

March 6, 2024

KADOKAWA CORPORATION

KADOKAWA Establishes a Joint Venture Company in Korea with BY4M



On March 5th, KADOKAWA CORPORATION (Headquarters: Chiyoda-ku, Tokyo; CEO: Takeshi Natsuno; hereinafter “KADOKAWA”) has agreed with BY4M STUDIO (Headquarters: Seoul, Korea; CEO: Yoo Kwi-sun; hereinafter “BY4M”), a comprehensive entertainment company in South Korea, to launch a joint venture company to translate and publish Japanese content, including literature, light novels and comics by spinning off BY4M’s publishing division into a new company and acquiring 55% of the shares of the new company through a paid-in capital increase.

The KADOKAWA Group has adopted a business strategy of promoting “Global Media Mix with Technology,” centered on the creation and worldwide deployment of a diverse portfolio of intellectual property (IP) and has focused on strengthening and expanding its business in the North American and Asian territories, especially Chinese-speaking areas and South-east Asian countries, thus far. In the South Korean market, no local subsidiary of the KADOKAWA Group has been established to date, but our publishing license operations for Korean have become an important market, ranking second only to English among all languages in recent years.

The BY4M Group, though a young corporate group established in 2017, has evolved into a comprehensive entertainment company based on the consumer insights of the entertainment and content industry in general, leveraging its ability to execute digital advertising marketing based on its media capabilities such as SNS channels which it has possessed independently since its establishment and the drive for innovation unique to a venture company. In 2019, it launched a publishing business and published Korean versions of KADOKAWA’s novels “Even If This Love Disappears from the World Tonight” and “The God of Nishi-Yuigahama Station.” In 2021 and 2022, these books were the top foreign novels in Korea and became big hits. In 2022, it expanded into the movie business and set a record-high audience for a Japanese live-action movie in South Korea through the distribution and marketing of the movie adaptation of “Even If This Love Disappears from the World Tonight.” In the second year of its establishment in the movie business, the company successfully invested in films such as “The Roundup: No Way Out” and “12.12: The Day,” which were the biggest hits of Korean films in 2023, and is now growing as a corporate group which can realize comprehensive content media mix development.

The new joint venture company to be established in Seoul, Korea, aims to further expand and develop KADOKAWA's diverse IP in the Korean market by leveraging BY4M's digital marketing and media mix influence in Korea, and at the same time to encompass other Japanese publishing content as a whole including other publishers' IP in line with the wide coverage the BY4M's publishing business has hitherto achieved. Not only will we strive for the profitability of the KADOKAWA's local subsidiary, but also contribute to the expansion of sales for the whole Japanese publishing content in South Korea by stimulating the Korean market as a whole. We also plan to enter new areas, such as the discovery of IP originating in South Korea and the expansion of cross-border media mix development originating both in Japan and South Korea.

■ Outline of the New Joint Venture Company

Name	To be decided
Location	Seoul, Korea (address to be determined)
Establishment	May 2024 or later (scheduled)
Business	Publishing of literature, comics and light novels in the Korean language and related media mix business in general
Shareholder Composition	KADOKAWA 55% BY4M STUDIO 45%

■ Future Prospects

The impact of this matter towards KADOKAWA's consolidated business results is expected to be immaterial.

■ About BY4M STUDIO

BY4M STUDIO is a comprehensive entertainment company in Korea that develops a wide range of business areas including entertainment, publishing, video production, public relations, music production, food and beverage, health food, and apparel, utilizing digital media in general, centering on its own SNS channel that generates approximately 25 million UUs per month and tens of billions of exposed traffic per year. BY4M STUDIO has a particularly strong track record in developing services targeted for young adults from their teens to their thirties.

<http://www.by4mstudio.com/>

■ About KADOKAWA CORPORATION

KADOKAWA CORPORATION develops a wide range of entertainment including publication, videos, games, Web services, education, operating IP experiential facilities such as TOKOROZAWA SAKURA TOWN. By utilizing technology, KADOKAWA CORPORATION implements a global media mix strategy, focusing on stable Intellectual Property (IP) creation and delivering it to the world in a variety of forms.

<https://group.kadokawa.co.jp/global/>

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<Note> Regarding the release of information on this project in South Korea, BY4M will make an announcement in Korean.