



Fiscal Year Ending March 31, 2023 Third Quarter

Results Briefing Materials

Marvelous Inc.

Stock Code: 7844 (Prime Market)

January 31, 2023

MARVELOUS!



- Section 01** Fiscal Year Ending March 2023, Third-Quarter Results Summary
- Section 02** Segment Results
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Fiscal Year Ending March 2023, Third-Quarter Results Summary



Financial Summary for the Fiscal Year Ending March 2023, Third Quarter

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Net sales **18,412** million yen (97.1% YoY) Operating profit **3,176** million yen (79.3% YoY)

- In addition to continued strong performance of the amusement business, the new online game Dolphin Wave fared well.
- Revenues from consumer games decreased due to a limited selection of both new and existing titles.
- A foreign exchange gain of 284 million yen was recorded in non-operating income due to the impact of the depreciation of the yen from the beginning of the current fiscal year on foreign currency deposits.

	3Q FY ended March 2022 (Apr.–Dec. 2021)		3Q FY ending March 2023 (Apr.–Dec. 2022)		YoY change		
	(Unit: million yen)	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales		18,953	–	18,412	–	-540	97.1%
Operating profit		4,006	21.1%	3,176	17.3%	-829	79.3%
Ordinary profit		4,190	22.1%	3,509	19.1%	-680	83.8%
Profit attributable to owners of parent		2,937	15.5%	2,410	13.1%	-526	82.1%



Changes in Quarterly Consolidated Financial Results

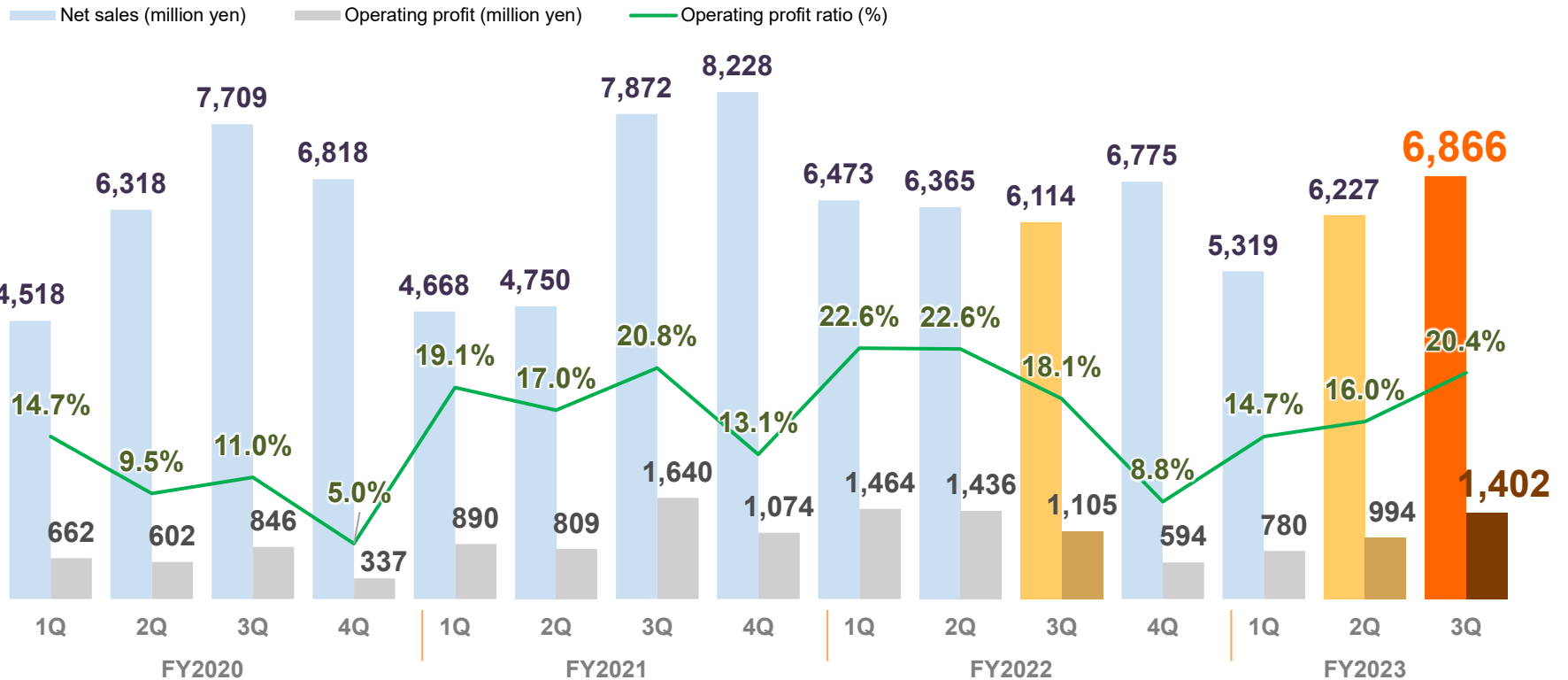
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Fiscal Year Ending March 31, 2023 Third Quarter
(Oct.–Dec. 2022)

Net sales **6,866** million yen (112.3% YoY; 110.3% QoQ)

Operating profit **1,402** million yen (126.9% YoY; 141.1% QoQ)

Operating profit ratio **20.4%** (up 2.3 points YoY; up 4.4 points QoQ)





Segment Results



Operating Results by Segment

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(Unit: million yen)		3Q FY2022 (Apr.–Dec. 2021)	3Q FY2023 (Apr.–Dec. 2022)	YOY change	
				(Amount)	(%)
Net sales	Digital Contents Business	11,332	10,266	-1,066	90.6%
	Amusement Business	4,704	6,047	1,342	128.5%
	Audio & Visual Business	2,916	2,099	-816	72.0%
	Total	18,953	18,412	-540	97.1%
Segment profit	Digital Contents Business	3,488	1,635	-1,853	46.9%
	Amusement Business	1,448	2,328	879	160.7%
	Audio & Visual Business	136	394	258	289.9%
	Total	5,073	4,357	-715	85.9%
Company-level costs, etc.		-1,067	-1,181	-113	110.6%
Operating profit total		4,006	3,176	-829	79.3%

*Segment classifications have been changed since the fiscal year ending March 2023. Figures for the fiscal year ended March 2022 have been reclassified according to the new segment classification.

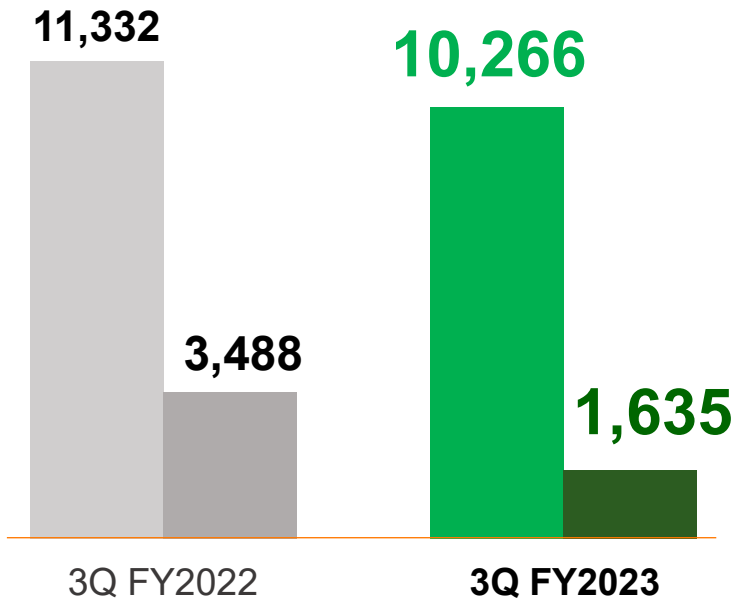


Digital Contents Business [3Q Overview]

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- Strong performance of the newly launched title Dolphin Wave contributed to earnings.
- Revenues from consumer games decreased due to a limited selection of both new and existing titles as well as struggling sales in Europe and the U.S.
- Write-downs of some existing online game titles were implemented.

■ Net sales ■ Segment profit
(Unit: million yen)



3Q FY2023

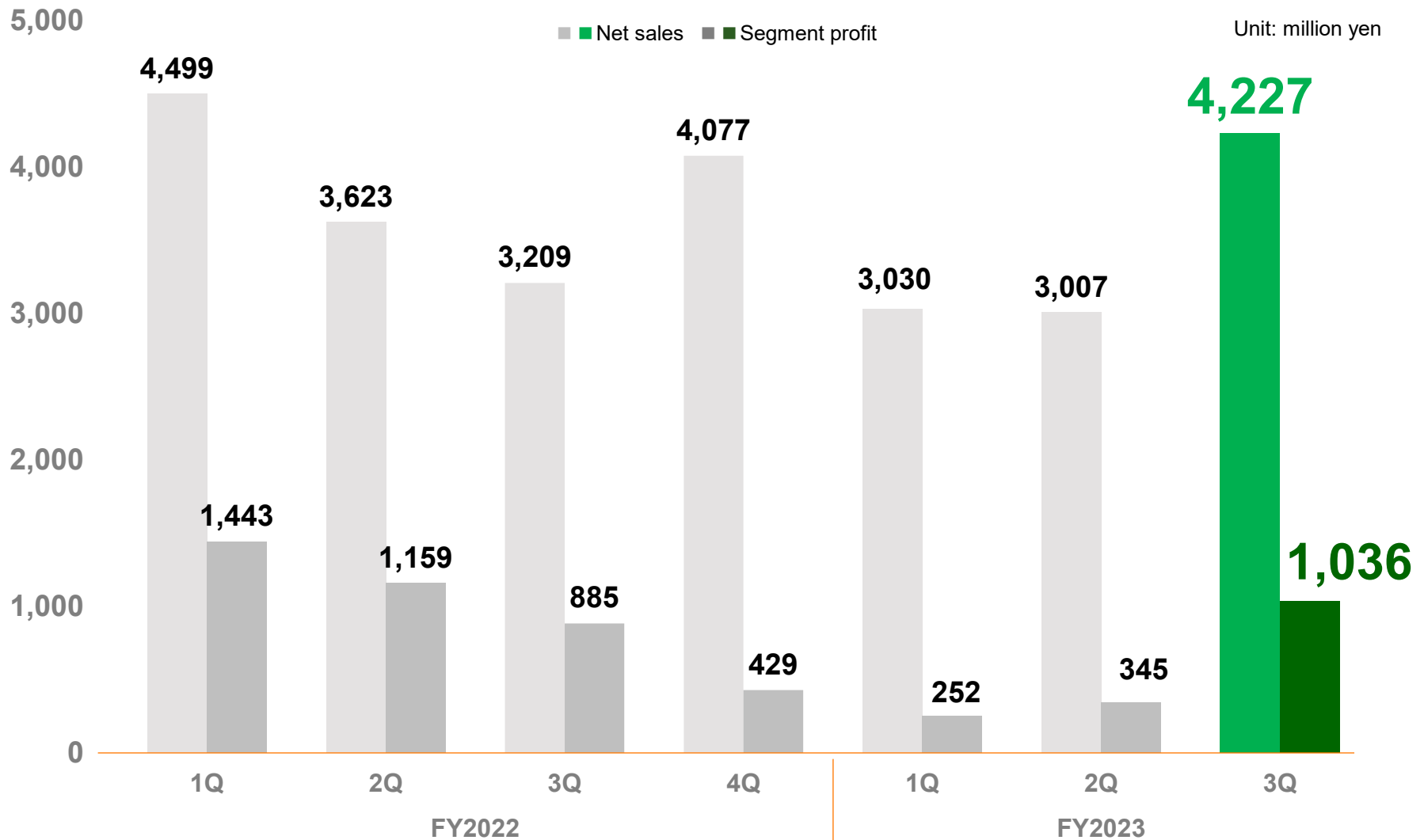
Net sales

10,266 million yen
90.6% YoY

Operating profit

1,635 million yen
46.9% YoY

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No More Heroes 3

(PlayStation®4 / PlayStation®5 /
Xbox Series X|S / Xbox One / Steam®)

**Release in October for
PlayStation, XBOX platform, and
Steam in Japan and overseas**



- * Download version only for Xbox Series X|S / Xbox One
- * The Nintendo Switch™ version is on sale

©Marvelous Inc. Developed by Grasshopper Manufacture Inc.

Dolphin Wave

(PC/Smartphone)

**Full new jet battle game of
HONEY∞PARADE GAMES
released on October 20**



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©HONEY PARADE GAMES Inc.



BOKUJO MONOGATARI Welcome! WONDERFUL LIFE

(Nintendo Switch™)

Full remake of BOKUJO
MONOGATARI WONDERFUL
LIFE originally released in 2003
launched on January 26, 2023



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Rune Factory 3 Special

(Nintendo Switch™)

Launch of full remake
of Rune Factory 3
originally released in
2009 scheduled for
March 2, 2023



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Postponed to next
fiscal year

LOOP8

(Nintendo Switch™ /
PlayStation®4 / Xbox One)

Launch of completely
new juvenile RPG
LOOP8 postponed to
June this year for
quality improvement

To be released on June 1, 2023

*Download version only for Xbox One



sakura ignoramus

(Smartphone)

Distribution of a new simulation RPG produced by Jun Imaizumi, whose works include “Phantom of the kill” and “For Whom the Alchemist Exists” scheduled for 2023



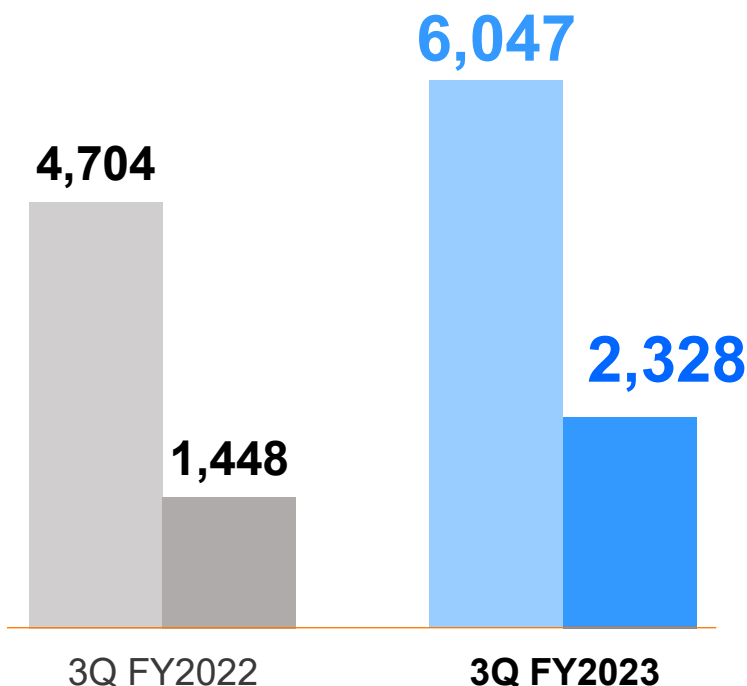
More information available soon

©Marvelous Inc.



- Both sales and profits increased from the same period a year earlier thanks to continued robust performance of Pokémon MEZASTAR.

■ Net sales ■ Segment profit
(Unit: million yen)



3Q FY2023

———— Net sales ————

6,047 million yen
128.5% YoY

———— Operating profit ————

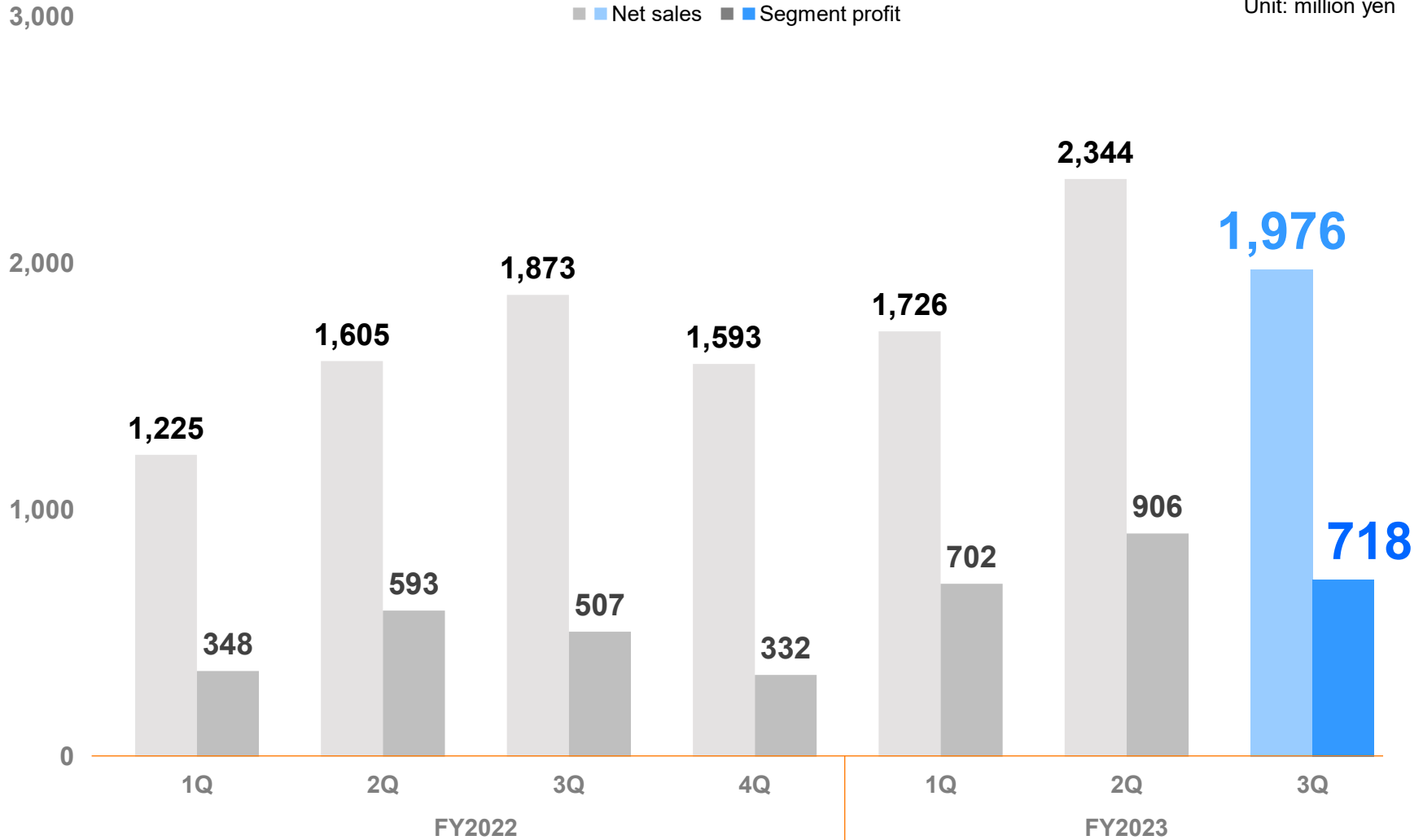
2,328 million yen
160.7% YoY

* Segment classifications have been changed since the fiscal year ending March 2023. Figures for the fiscal year ended March 2022 have been reclassified according to the new segment classification.



Amusement Business [Quarterly Changes]

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Pokémon MEZASTAR

(Kids' amusement machine)

- Operation of the new tag to start on February 9
- To be showcased at Japan Amusement Expo 2023 on February 10 and 11



***Launched on September 17, 2020**

©2023 Pokémon. ©1995-2023 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・クリーチャーズ・ゲームフリークの登録商標です。

Pokémon Ga-Olé (Overseas)

(Kids' amusement machine)

Generally fared well, despite negative effect felt by COVID-19 in some regions



***Overseas operations since December 2020**

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TRYDECK™

(Small prize machine)

To be showcased at Japan Amusement Expo 2023 on February 10 and 11



***Operations started in November 2021**

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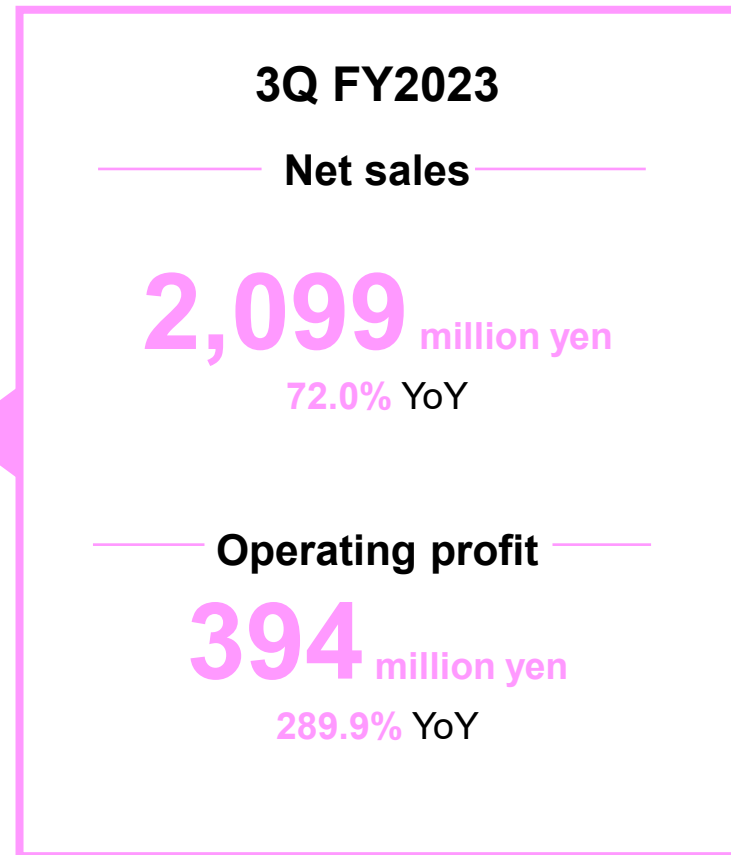
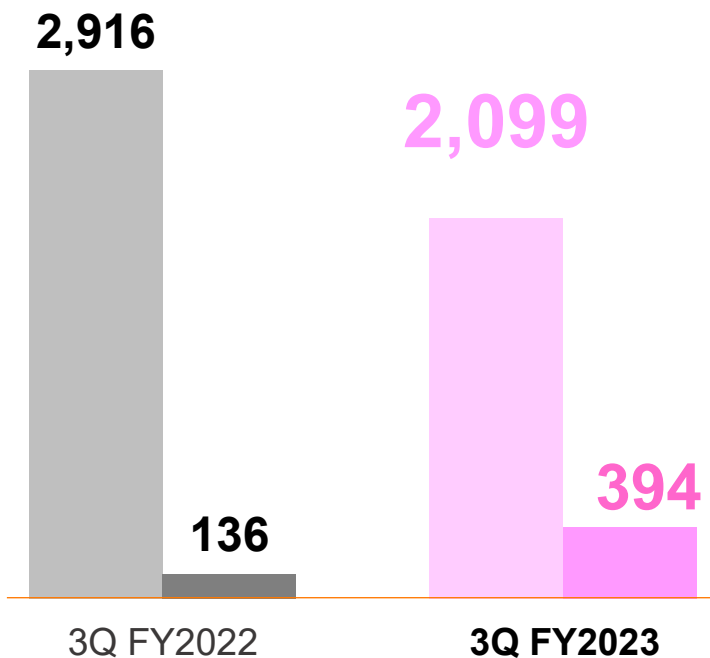


Audio & Visual Business [3Q Overview]

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- Decrease in revenues due mainly to the cancellation of performances resulting from the seventh wave of COVID-19 cases
- Profit increased from the same period of the previous year largely due to the recording of subsidies of J-LODlive in 1Q

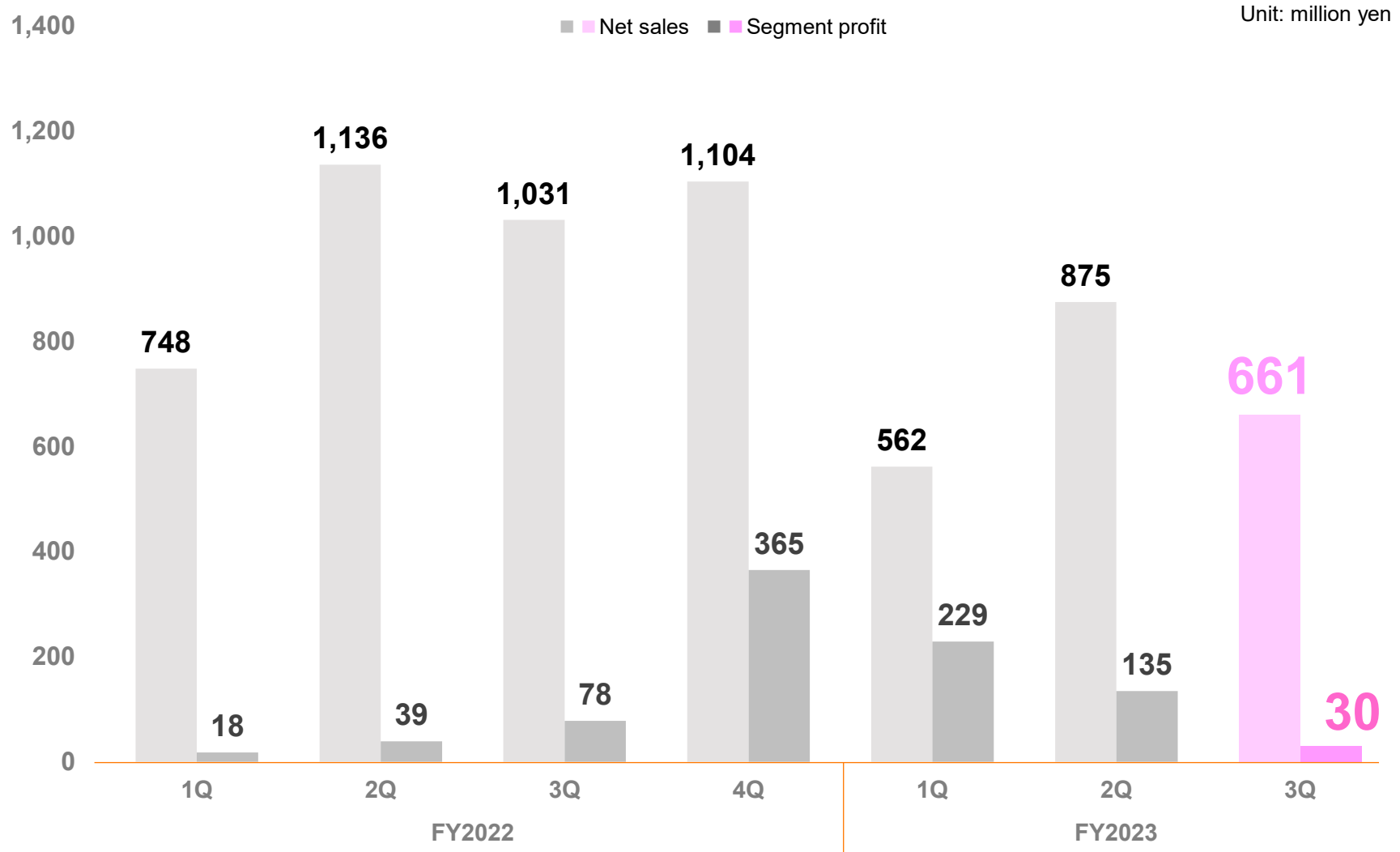
■ Net sales ■ Segment profit
(Unit: million yen)





Audio & Visual Business [Quarterly Changes]

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Audio & Visual Business [3Q Titles (1): Audio & Visual]

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Delicious Party♡ Pretty Cure LIVE 2022 Cheers!Delicious LIVE Party♡



Held on October 29 and 30, 2022

©Delicious Party PRECURE LIVE Partners

TV animation Delicious Party♡ Pretty Cure



DVD vol. 5: October 26, 2022
DVD vol. 6: November 23, 2022
DVD vol. 7: December 21, 2022
Launched

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TV animation Yu-Gi-Oh! GO RUSH!!



October 26, 2022
Blu-ray & DVD DUEL-1 launched

©STUDIO DICE / SHUEISHA, TV TOKYO, KONAMI

TV animation Aoashi



December 22, 2022
Blu-ray & DVD vol. 2 launched

©2022 Yugo KOBAYASHI, Shogakukan / Aoashi Project



Audio & Visual Business

[3Q Titles (2): Stage Performance]

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MUSICAL THE PRINCE OF TENNIS II Revolution Live 2022



Performed in October 2022

©2009 TAKESHI KONOMI / 2022 MUSICAL THE PRINCE OF TENNIS II PROJECT

Musical HAKUOKI HAKU-MYU LIVE 3



Performance from October to November 2022

©IDEA FACTORY・DESIGN FACTORY / Musical HAKUOKI Project

MUSICAL ACE OF DIAMOND



Performance from September to October 2022

©Yuji Terajima・KODANSHA / MUSICAL ACE OF DIAMOND PROJECT

“MAHOROBA KANATA”

Performance from October to November 2022



©MAHOROBAKANATA2022

Musical “Ouran High School Host Club” f

Performance in December 2022



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



Audio & Visual Business [Future Development (1): Audio & Visual]

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TV animation
The Vampire Dies in No Time Season 2

Season 2
TV broadcast started on
January 9, 2023



©Itaru Bonnoki (AKITASHOTEN)/ The Vampire dies in no time Partners2

TV animation
Soaring Sky ! Precure

Pretty Cure No. 20
TV broadcast started on
February 5, 2023



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**TOUKEN RANBU:
THE MOVIE 2**

Second live-action film
To be released on March
31, 2023



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Audio & Visual Business [Future Development (2): Stage Performance]

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**MUSICAL THE PRINCE OF TENNIS
4th SEASON
SEIGAKU vs HYÖTEI**

**Performance from
January to March
2023**



©1999 TAKESHI KONOMI / 2023 MUSICAL THE PRINCE OF TENNIS PROJECT

**MUSICAL『MORIARTY
THE PATRIOT』OP.4
-THE TWO
CRIMINALES-**

**Performance from
January to
February 2023**



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

**TOUKENRANBU
THE STAGE
Guden Mujungenji
monogatari**

**Performance
scheduled for
February 2023**



©NITRO PLUS・EXNOA LLC/Touken Ranbu the Stage Production Committee

**TOKYO COLOR SONIC!!
THE STAGE Vol.1**



**Performance scheduled for
February 2023**

©COLORATION ©TOKYO COLOR SONIC!! THE STAGE PROJECT

**FULLMETAL ALCHEMIST
THE STAGE**



**Performance scheduled
for March 2023**

©Hiromu Arakawa / SQUARE ENIX, FULLMETAL ALCHEMIST THE STAGE PROJECT



Forecasts for the Fiscal Year Ending March 2023



Results forecasts

- Increasing sales of new game software BOKUJO MONOGATARI Welcome! WONDERFUL LIFE and Rune Factory 3 Special
- Continued operation and development of new online game Dolphin Wave
- Performance of Pokémon MEZASTAR remaining brisk

	FY2022	FY2023	YOY change	(Reference)
(Unit: million yen)	Actual	Revised forecast	(%)	FY2023 Forecast (Announced on July 29, 2022)
Net sales	25,728	25,900	100.7%	25,000 – 28,800
Operating profit	4,600	4,000	86.9%	4,000 – 4,600
Ordinary profit	5,054	4,300	85.1%	4,200 – 4,800
Profit attributable to owners of parent	3,817	2,940	77.0%	2,940 – 3,360

Dividends forecasts

We plan an ordinary dividend of 33 yen, the same amount as in the previous fiscal year.

	FY2022	FY2023 (Forecast)
Dividend	33 yen	33 yen
Dividend payout ratio	52.2%	67.8%



Supplementary Material



Statement of Profit and Loss

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(Unit: million yen)	3Q FY ended March 2022 (Apr.–Dec. 2021)		3Q FY ending March 2023 (Apr.–Dec. 2022)		YoY change	
	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales	18,953	–	18,412	–	-540	97.1%
Cost of sales	9,230	–	8,565	–	-665	92.8%
SGA expenses	5,716	–	6,670	–	954	116.7%
Of which, advertising expenses	961	–	1,162	–	201	120.9%
Operating profit	4,006	21.1%	3,176	17.3%	-829	79.3%
Other profit	183	–	332	–	148	180.9%
Ordinary profit	4,190	22.1%	3,509	19.1%	-680	83.8%
Extra ordinary profit/loss	11	–	0	–	-11	1.2%
Income taxes	1,264	–	1,099	–	-164	87.0%
Profit attributable to owners of parent	2,937	15.5%	2,410	13.1%	-526	82.1%



Sales Changes by Business Segment

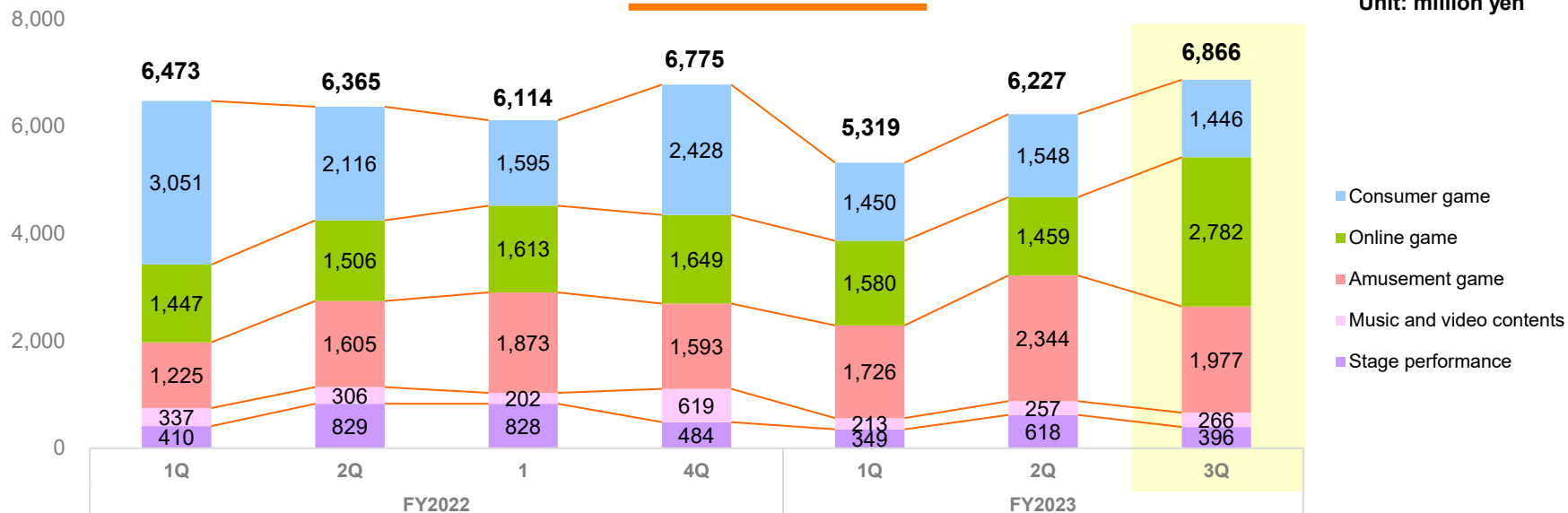
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Unit: million yen

Reportable segment	Business category	3Q FY ending March 2023 (April–December 2022)
Digital Contents Business	Consumer games related	4,444
	Online games related	5,821
Amusement Business	Amusement games related	6,047
Audio & Visual Business	Music and video contents related	736
	Stage performance related	1,363
Net sales total		18,412

Quarterly changes

Unit: million yen





Balance Sheet

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(Unit: million yen)	End of March 2022	End of December 2022	Change in amount
Current assets	28,106	28,609	503
Non-current assets	8,425	9,233	808
Total assets	36,531	37,842	1,311
Current liabilities	7,143	7,825	682
Non-current liabilities	414	338	-76
Total liabilities	7,557	8,164	606
Total net assets	28,973	29,678	704



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This document contains forward-looking statements that are based on information currently available to the Company and that 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 that could cause results, including actual business performance, to differ materially from those presented.

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