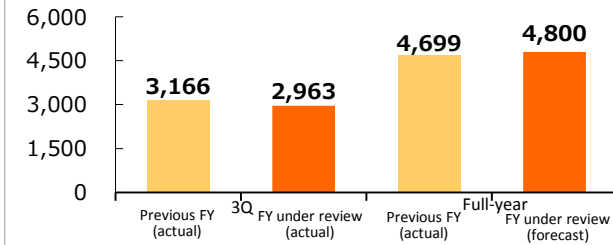
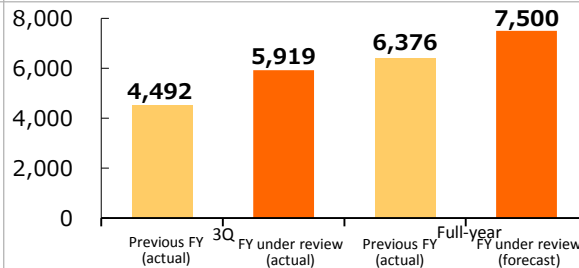
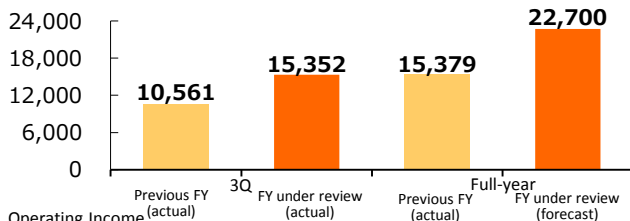
The audio & visual production sector of the Audio & Visual business segment implemented the video commercialization of "My Teen Romantic Comedy SNAFU TOO!," a TV anime lead-managed by the Company, with favorable sales performance. Additionally, income from secondary usage such as video dissemination sales and program sales, respectively from the Company's library, developed favorably.

The stage production division recognized revenues from the August 2015 performances of "Stage K II -AROUSAL OF KING-" and "HYPER MUSICAL Samurai Jam -Bakumatsu Rock-." Additionally, public performances were given of "MUSICAL THE PRINCE OF TENNIS 3rd Season SEIGAKU vs. St. RUDDOLPH," "Stage [Yowamushi Pedal] Ep. IRREGULAR 'The Rival Peaks,'" and "MUSICAL AOHAUTETSUDO" (respective revenues will be recognized in the fourth quarter).

As a result, segment net sales totaled 2,963 million yen (down 6.4% compared with the same period of the previous year), with segment operating income of 797 million yen (up 8.1% compared with the same period of the previous year).

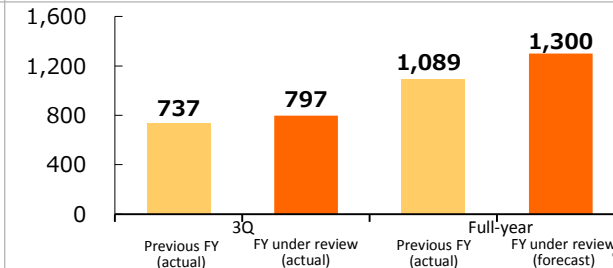
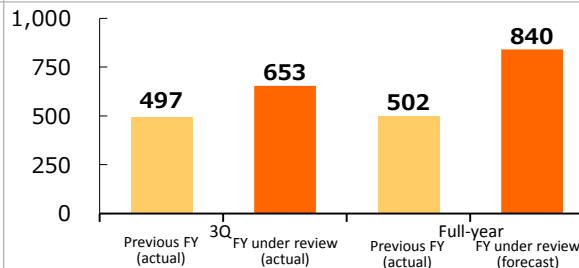
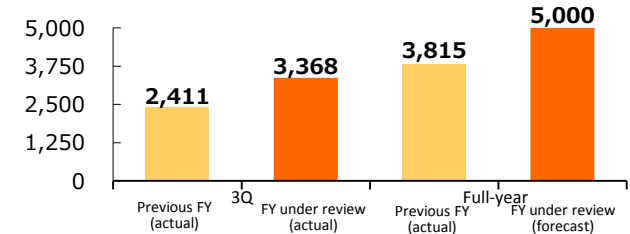
Net Sales

(Unit: million yen)



Operating Income

(Unit: million yen)

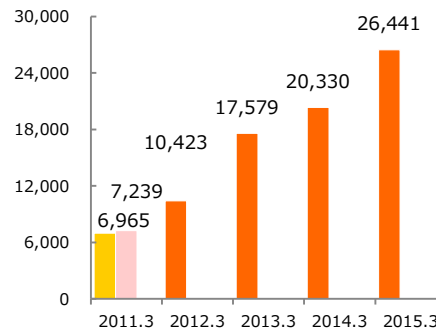


[Consolidated Statement of Income]

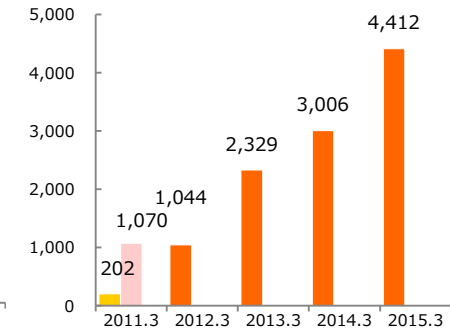
(Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
Net Sales	Former MMV	6,965	10,423	17,579	20,330	26,441	24,229
	Former AQI	7,239					
Gross Operating Income	Former MMV	1,740	4,491	8,116	9,946	14,975	14,680
	Former AQI	3,644					
Operating Income	Former MMV	202	1,044	2,329	3,006	4,412	3,972
	Former AQI	1,070					
Ordinary Income	Former MMV	147	1,025	2,325	3,041	4,583	3,940
	Former AQI	1,041					
Profit attributable to owners of parent	Former MMV	131	3,533	1,919	1,882	2,178	2,690
	Former AQI	537					

Net Sales (million yen)



Operating Income (million yen)

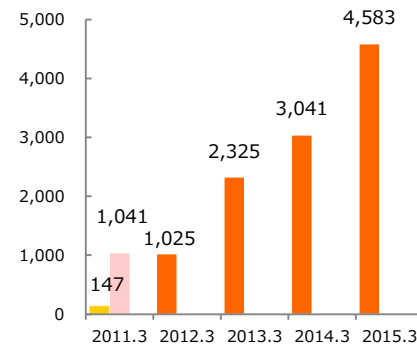


[Consolidated Balance Sheet]

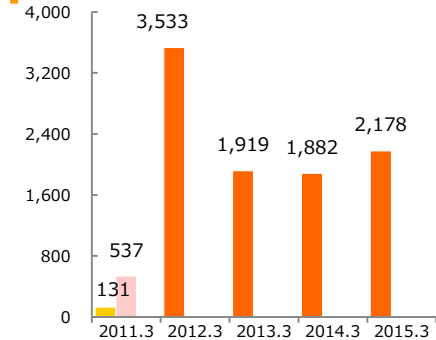
(Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
Current Assets	Former MMV	3,271	11,932	12,593	14,583	18,624	15,211
	Former AQI	7,231					
Fixed Assets	Former MMV	820	1,734	2,748	2,233	3,414	4,624
	Former AQI	1,003					
Total Assets	Former MMV	4,092	13,667	15,341	16,816	22,039	19,835
	Former AQI	8,235					
Current Liabilities	Former MMV	3,496	4,361	4,570	4,840	8,535	6,745
	Former AQI	1,320					
Long-Term Liabilities	Former MMV	271	202	76	54	52	35
	Former AQI	35					
Net Assets	Former MMV	325	9,102	10,694	11,921	13,450	13,054
	Former AQI	6,878					
Shareholders' Equity	Former MMV	325	9,102	10,694	11,921	13,450	13,037
	Former AQI	6,878					

Ordinary Income (million yen)



Profit attributable to owners of parent (million yen)

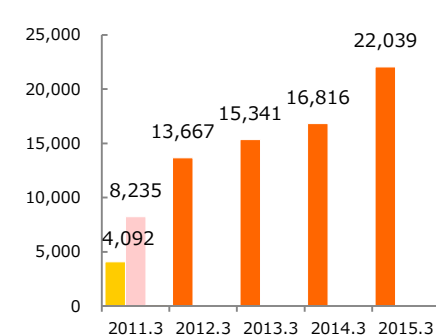


[Cash Flow Statement]

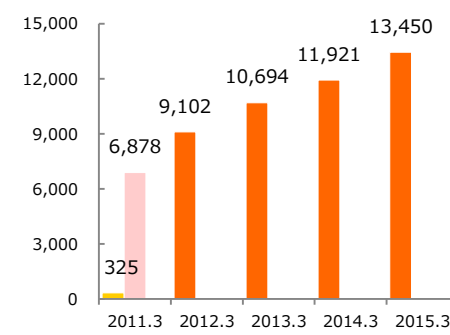
(Unit: million yen)

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
Cash flows from Operating activities	Former MMV	1,360	1,399	2,817	3,852	4,031	-
	Former AQI	2,904					
Cash flows from Investing activities	Former MMV	-246	435	-2,130	-634	-2,218	-
	Former AQI	-2,762					
Cash flows from Financing activities	Former MMV	-237	-479	-975	-873	-1,146	-
	Former AQI	-216					
Cash and Cash Equivalents at End of Period	Former MMV	1,749	5,979	5,723	8,120	8,937	-
	Former AQI	2,401					

Total Assets (million yen)



Net Assets (million yen)



[Per Share Indices]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
Net income per share (yen)	Former MMV	10.76	107.62	35.90	35.21	40.74	51.06
	Former AQI	98.73					
Net assets per share (yen)	Former MMV	26.65	170.29	200.07	223.02	251.55	252.07
	Former AQI	1,261.95					

[Profitability]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
Gross profit rate (%)	Former MMV	25.0	43.1	46.2	48.9	56.6	60.6
	Former AQI	50.3					
Operating profit ratio (%)	Former MMV	2.9	10.0	13.3	14.8	16.7	16.4
	Former AQI	14.8					
Ordinary profit ratio (%)	Former MMV	2.1	9.8	13.2	15.0	17.3	16.3
	Former AQI	14.4					
Net profit ratio (%)	Former MMV	1.9	33.9	10.9	9.3	8.2	11.1
	Former AQI	7.4					

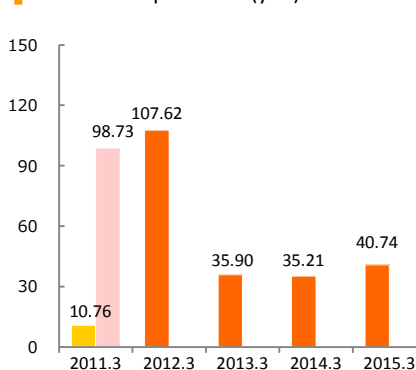
[Efficiency & Security]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
ROE (%)	Former MMV	50.6	75.0	19.4	16.6	17.2	-
	Former AQI	8.1					
ROA (%)	Former MMV	3.4	11.6	16.0	18.9	23.6	-
	Former AQI	13.0					
Capital ratio (%)	Former MMV	7.9	66.6	69.7	70.9	61.0	65.7
	Former AQI	83.5					
D/E ratio (%)	Former MMV	559.7	15.2	7.9	5.5	1.5	1.2
	Former AQI	1.1					

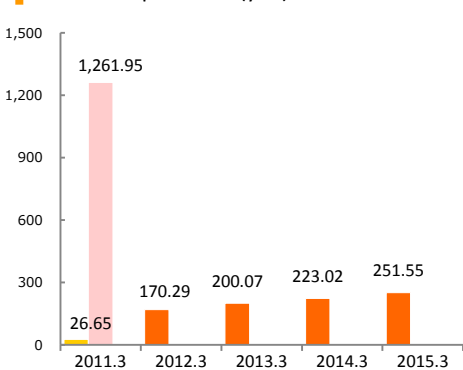
[Return to Shareholders]

		2011.3	2012.3	2013.3	2014.3	2015.3	2016.3 3Q
Dividend (million yen)	Former MMV	0	323	668	694	1,069	-
	Former AQI	201					
DOE (%)	Former MMV	0.0	6.1	6.8	6.1	8.4	-
	Former AQI	2.9					
Dividend payout ratio (%)	Former MMV	0.0	5.6	34.8	36.9	49.1	-
	Former AQI	37.5					

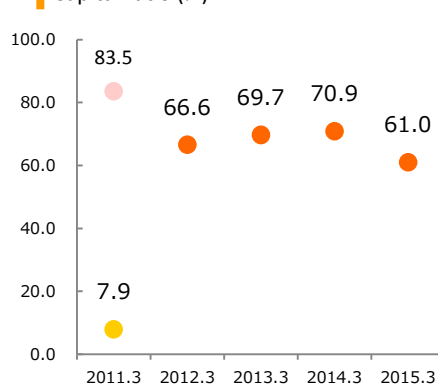
Net income per share (yen)



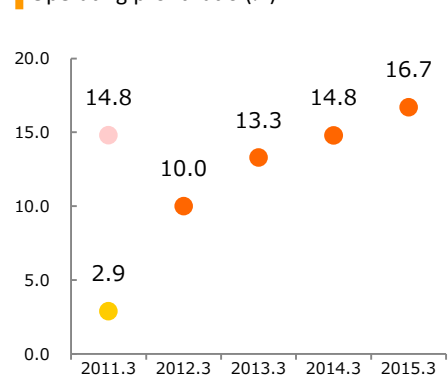
Net assets per share (yen)



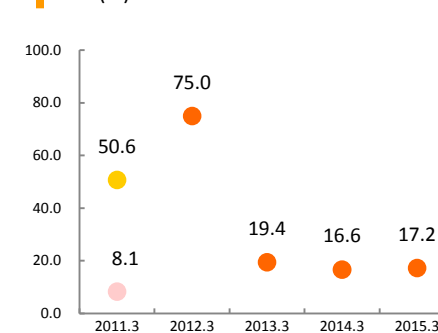
Capital ratio (%)



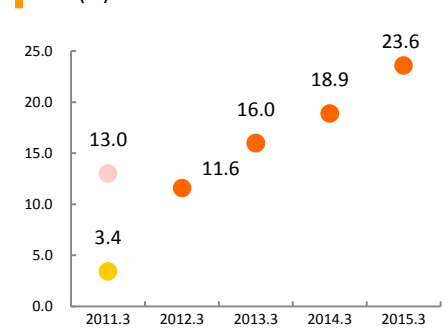
Operating profit ratio (%)



ROE (%)



ROA (%)



Future Developments & Outlook for Fiscal Year Ending March 2016

In order to strengthen the development frameworks of the online game business, a business mainstay of the Company, effective April 1, 2015, the Company integrated as a new subsidiary G-MODE Corporation, which is a company engaged in creating application development frameworks including investments in development platforms for native apps. Moreover, aiming at further enhancement of financial results, the Company took steps to reinforce management systems and aims to establish the "Marvelous Brand" by creating added value for the world's entertainment that is "Distinctive of the Marvelous Brand."

In its business initiatives for the fiscal year ending March 2016, the Group will focus on achieving further growth in app games, which have been sustaining strong performance in the Online Game Business, accompanied by continuing efforts to maintain the popularity of existing titles. In the Consumer Game Business and the Audio & Visual Business, where operating environments remain adverse, the Group will use its special strength in planning abilities to best effect with the aim of achieving sales and earnings growth compared with the previous fiscal year.

As a result of the aforementioned efforts, consolidated results for the current fiscal year are forecast to achieve net sales of 35,000 million yen, operating income of 6,000 million yen, ordinary income of 6,000 million yen, and net income of 4,100 million yen.

Creating added value "Distinctive of the Marvelous Brand" for the world's entertainment



Establishing the "Marvelous Brand"

Basic Information

Company Profile (As of October 1, 2015)

- Company Name: Marvelous Inc.
- Head Office: Shinagawa Seaside East Tower, 4-12-8 Higashi-Shinagawa, Shinagawa-ku, Tokyo, Japan
- Established: June 25, 1997
- Capital: ¥1,128 million
- Officers:

Chairman, President and CEO Vice Chairman Representative Director, Executive Vice President and COO Managing Director Director and CFO Director (External) Director (External) Standing Statutory Auditor Corporate Auditor (External) Corporate Auditor (External) Corporate Auditor (External)	Haruki Nakayama Shuichi Motoda Toshinori Aoki Yoshiaki Matsumoto Seiichiro Kato Shunichi Nakamura Ken Kutaragi Toshio Nago Katsuhiko Nishimura Tadahiko Ono Hisashi Miyazaki
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Business Activities

- Online Game Business** Proposing, developing, producing and marketing 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 & Visual 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, 2015)

- End of term: March 31
- Total number of authorized shares: 90,000,000
- Total shares outstanding: 53,593,100
- Number of shareholders: 21,088
- Shares per unit: 100

[Major Shareholders / Ratio of Shares Owned]

• Hayao Nakayama	18.99 %
• Amuse Capital Inc.	12.95 %
• Haruki Nakayama	10.59 %
• Amuse Capital Investment, K.K.	3.55 %
• TOHOKUSHINSHA FILM CORPORATION	1.50 %
• Bank of New York GCM Client Accounts M. LSCB	1.10 %
• Bank of New York GCM Client Account JPRD ISG (FE-AC)	1.04 %
• Matsui Securities Co., Ltd.	0.94 %
• SBI SECURITIES Co., Ltd.	0.87 %
• Mizuho Securities Co., Ltd.	0.81 %

*1. Shareholding ratios are calculated after deduction of treasure stock (1,872,400 shares).

*2. Shareholding ratios are truncated after three decimal places.

[Stock Quote] (As of January 29, 2016)

- Stock Quote: 861 yen
- Market Cap: 46,143 million yen