

KADOKAWA enters into a business alliance with Kakao piccoma
The two companies jointly launch epoch-making weekly e-manga magazine, in which the latest stories of serialized manga works are updated everyday, as the largest-scale IP creating system in Japan

KADOKAWA CORPORATION (Headquarters: Chiyoda-ku, Tokyo; Chief Executive Officer: Takeshi Natsuno; hereinafter “KADOKAWA”) hereby announces that KADOKAWA has entered into a business alliance with Kakao piccoma Corp. (head office: Minato-ku, Tokyo; Chief Executive Officer: Kim Jaeyong; hereinafter “Kakao piccoma”) regarding the planning, production, and distribution of manga content in the e-book business (hereinafter “Business Alliance”).



■ **Purpose of the Business Alliance**

The KADOKAWA Group’s corporate mission is “A Platform for Creativity” and the Group advocates its fundamental strategy “Global Media Mix with Technology” that combines the stable creation of IP (intellectual property) consisting of a diverse content portfolio in the Publication/IP Creation, Animation/Film, Gaming, Web Services, and Education/EdTech Businesses, the maximization of the LTV (life time value) of IP resulting from collaborations between business segments, and the rollout of IP on a global scale through the continual adoption of the cutting-edge technology.

In its mid-term management plan, the Group aims to post net sales of 340 billion yen and an operating profit of 34 billion yen in the fiscal year ending March 2028, the final year of the plan. To accomplish the plan, we aim to grow the number of new IPs to be created in the publication business to over 7000, recognizing that the key driver of the business is the increase in the number of new IPs in the publication/IP creation segments, that is, they are the source of the media mix. Additionally, it is expected that IPs will be created, beginning with e-books (i.e., born-digital publishing) because of the increasing demand for e-books in the recent publication market.

In the e-book publication business of KADOKAWA, which has grown remarkably in the Publication/IP Creation Segment, net sales have risen by 15.3% annually for the past five years. Forecasting that the market will continue to grow, mainly for comics, we recognize the expansion of the business as one of our most important challenges for us to achieve the long-term growth of the Group as a whole.

In 2016 Kakao piccoma launched the e-comic and e-novel service “piccoma” which allows users to read one

episode of a series for free each day without doing anything other than waiting for it to be delivered. They first introduced this “wait until free” service in Japan, and “piccoma” has distributed over 160,000 titles*1 in many different genres, including popular manga, novels, and other original works. Now, over 10 million people use the service each month. The app version of “piccoma” has been downloaded a total of 45 million times*2 since the release of the service on April 20, 2016. In FY 2023, they achieved an annual transaction amount exceeding 100 billion yen in Japan and the highest consumer spending in Japan's app market at the same time.*3

KADOKAWA and Kakao piccoma have collaborated with each other in many ways, such as the exclusive distribution of KADOKAWA's e-books on “piccoma” and KADOKAWA's paper-based book publishing of popular titles distributed on “piccoma”.

By linking the strengths of the two companies in the Business Alliance, including KADOKAWA's multifaceted ability to create IPs and the powerful platform base of Kakao piccoma, KADOKAWA will promote the following to grow the business and enhance the corporate value in the medium- to long-term.

- Creation of the largest-scale IP creation system in Japan
 - Without being limited to the areas where we are traditionally strong such as the “isekai” genre, we will frequently create original works in various genres including works for boys and girls and even adults. Additionally, we will promote the discovery and development of authors and further enhance the ability to create new IPs.
- Expansion of the e-book business, including distribution side
 - Effectively leveraging the powerful platform of Kakao piccoma, we will increase the distribution of our e-books to grow the business.
- Maximizing IPs' LTV
 - Through the initiatives above, we will create mega hits loved by more users and maximize the value of IPs through our media mix including transforming works into anime or live-action films.

*1: As of November 2024

*2: The total downloads is the sum of iOS and Android downloads as of May 2024.

*3: The annual transaction amount based on Impress Corporation data.ai's “State of Mobile 2024”, Sensor Tower's “2023 Manga App Market Insight Report”, Impress Corporation's “E-book Business Research Report 2023” and other data.

■ Details of the Business Alliance

KADOKAWA and Kakao piccoma launch “MANGA Bar”, an e-manga magazine that releases the latest stories of original titles weekly.

KADOKAWA's editorial departments will plan, produce, and edit manga content to be updated weekly on “MANGA Bar”. Not limiting our creation of works in the “isekai” genre, which we have developed ahead of competitors, we plan to release a wide range of works including comics for boys, comics for young people, which have led the manga market in Japan, comics for women, which have recently become more popular.

Also, Kakao piccoma will launch the new “zeromaga” service on “piccoma” which will enable everyone to view the latest stories on the day it's updated, in time with the launch of “MANGA Bar”. The “piccoma” page will have a field dedicated for displaying “MANGA Bar” at the top, and will offer an optimal user interface (UI) and user experience (UX) that can maximize the impression and appeal of the works, utilizing the expertise Kakao piccoma has accumulated in the area of manga apps. In addition to “MANGA Bar”, Kakao piccoma will take many different

measures such as social media, to promote sales of the diverse content of the series available on “MANGA Bar” to increase the distribution of e-comic titles from KADOKAWA and maximize their value.

■ Service outline



- Service name: E-comic magazine “MANGA Bar”
Application download: <http://piccoma.com/web/redir/853>
Official website: <https://piccoma.com/web>
- Launch date: 11:00 a.m. Monday, December 16
- Usage guide: Available on the latest version of the “piccoma” app and the official “piccoma” website
- Features of the service:
 - At launch, one title will be released each day of the week, seven titles in total each week.
 - Manga titles of different genres will be distributed exclusively ahead of others every week, such as action and fantasy manga and manga for boys, girls or young people.
 - Each work will be updated weekly on a specified day of the week. Everyone can enjoy the latest stories for free on the day it’s updated.
 - Users can read the previous stories for free if certain conditions are met.

■ Impact on financial results

The impact of this matter on the consolidated results will be minor.

■ About KADOKAWA CORPORATION

KADOKAWA Group, a comprehensive entertainment company, develops a wide range of businesses such as Publication, Animation, Film, Gaming, Web services, and Education/EdTech. We discover talent globally, create diverse IP (Intellectual property), and deliver it through various media. We maximize the value of IP under our strategy “Global Media Mix with Technology” which refers to global rollouts of created IP by utilizing technology.

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

End of document

Notice: This document is a translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

For Inquiries and Media Requests
Investor and Public Relations Division, KADOKAWA CORPORATION
E-mail : pr-dept@kadokawa.jp