

MARVELOUS!

Results Briefing Materials

Fiscal Year Ending March 31, 2022

First Half

October 29, 2021

Fiscal Year Ending March 2022, First-Half Results Summary

Segment Results and Future Initiatives

Fiscal Year Ending March 2022, Full-Year Business Forecast

Capital and Business Alliance with Tencent

**Fiscal Year Ending March 2022,
First-Half Results Summary**

Earnings Highlights (Statement of Profit and Loss)



- Resulted in an increase in sales and profit thanks to the consumer game business being in good shape due to strong sales of both game software and the amusement business, though earnings deteriorated owing to the sales decline for long-term operation titles in the online game business and the impact of the novel coronavirus infection (COVID-19) in the audio & visual businesses.

Unit: million yen	1H FY ended March 2021		1H FY ending March 2022		YOY change	
	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales	9,419	—	12,838	—	3,418	136.3%
Cost of sales	3,812	—	6,258	—	2,445	164.1%
SGA expenses	3,907	—	3,679	—	-228	94.2%
Thereof advertising expenses	556	—	574	—	17	103.1%
Operating profit	1,699	18.0%	2,900	22.6%	1,201	170.7%
Non-operating profit/loss	-20	—	83	—	103	—
Ordinary profit	1,678	17.8%	2,984	23.2%	1,305	177.7%
Extra ordinary profit/loss	-14	—	11	—	26	—
Income taxes	503	—	916	—	412	182.0%
Profit attributable to owners of parent	1,160	12.3%	2,079	16.2%	918	179.2%

Segment Results



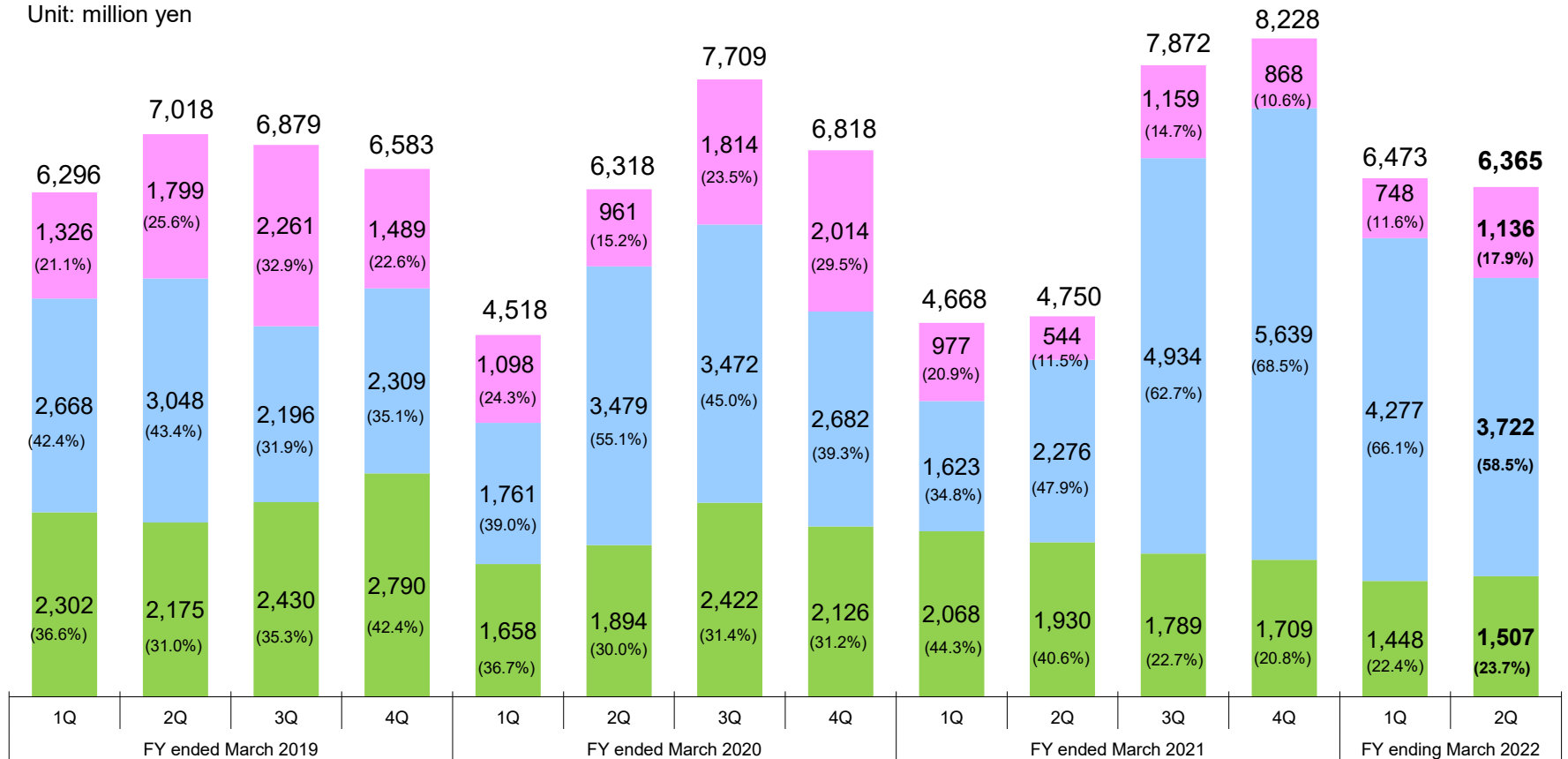
		1H FY ended March 2021	1H FY ending March 2022	YOY change	
Unit: million yen		Actual	Actual	(Amount)	(%)
Net sales	Online Game Business	3,998	2,955	-1,043	73.9%
	Consumer Game Business	3,900	7,999	4,099	205.1%
	Audio & Visual Business	1,521	1,884	363	123.9%
	Total	9,419	12,838	3,418	136.3%
Segment profit	Online Game Business	975	603	-372	61.8%
	Consumer Game Business	1,111	2,941	1,830	264.7%
	Audio & Visual Business	361	57	-303	15.9%
	Total	2,447	3,601	1,154	147.1%
Company-level costs, etc.		-748	-700	47	93.7%
Operating profit total		1,699	2,900	1,201	170.7%

Development of Net Sales and Operating Profit by Segment (Quarterly)



- Audio & Visual Business
- Consumer Game Business
- Online Game Business

Unit: million yen



Note: Totals may not tally to 100% due to rounding of sales percentages to the first decimal point.

Segment Results and Future Initiatives

Online Game Business: 1H FY Ending March 2022 Progress Status

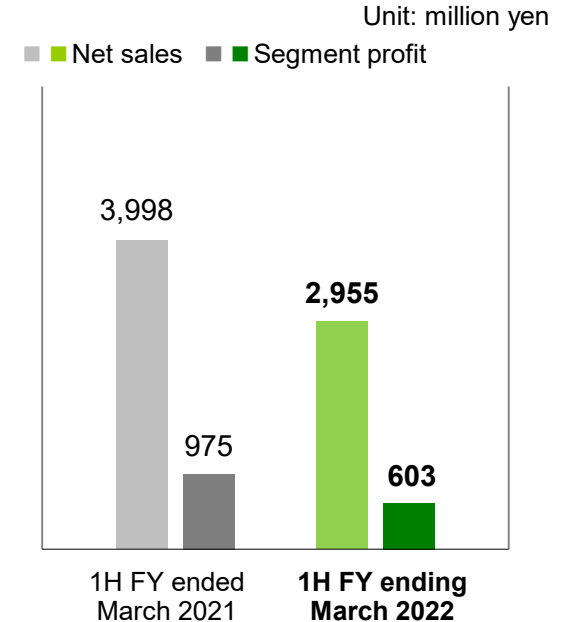


[Results Up Until 1H FY Ending March 2022]

Resulted in a decrease in sales and profit due to a decline in sales due to aging of long-term operation titles and intensifying competition.

[Title Performance]

- Sales of SHINOVI MASTER -SENTRAN KAGURA NEW LINK-, Logres of Swords and Sorcery: Goddess of Ancient, and Browser Sangokushi declined owing to aging and intensified competition with other companies' titles despite implementation and strenuous efforts of collaborative measures and anniversary events.
- Start to distribute Ikki-Tousen Extra Burst Marvelous apps version in September



[Title Rollouts]

**SHINOVI MASTER
-SENTRAN KAGURA NEW LINK-**
(Smartphone app)



Launched on Nov. 29, 2017

©Marvelous Inc.
©HONEY PARADE GAMES Inc.

**Logres of Swords and Sorcery:
Goddess of Ancient**
(Smartphone app)



Launched on Dec. 17, 2013

©Marvelous Inc. Aiming Inc.

Browser Sangokushi
(PC Browser)



Launched on Jul. 15, 2009

©Marvelous Inc.

Ikki-Tousen Extra Burst
(Smartphone app)



Launched on May 25, 2020

©2019 YUJI SHIOZAKI · SHONENGAHOSHA/IKKITOUSEN
WW PARTNERS
©2020 Marvelous Inc.

Online Game Business: Initiatives Starting in 3Q FY Ending March 2022

MARVELOUS!

- New game app The Thousand Musketeers: Rhodoknight started accepting pre-registration on the App Store and Google Play from Oct. 12. The service will start soon.
- Strive to secure sales of existing titles through collaboration measures, anniversary events, etc.

The Thousand Musketeers: Rhodoknight (Smartphone app)



The service will start soon

©Marvelous Inc.

Consumer Game Business: 1H FY Ending March 2022 Progress Status

MARVELOUS!

[Results Up Until 1H FY Ending March 2022]

Sales and profit increased owing to strong sales of game software such as Rune Factory 5 and BOKUJO MONOGATARI OLIVE TOWN TO KIBO NO DAICHI as well as brisk sales of New tag of Pokémon MEZASTAR

[Title Performance]

- No More Heroes 3, the latest in the series released on August 27, 2021
- The steam version of BOKUJO MONOGATARI OLIVE TOWN TO KIBO NO DAICHI for Nintendo Switch released in the previous year started to distribute on September 16, and the cumulative global shipments of them exceeded 1 million units.
- Amusement business saw strong sales of No.2 tag of Pokémon MEZASTAR, which commenced operations on September 16.

[Title Rollouts]

No More
Heroes 3
(Nintendo Switch)



Released on August 27, 2021

©Marvelous Inc. / Grasshopper Manufacture Inc.

BOKUJO
MONOGATARI
OLIVE TOWN
TO KIBO NO
DAICHI
(Nintendo Switch/
Steam)



Nintendo Switch version: Available now
Steam version: Launched on September 16, 2021

© 2021 Marvelous Inc.

Pokémon
MEZASTAR
(Amusement)

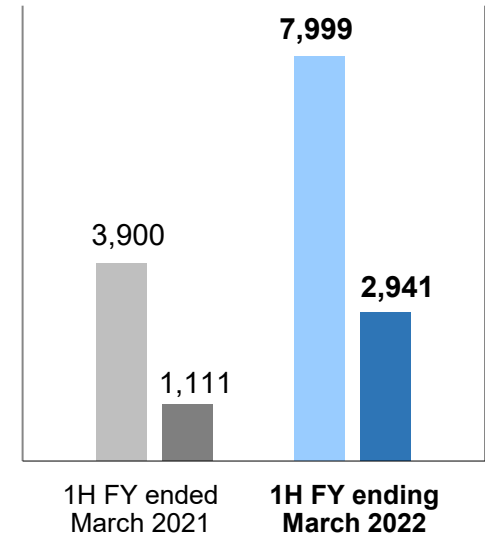


Launched on September 17, 2020

©2021 Pokémon. ©1995-2021 Nintendo/Creatures Inc./ GAME FREAK Inc.
Developed by T-ARTS and MARV
ポケットモンスター・ポケモン・Pokémonは任天堂・クリーチャー・ゲームフリークの登録商標です。

Unit: million yen

■ Net sales ■ Segment profit



Consumer Game Business: Initiatives Starting in 3Q of FY Ending March 2022

MARVELOUS!

- The Riftbreaker developed by Polish developer EXOR Studios, is released for PS5® in October
- BOKUJO MONOGATARI SAIKAI NO MINERAL TOWN released in 2019 is newly released for PS4®/XBOX
- North American and European versions of Rune Factory 5, the latest in the series, are scheduled to be released in March 2022.
- Amusement segment plans to launch No.3 tag of Pokémon in November

The Riftbreaker (PS5®)



Released on October 14, 2021 (download sale)

©2021 EXOR Studios, the EXOR Studios logo, Riftbreaker and the Riftbreaker logo are trademarks or registered trademarks in the United States, European Union and other countries.

BOKUJO MONOGATARI SAIKAI NO MINERAL TOWN (Nintendo Switch/ PS4®/XBOX)



Nintendo Switch version: Available now
XBOX version: Released on October 27, 2021 (download sale)
PS4® version: To be released on November 27, 2021

©2021 Marvelous Inc.

Rune Factory 5 (Nintendo Switch)



Domestic version: Available now
North American version: To be released on March 22, 2022
European version: To be released on March 25, 2022

©2021 Marvelous Inc.

*Images and rights notation are for the domestic version.

Pokémon MEZASTAR (Amusement)



Launched on September 17, 2020
— No.3 tag scheduled to launch on November 25 —

©2021 Pokémon. ©1995-2021 Nintendo/Creatures Inc./ GAME FREAK inc.
Developed by T-ARTS and MARV
ポケッタモンスタ-・ポケモン・Pokémonは任天堂・ガ-リーチヤ-ズ・ゲームア-ク-の登録商標です。

Audio & Visual Business: 3Q FY Ending March 2022 Progress Status



[Results Up Until 1H FY Ending March 2022]

Resulted in a significant decrease in profit due to the impact of the prolonged declaration of a state of emergency, despite the revenue increase owing to the sales of Touken Ranbu the Stage (performed from January to June).

[Title Performance]

- Healin' Good Pretty Cure the Movie, and TV series of Tropical-Rouge ! Pretty Cure, etc. were commercialized as package products
- For stage performances, although several new performances of the series works, etc. were performed, the situation remains severe owing to the restrictions on holding events and requests to refrain from going out following the declaration of a state of emergency.

[Title Rollouts]

Healin' Good Pretty Cure
the Movie



Blu-ray/DVD released July 2021

©2020 Healin' Good Pretty Cure the Movie Production Committee

MUSICAL THE PRINCE OF
TENNIS 4th SEASON
SEIGAKU vs FUDOMINE



Performance from July
to August 2021

©1999 TAKESHI KONOMI/2021 MUSICAL THE PRINCE
OF TENNIS PROJECT

“Katekyo Hitman Reborn!”
the STAGE
-episode of FUTURE-



Performance from July
to August 2021

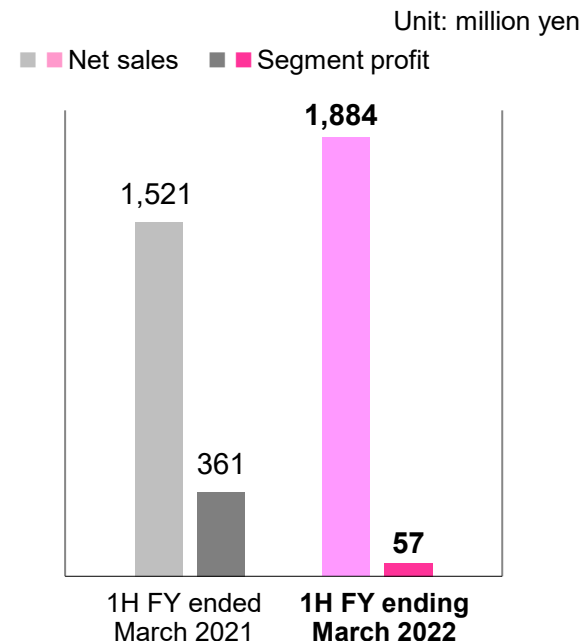
© Akira Amano/SHUEISHA
© REBORN! THE STAGE PROJECT

MUSICAL『MORIARTY THE
PATRIOT』OP.3 -THE
PHANTOM OF WHITECHAPEL-



Performance in August 2021

©Ryosuke Takeuchi,Hikaru Miyoshi/SHUEISHA
© MUSICAL『MORIARTY THE PATRIOT』PROJECT



Audio & Visual Business: Initiatives Starting in 3Q FY Ending March 2022

MARVELOUS!

- In the Audio and Visual Business, the latest Pretty Cure movie version is released in October, and the new TV animated program The Vampire Dies in No Time is on air in October.
- For the stage performance, several performances of existing series and new titles are prepared. Expectations for recovery of spectator mobilization rate due to cancellation of the declaration of a state of emergency

Tropical Rouge Pretty Cure the Movie



Released in October 2021

©2021 Tropical Rouge Pretty Cure the Movie Production Committee

The Vampire Dies in No Time



TV broadcast started
in October 2021

© Itaru Bonnoki (AKITASHOTEN)/ The Vampire dies in no time

"Blood Blockade Battlefront" the Stage -Blitz Along Alone-



Performance from October
to November 2021

©Yasuhiro Nightow/SHUEISHA,
©"Blood Blockade Battlefront" the Stage

"World Trigger the Stage"



To be performed from November
to December 2021

©Daisuke Ashihara/SHUEISHA,©"World Trigger the Stage"project

Musical

"Ouran High School Host Club"



To be performed in January 2022

©Bisco Hatori/hakusensha/"Musical "Ouran High School Host Club" Project

MUSICAL THE PRINCE OF TENNIS II The Second Stage



To be performed in January 2022

©2009 TAKESHI KONOMI/"2020 MUSICAL THE PRINCE OF TENNIS II PROJECT

**Fiscal Year Ending March 2022,
Full-Year Business Forecast**

Fiscal Year Ending March 2022, Full-Year Business Forecast

MARVELOUS!

Results Forecasts

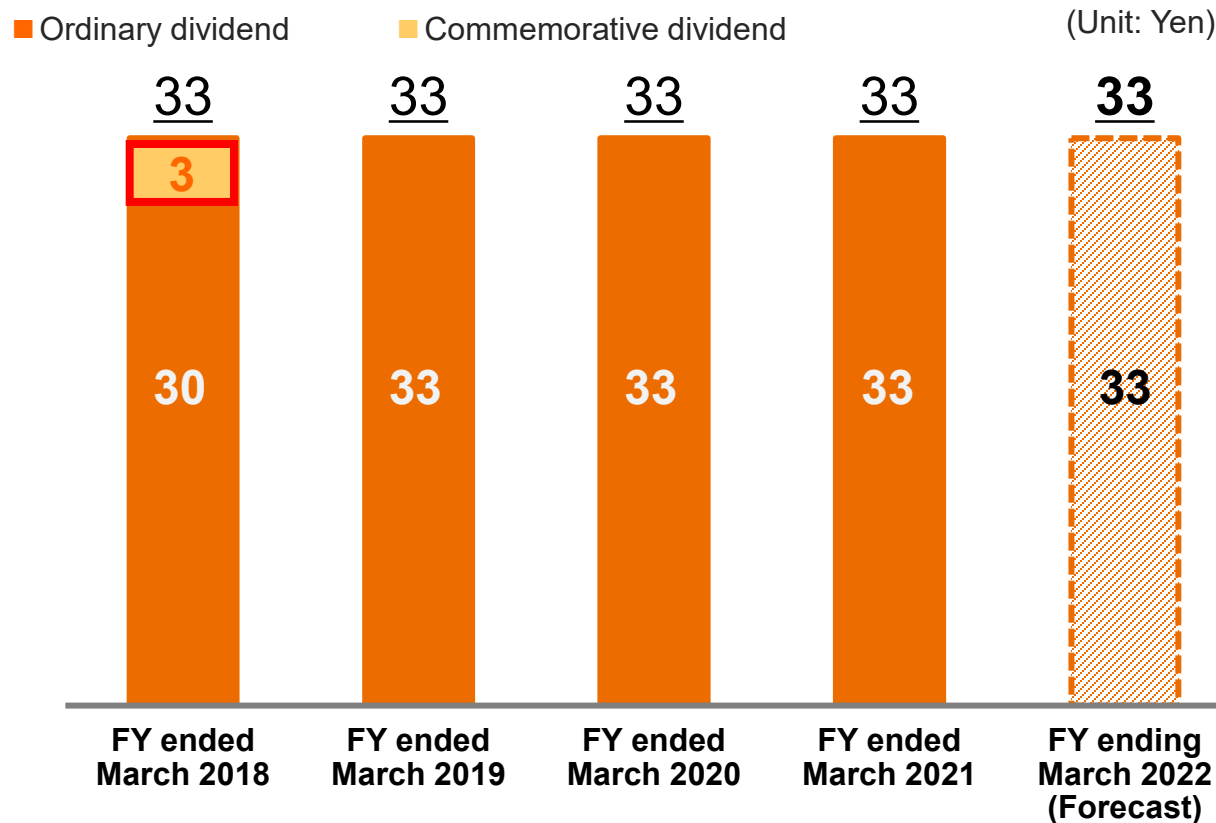
	FY ended March 2021	FY ending March 2022	YOY change
Unit: million yen	Actual	Forecast	(%)
Net sales	25,520	24,000	94.0%
Operating profit	4,414	4,000	90.6%
Ordinary profit	4,558	4,000	87.7%
Profit attributable to owners of parent	3,265	2,760	84.5%

Dividends Forecasts / Dividend Policy



Dividends Forecasts

For the fiscal year ending March 2022, we plan an ordinary dividend of 33 yen, the same amount as in the previous fiscal year.



Dividend Policy

Securing necessary internal reserves for expanding future businesses and strengthening the financial position, the Company distributes continuous and stable dividends targeting 30% or more of payout ratio as a basic policy.

Dividend payout ratio	48.6%	50.9%	95.0%	59.3%	72.2%

Capital and Business Alliance with Tencent

Capital and Business Alliance with Tencent

MARVELOUS!

Entered into a capital and business alliance agreement with Tencent's wholly owned subsidiary Image Frame Investment (HK) on May 25, 2020 to raise approximately 4.9 billion yen.

Business alliances to win global markets and accelerate investment in new projects

MARVELOUS!



Tencent 腾讯
Image Frame Investment (HK)

Purpose of and reason for this capital and business alliance

- To make rich contents from and to globalize our existing intellectual property (IP)
- To make a large investment to create new IP
- To make investments to develop new businesses
- To acquire and make use of the most advanced techniques

Use of funds

MARVELOUS!

Breakdown of 4,900 million yen

New IP investment **3,400 million yen**

Creating new IPs that can be deployed globally (Consumer)

- Genre: Simulation Investment: 700 million yen target for fall 2022
- Genre: Simulation Investment: 1,600 million yen target for fall 2023
- Genre: Action Investment: 1,100 million yen target for fall 2023

Existing IP investments **1,000 million yen**

Globalize Existing IP (Consumer)

- Expenditure for strengthening measures: 350 million yen planned for implementation in fall 2022
- Expenditure for strengthening measures: 650 million yen planned for implementation in spring 2024

Business development cost **500 million yen**

Business development costs for leading titles (online)

- Business development costs: 500 million yen planned for implementation from FY 2022 to FY 2023
- Acquisition and utilization of network technologies and new business models (GaaS)

Planned Title

MARVELOUS!

Other than that,

Investment in new titles **2,500 million yen or more**

Global Target Works

- Consumer genre: Action expected to be released in 2024

Investment in new titles **1,500 million yen or more**

New role-playing game

- Consumer genre: RPG expected to be released in 2024

Investment in TV animated programs **500 million yen or more**

Our company original IP

- TV Anime expected to be broadcast in 2024

We will proceed with the development of CS games for three to four titles in with the cooperation of Tencent, not limited to the above use of funding.

We will actively invest in contents other than CS games to create global IP and achieve continuous corporate growth.

Thank you very much for your attention.

[Inquiries]

Corporate Communication Division, Corporate Planning Department

E-mail: ir@marv.jp

URL: <https://corp.marv.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.