

MARVELOUS!

Fiscal Year ended March 31, 2024

Results Briefing Materials

Marvelous Inc.

May 10, 2024

Stock Code: 7844 (Prime Market)

- 1 Fiscal Year Ended March 2024, Results Summary**
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Fiscal Year Ended March 2024, Results Summary

Fiscal Year Ended March 2024, Results Summary

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- Although sales increased due to sales of new consumer games, continued strong performance in the amusement business, and increased sales of stage performances, operating profit slightly decreased year on year due to sales of new consumer original titles below expectations.
- Although ordinary profit increased due to foreign exchange gains, profit was negative owing to extraordinary losses due to changes in accounting estimates of some assets.

	FY ended March 2023		FY ended March 2024		YoY change	
(Unit: million yen)	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales	25,341	—	29,493	—	4,152	116.4%
Operating profit	2,488	9.8%	2,415	8.2%	-73	97.1%
Ordinary profit	2,931	11.6%	3,002	10.2%	70	102.4%
Profit attributable to owners of parent	1,925	7.6%	-517	—	-2,442	—

Changes in Quarterly Consolidated Financial Results

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Fiscal Year Ended March 31, 2024 4Q
(January – March 2024)

Net sales **7,733** million yen

111.6% YoY

99.6% QoQ

Operating profit **1,024** million yen

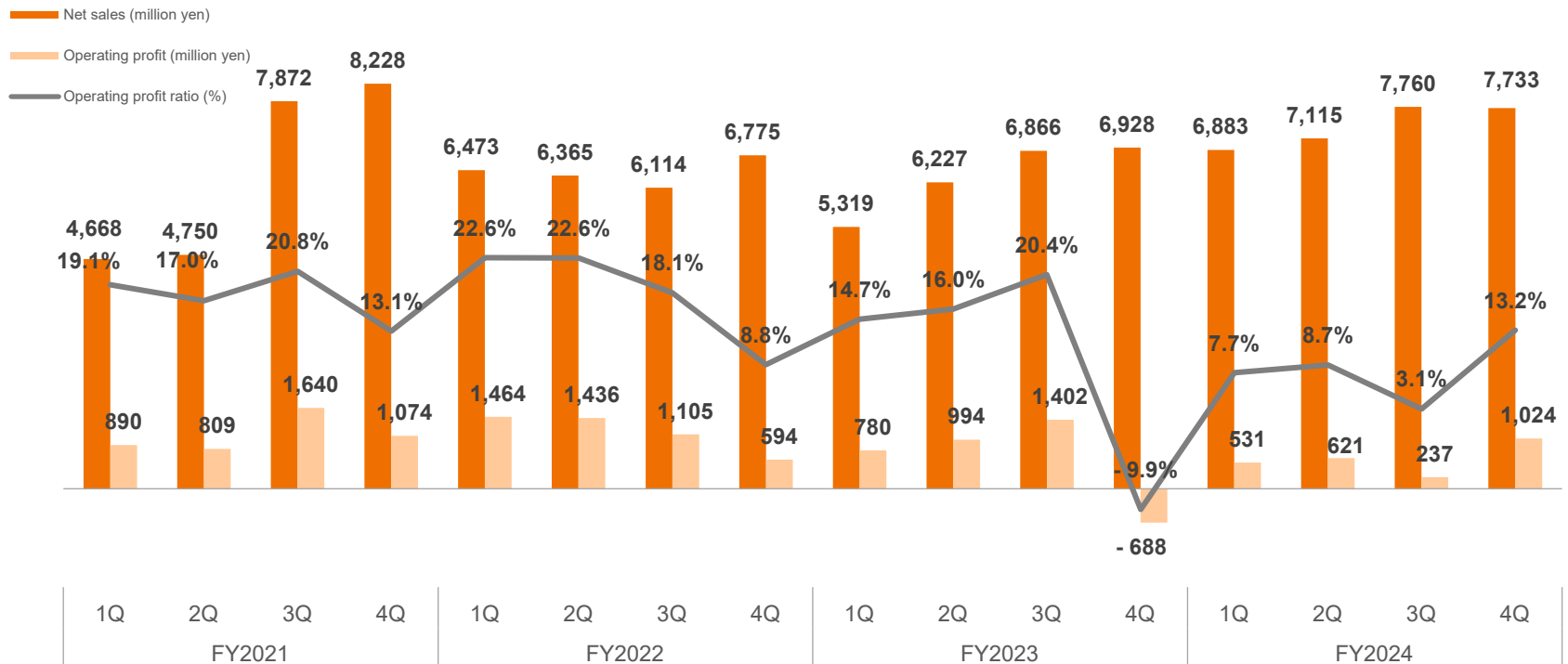
_ % YoY

431.5% QoQ

Operating profit ratio **13.2%**

up 23.1 points YoY

up 10.1 points QoQ



Segment Results

Operating Results by Segment

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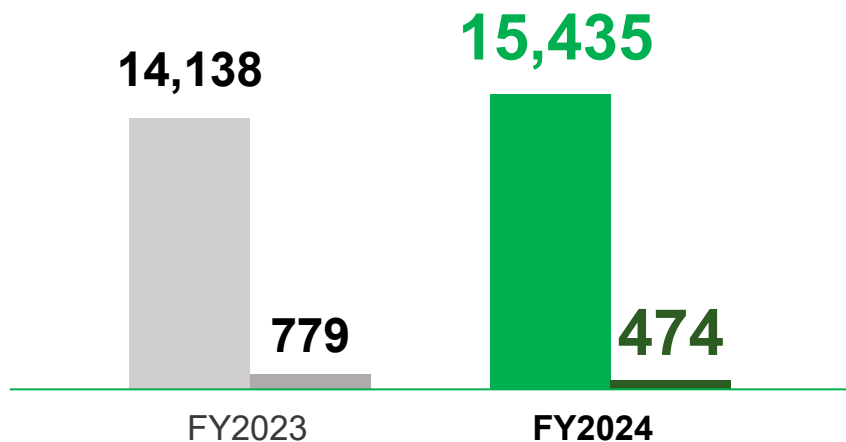
(Unit: million yen)		FY2023	FY2024	YoY change	
				(Amount)	(%)
Net sales	Digital Contents Business	14,138	15,435	1,296	109.2%
	Amusement Business	7,801	9,021	1,220	115.6%
	Audio & Visual Business	3,400	5,036	1,635	148.1%
	Total	25,341	29,493	4,152	116.4%
Segment profit	Digital Contents Business	779	474	-304	60.9%
	Amusement Business	2,786	3,107	321	111.5%
	Audio & Visual Business	537	531	-5	99.0%
	Total	4,102	4,113	11	100.3%
Company-level costs, etc.		-1,614	-1,698	-84	105.2%
Operating profit total		2,488	2,415	-73	97.1%

Digital Contents Business [Overview]

- The sales of the three new original titles released for the creation of new IPs fell far short of the initial plan. Based on these results and the current business environment, we revised the estimates for game development expenses.
- Overseas version BOKUJO MONOGATARI Welcome! WONDERFUL LIFE, existing online titles, casual games of subsidiary G-MODE contributed as revenue base, securing profit for the full year

■ Net sales ■ Segment profit

(Unit: million yen)



FY2024

Net sales **15,435** million yen

109.2% YoY

Segment profit **474** million yen

60.9% YoY

STORY OF SEASONS: A Wonderful Life

(Nintendo Switch™/ PlayStation®5/
Xbox Series X|S/Steam®)



North America and Europe:
Launched on June 27, 2023
Steam®: Released on June 28, 2023

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Dolphin Wave

(PC/Smartphone)



Launched on October 20, 2022

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Browser Sangokushi

(PC Browser)



Launched on Jul. 15, 2009

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(mobile)

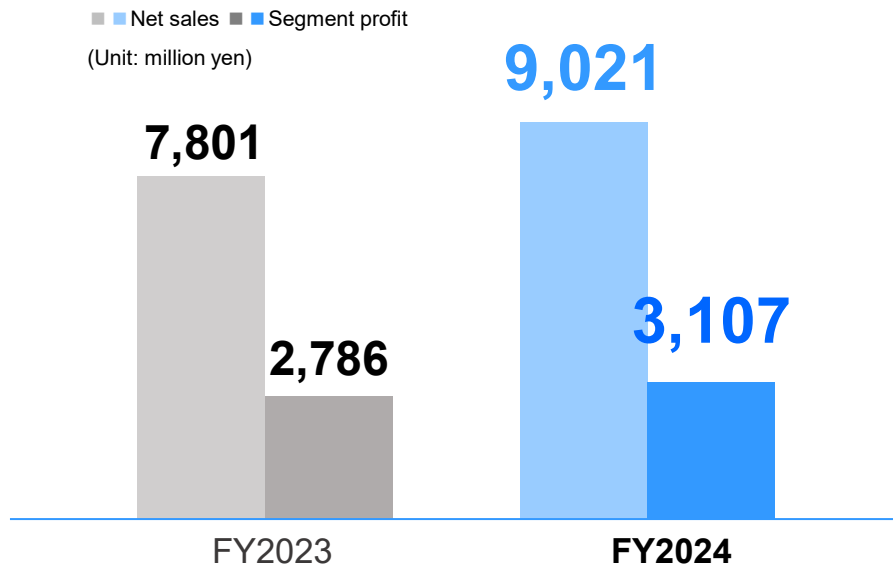


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*The overseas release dates are those according to Japan time.

Amusement Business [Overview]

- Net sales and profit increased year-on-year due to strong performances of Pokémon arcade machines in Japan and overseas throughout the year.



FY2024

Net sales **9,021** million yen

115.6% YoY

Segment profit **3,107** million yen

111.5% YoY

Pokémon MEZASTAR

(Kids' amusement machine)

Launched on September 17, 2020

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Pokémon Ga-Olé (Overseas)

(Kids' amusement machine)

Overseas operations since December 2020

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huo ying ren zhe do pai shi jie

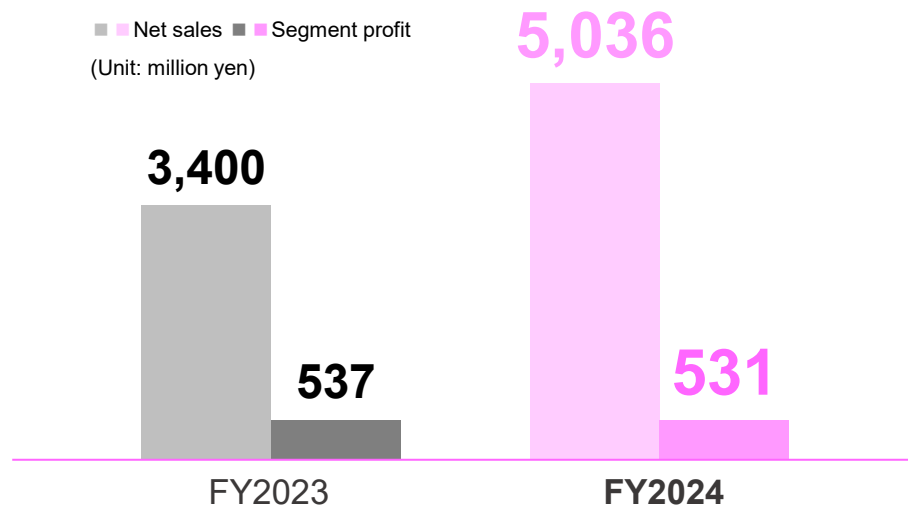
(Article vending games)

A new machine based on NARUTO went into operation in mainland China on a rolling basis from September 26, 2023.

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Audio & Visual Business [Overview]

- The sales environment of tickets and goods in the stage performance business improved owing to the recovery from the COVID-19 pandemic, resulting in an increase in sales.
- Profit ratio decreased due to temporary cost increase, upfront investment, reduction of subsidies, etc., resulting in unchanged profit.



FY2024

Net sales **5,036** million yen

148.1% YoY

Segment profit **531** million yen

99.0% YoY

Precure All Stars F the Movie

Blu-ray and DVD Released on January 24, 2024

©2023 Precure All Stars F the Movie Production Committee

Yu-Gi-Oh! QUARTER CENTURY SUMMONSCENE SELECTION

Blu-ray and DVD Released on March 27, 2024

©Studio Dice/SHUEISHA, TV TOKYO, KONAMI

MUSICAL THE PRINCE OF TENNIS 4th SEASON SEIGAKU vs RIKKAI

Performance from January to March 2024

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

HIGH CARD the STAGE - CRACK A HAND

Performance in January 2024

© TMS/HIGH CARD Project © HIGH CARD the STAGE Project

Medium-term Plan

Toward the 30th anniversary of our founding in 2027, we aim to achieve the highest ever results.

Mid-term theme

Reborn for the future beyond the 30th anniversary

Goal

The 30th Period (FY2027)

Update the highest ever results

Frameworks

- **Rebuilding consumer game business**
- **Regrowth of online game business**
- **Expansion of overseas market share**
- **Promotion of multiple development of own IPs and franchises**

*Franchise = A group of works that share the same worldview

Framework (1): Rebuilding Consumer Game Business

- Strengthen sales capabilities with high quality products worldwide

Organization phase

- Further promotion of in-house manufacturing
- Selection and concentration on projects

Development phase

- Review of development milestone design
- Thorough review

Sales phase

- Strengthening regional marketing
- Review of overseas distribution strategies

Framework (2): Regrowth of Online Game Business



- Release 1 – 2 new titles a year to build up sales and grow while compensating for the decline in the sales of long-term titles

Major titles in operation



Launched in July 2009

©Marvelous Inc.



Launched in November 2017

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©HONEY PARADE GAMES Inc.



Launched in December 2013

©Marvelous Inc. Aiming Inc.



Launched in October 2022

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Released title during FY2025



Launched in April 2024

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From FY2026

Release 1 – 2 titles a year

Framework (3): Expansion of Overseas Market Share

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FY2023

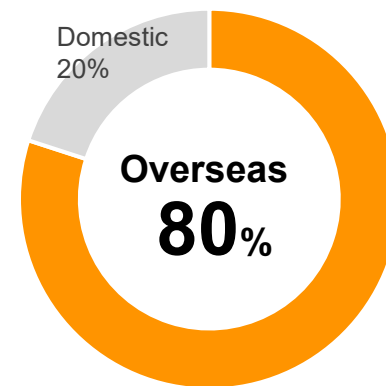
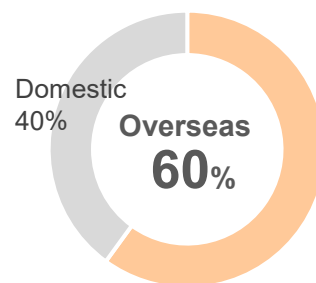
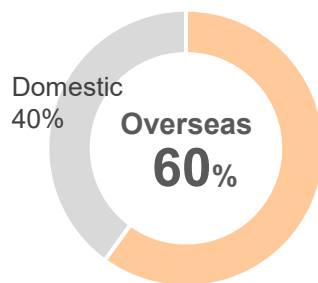
FY2024



In the future

Consumer game overseas ratio

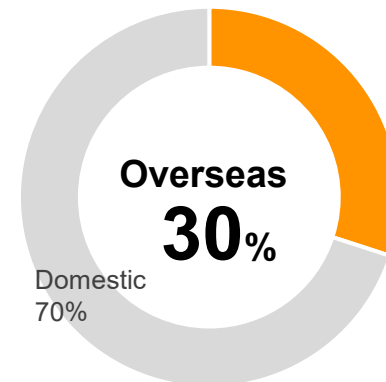
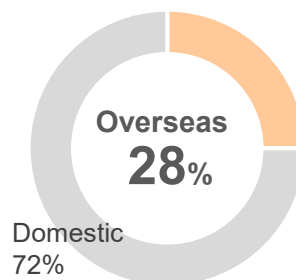
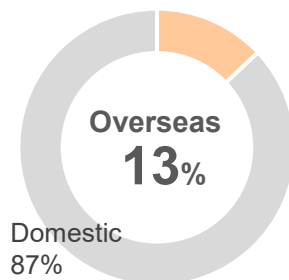
Based on the number of sales



The overseas ratio of the three new titles released in the previous term is 60% at present, and the overseas sales of future titles will increase further.

Amusement business overseas ratio

Based on sales



Overseas market share increased to 28% in the previous fiscal year. Work to further strengthen and expand with a view to developing the North American market and establishing a location in Southeast Asia where sales are booming.

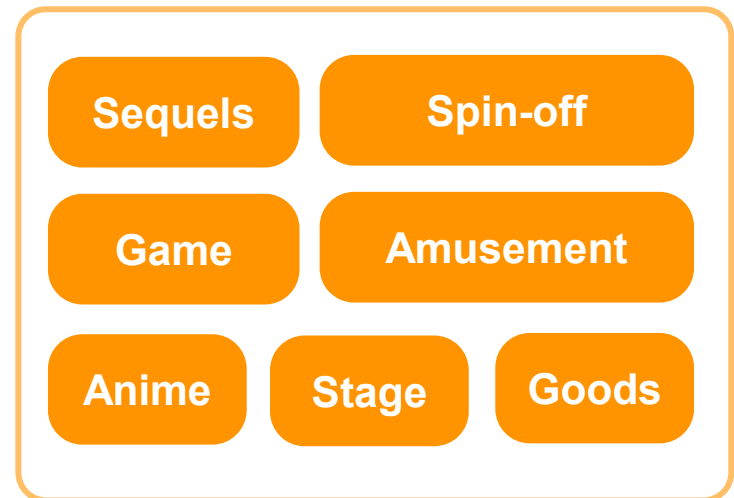
Framework (4): Promotion of Multiple Development of own IPs and Franchises

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Creating and fostering IPs



Series Franchising Diversification

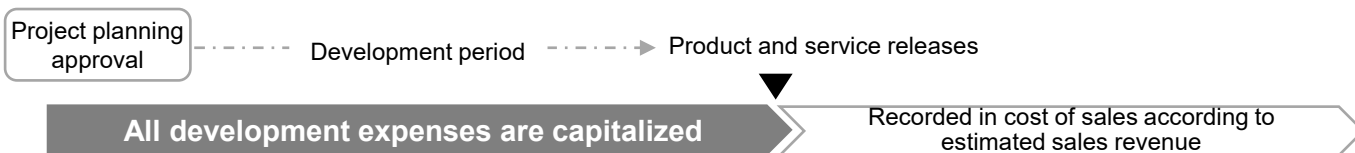


Review of Accounting

- We reviewed accounting for game development expenses based on current market conditions and our business performance. During FY2024, the accounting estimates of game assets currently under development were revised to process losses.

Background

While development expenses have increased due to soaring personnel expenses and richer content, it has become more difficult to ensure the probability of future revenue recovery for invested development expenses in the recent game market, which has undergone a remarkable transition due to diversification of play and changes in user preferences.



After change

For the period from April 2024 onwards, expenses will be treated as research and development (R&D) expenses (selling, general and administrative expenses (SGA)) when incurred.

*However, excluding certain series titles for which it is judged that there is a high probability of recovery from future revenues

Changes

			FY2024 Actual	FY2025	FY2026	FY2027	From FY2028
Impact on FY2024 results	Before change	Cost of sales		-1.85 billion yen	-0.19 billion yen	-0.82 billion yen	-0.66 billion yen
	After change	Extraordinary losses	To be lumped in as an extraordinary losses 3.54 billion yen				
Impact on FY2025 results	Before change	Cost of sales		-0.5 billion yen	-0.16 billion yen	-1.18 billion yen	-0.46 billion yen
	After change	SGA expenses (R&D expenses)		2.32 billion yen			
Impact on FY2026 results	Before change	Cost of sales			-0.44 billion yen	-1.46 billion yen	-0.84 billion yen
	After change	SGA expenses (R&D expenses)			2.75 billion yen		
Impact on FY2027 results	Before change	Cost of sales				-1.25 billion yen	-2.08 billion yen
	After change	SGA expenses (R&D expenses)	To be recorded from time to time as R&D expenses				3.33 billion yen

Digital Contents Business Midterm Pipeline



Number of medium-term configuration titles

(Unit: the number of titles)	FY2025	FY2026	FY2027
New consumer titles	Bland new 1 Series 1	2	3
New online titles	1 (BIKKURIMAN)	2	2
Total	3	4	5

*These numbers do not include indie titles, acquisition titles, ports and casual games produced by subsidiary G-MODE, but we will carefully select those titles and continue to focus on them.

Medium-term Goal

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Aim for **net sales of 40 – 50 billion yen** and
operating profit of 6 – 7 billion yen in FY2027

- Realize record performance as growth driver for recovery in digital contents business
- Active promotion of market development and new challenges in the amusement and audio & visual businesses
- Promotion of SDGs and human capital management

(Unit: million yen)	FY2024	FY2025	FY2026	FY2027
Net sales	29,493	32,000 – 29,000	40,000 – 35,000	50,000 – 40,000
Operating profit	2,415	2,000 – 1,500	3,500 – 3,000	7,000 – 6,000
Ordinary profit	3,002	2,000 – 1,500	3,500 – 3,000	7,000 – 6,000
Profit attributable to owners of parent	-517	1,400 – 1,000	2,500 – 2,100	4,900 – 4,200

Full-year Forecast for the Fiscal Year Ending March 2025

Full-year Forecast for the Fiscal Year Ending March 2025

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- Net sales are expected to be at or above the level of the previous fiscal year. Regarding profit, profit ratios have decreased owing to upfront investments in new businesses in amusement and audio & visual businesses.
- The forecast is expected to be weighted in the second half of the year: launch of large consumer titles in the second half of the year; and impacts from the review of accounting
- Regarding the series titles among the new consumer titles scheduled to be released in the second half of the year is uncertain, we will disclose them in a range format owing to uncertain release dates, taking into account the impact of changes in the release schedule.

	FY2024	FY2025	YoY change
(Unit: million yen)	Actual	Forecast	(%)
Net sales	29,493	32,000 – 29,000	108.5% – 98.3%
Operating profit	2,415	2,000 – 1,500	82.8% – 62.1%
Ordinary profit	3,002	2,000 – 1,500	66.6% – 50.0%
Profit attributable to owners of parent	-517	1,400 – 1,000	–
Dividends (yen)	33	Undecided	–

Digital Contents Business (lineup for FY2025)

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BIKKURIMAN Wonder Collection

(Smartphone)



Launched on April 19, 2024

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Bo: Path of the Teal Lotus

(Nintendo Switch™/Play Station®5)



Scheduled to be released on July 18, 2024
(Japan and Asia)

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The Hokkaido Serial Murder Case The Okhotsk Disappearance ~Memories in Ice, Tearful Figurine~ (Nintendo Switch™/Steam®)



Scheduled to be released in summer
2024

©G-MODE Corporation/©ARMOR PROJECT ©KADOKAWA

Brand new title for
consumer business

Coming Soon

To be released in the second half of
FY2025

Series titles for
consumer business

Coming Soon

To be released in the second half of
FY2025

The latest Pokémon amusement machine

(Kids' amusement machine)



The latest Pokémon kids amusement machine is scheduled to start operations sequentially from July 2024.

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Developed by T-ARTS and MARV
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*Operations in Japan only

huo ying ren zhe do pai shi jie

(Article vending games)



Naruto's amusement machines started operation in mainland China on September 26, 2023, with plans to launch in North America

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*The title and image are Chinese versions.

Audio & Visual Business [Lineup for FY2025]

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TV anime TOUKEN RANBU KAI KYODEN



Broadcast since April 2024

©2024 NITRO PLUS, EXNOA LLC/TOUKEN RANBU KAI Project

TV animation The Café Terrace and its Goddesses Season 2



TV broadcasting scheduled to start
in July 2024

©Kouji Seo, KODANSHA/“The Café Terrace and its Goddesses”
Production Committee, MBS.

Wonderful Precure! the Movie



Scheduled to be released
in September 2024

©2024 Wonderful Precure the Movie Production Committee

TOUKEN RANBU THE STAGE Shiden Tsuketarikitannosomato



Scheduled in June to July 2024

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

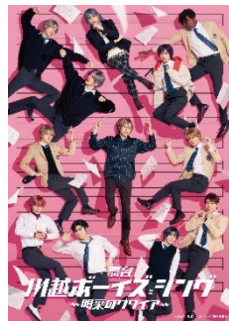
“World Trigger the Stage” -Galopoula Interception-



Scheduled in October to November 2024

©Daisuke Ashihara/SHUEISHA, ©“World Trigger the Stage” project

Kawagoe Boys Sing The Stage



Scheduled in June 2024

©Kawagoe Boys Sing The Stage Project

“Dream Meister and the Recollected Black Fairy” on Stage



Scheduled in August 2024

© GCREST, Inc.
©Yumekuro on Stage Project

aoppella!? THE STAGE



Scheduled in November 2024

©aoppella project ©aoppella stage project

Supplementary Material

Statement of income

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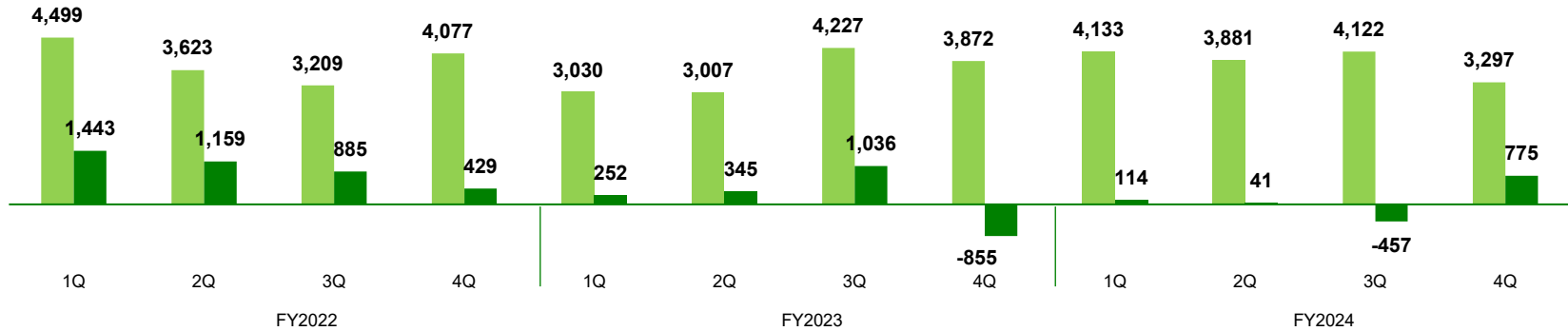
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	Actual	Profit ratio	Actual	Profit ratio	(Amount)	(%)
Net sales	25,341	—	29,493	—	4,152	116.4%
Cost of sales	13,868	—	17,473	—	3,604	126.0%
SGA expenses	8,984	—	9,605	—	620	106.9%
Thereof advertising expenses	1,588	—	2,035	—	447	128.2%
Operating profit	2,488	9.8%	2,415	8.2%	-73	97.1%
Other profit	443	—	587	—	144	132.4%
Ordinary profit	2,931	11.6%	3,002	10.2%	70	102.4%
Extra ordinary profit/loss	0	—	-3,659	—	-3,659	—%
Income taxes	1,001	—	-140	—	-1,142	—%
Profit attributable to owners of parent	1,925	7.6%	-517	—%	-2,442	—%

Changes of Sales and Profit by Business Segment



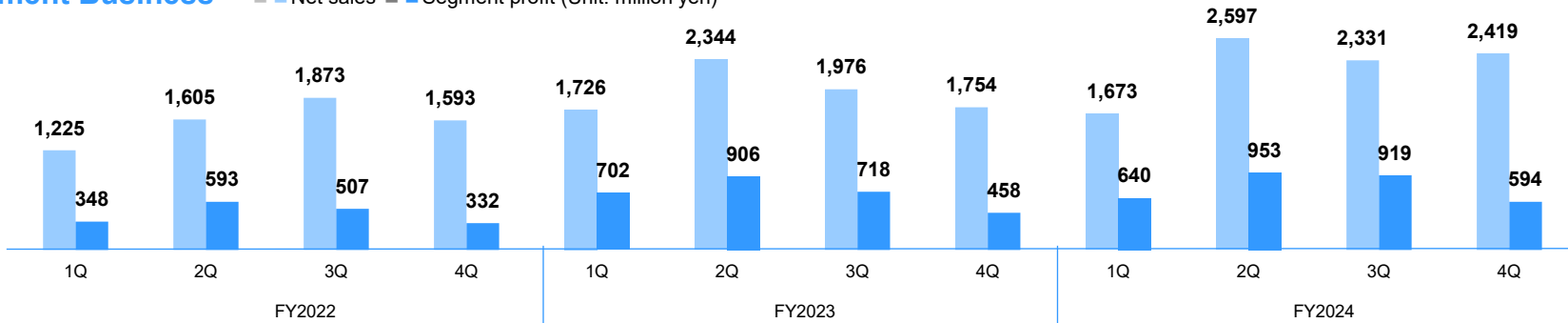
Digital Contents Business

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



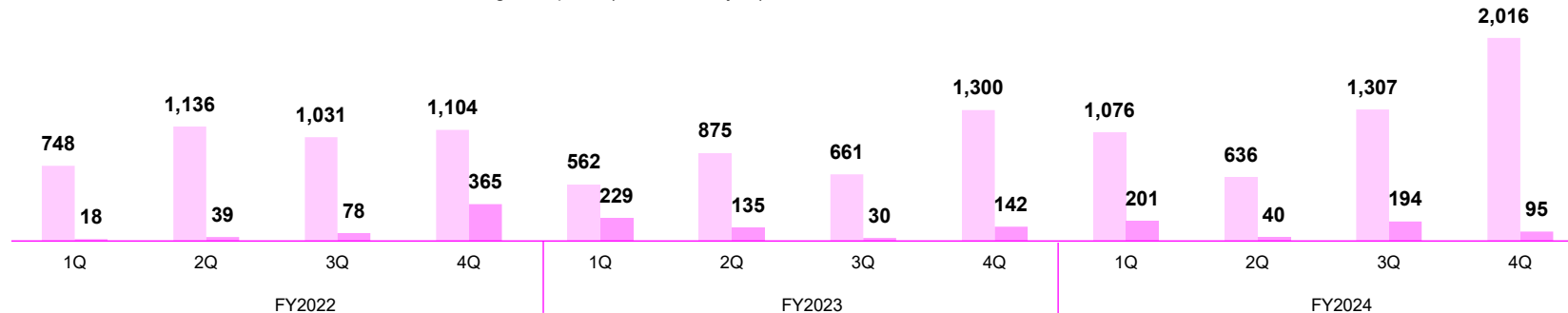
Amusement Business

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



Audio & Visual Business

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



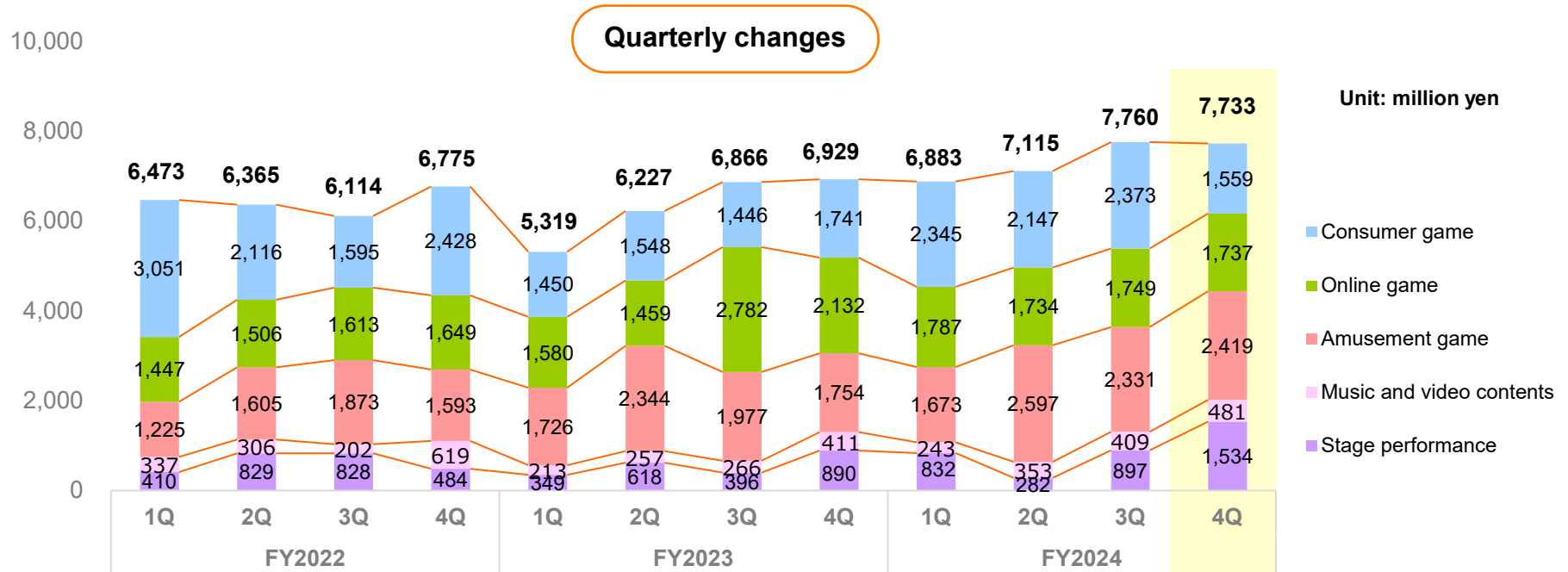
*Segment classifications have been changed since the fiscal year ended March 2023. Figures for the fiscal year ended March 2022 have been reclassified according to the new segment classification.

Sales Changes by Business Segment



Reportable segment	Business category	FY2024
Digital Contents Business	Consumer games related	8,425
	Online games related	7,009
Amusement Business	Amusement games related	9,021
Audio & Visual Business	Music and video contents related	1,488
	Stage performance related	3,548
Total net sales		29,493

(Unit: million yen)



Balance Sheet

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(Unit: million yen)	End of March 2023	End of March 2024	Change in amount
Current assets	28,460	25,712	-2,747
Non-current assets	7,986	8,825	838
Total assets	36,447	34,538	-1,908
Current liabilities	6,880	6,907	26
Non-current liabilities	338	234	-104
Total liabilities	7,219	7,141	-77
Total net assets	29,227	27,396	-1,830

Statement of Cash Flows

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(Unit: million yen)	FY2023	FY2024	Change in amount
Cash flows from operating activities	976	2,892	1,915
Cash flows from investing activities	-3,457	-1,288	2,169
Cash flows from financing activities	-2,007	-2,167	-160
Cash and cash equivalents at end of period	12,553	12,677	124

[Inquiries]

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

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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