

# 1

## THE KADOKAWA GROUP

This section outlines the KADOKAWA Group's 77-year history since its founding, the Group's cherished management philosophy, its current strengths, and the value it provides to society.

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# CONTINUITY AND CHANGE

“Continuity and Change” is the philosophy that Matsuo Basho, internationally renowned haiku poet of the 17th century, had ultimately arrived at. Such a philosophy is what Genyoshi Kadokawa, founder of KADOKAWA SHOTEN, had considered to be the cornerstone of the publishing business he founded and had put into practice in his business. The constant pursuit of novelty brings visibility to what essentially remains eternally unchanged. The will to continue taking on new challenges without fear of change is what comprises the “KADOKAWA Spirit.” “Continuity and Change” is the management philosophy of KADOKAWA and what we will continue to aspire towards, to connect ourselves with the future.



# HISTORY OF CONTENT & SERVICES KADOKAWA GROUP

1945~1975

## Literature Publishing Era

KADOKAWA was established in the postwar era, with the ambition to revitalize Japanese culture through publishing.

1976~1981

## Movies and Media Mix Era

The combination of publishing and filmmaking became a huge success, making movies One of KADOKAWA's core business fields.

1982~1993

## The Magazines Era

Starting with "Weekly The Television", the company launched various informational magazines successively including gaming and anime magazines. KADOKAWA became acknowledged as the leading company in the field. The company also released a series of light novels.

1994~2002

## Road to Becoming a Mega-Content Provider

Taking a major step toward providing various multimedia services, KADOKAWA broke new ground in the internet and digital business fields.

# BOOKS

# MAGAZINES

# MOVIES

THE KADOKAWA GROUP

1945



1968  
Shin Jigen



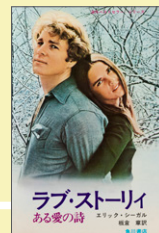
1952  
Showa Bungaku  
Zenshu



1949  
Kadokawa Bunko

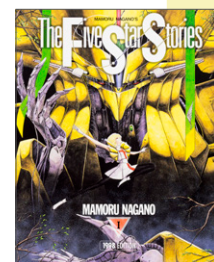
1970

1970  
LOVE STORY



1975  
Barefoot Gen

1980



1987  
The Five Star Stories

## Birth of Light Novels

1988  
Kadokawa Sneaker Bunko



Record of Lodoss War



1988  
Fujimi Fantasia Bunko

1990



1990  
Slayers



1993  
Dengeki Bunko



1999  
Sgt. Frog

2000



1998  
Famitsu Bunko



1974  
Yasei Jidai



1952  
Haiku



1985  
Newtype



1982  
Weekly Kadokawa The Television  
(Currently, The Television)



1987  
Lettuce Club



1986  
Famitsu Tsushin  
(Currently, Weekly Famitsu)



1994  
Da Vinci



1990  
Tokyo Walker



1997  
Weekly ASCII



2001  
GUNDAM A



1953  
Ugetsu



1976  
The Inugami Family



1977  
Proof of the Man

## KADOKAWA FILMS Leads the Times



1985  
Ran



1995  
GAMERA: THE Guardian Of  
the Universe



1997  
Lost Paradise



1998  
Ring



# HISTORY OF CONTENT & SERVICES



2003~2012

## Becoming a Comprehensive Media Enterprise

The KADOKAWA Group adopted a holding company system, with a corporate structure consisting of publishing, motion picture, internet, and digital business lines.



2013~2019

## Platformer in a Digital/Internet Era

KADOKAWA absorbed and merged with its nine consolidated subsidiaries. Following a management integration with DWANGO in 2014, the company expanded into the internet, digital, and global markets as a platformer.



2020~

## Digital Transformation to an Era of Worldwide Connections Using IP

TOKOROZAWA SAKURA TOWN opens. KADOKAWA advances its global media mix strategy, which focuses on steadily deploying a variety of forms of intellectual property (IP) across the globe through a reform with digital transformation (DX).

\*1: The logo and visual when our services started are used here. The logos and visuals of BOOK☆WALKER, Famitsu.com, Niconico Douga, and Mubichike are different from the current ones.

\*2: "d anime store" is a service provided by NTT DOCOMO, INC. DOCOMO ANIME STORE INC., which conducts planning and operation of "d anime store", is a joint company by NTT DOCOMO, INC. and KADOKAWA CORPORATION.

2000



2002  
MF Bunko J



2009  
Kadokawa  
Tsubasa Bunko

2010



2013  
BUNGO STRAY DOGS



2016  
KADOKAWA Science  
Manga Series  
Primal Power

2020



2021  
TATESUE COMICS

# BOOKS & MAGAZINES



2003  
Yotsuba&!



2003  
The Melancholy of  
Haruhi Suzumiya



2009  
Sword Art Online



2010  
BOOK☆WALKER\*1



2012  
The Miracles of the  
Namiya General Store



2014  
ComicWalker



2016  
Kakuyomu



2015  
KADOKAWA Learn  
with Manga Series  
History of Japan



2021  
KOKUROJO  
Arioka Citadel Case

# MOVIES

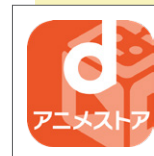


2009  
THE UNBROKEN



2011  
Mubichike\*1

## Transformation from a Content Creator to a Platformer



2012  
anime store  
(Currently, d anime store)\*2



2020  
Fukushima 50



2019  
SEKIRO: SHADOWS DIE TWICE



2022  
ELDEN RING

# GAMES



2000  
Walkerplus



2000  
Famitsu.com\*1

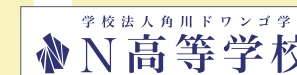
## Dawn of a Mega Content Holder



2007  
ASCII.jp



2014  
Da Vinci News  
(Currently, Da Vinci Web)



2016  
N High School



2018  
Virtual Cast



2020  
TOKOROZAWA  
SAKURA TOWN



2021  
VANTAN CREATOR ACADEMY

# INTERNET & OTHERS



2005  
Animelo Summer Live



2006  
Niconico Douga\*1



2012  
Niconico Chokaigi



# BUSINESS OVERVIEW

Since its foundation, the KADOKAWA Group has expanded its business, revamping its business categories with the changing times. The Group is developing its own global media mix, creating a variety of forms of Intellectual Property (IP), including publications, movies, games, and web services, and selling them worldwide.

## Publication Business

Creating new intellectual property (IP) centered around publications

We continuously publish new creative works, amounting to some 5,000 titles each year, which we use as the primary source for our media mix. We strive to boost our capacity to produce new creative works by identifying writers in a diverse range of genres including literature, comics, light novels, children's books, and how-to books, as well as writers posting on online user-generated content (UGC) platforms, or on social media.



Pan Dorobou



Tezcatlipoca



The Five Star Stories (16)



KOKOROJO  
Arioka Citadel Case



Seiki

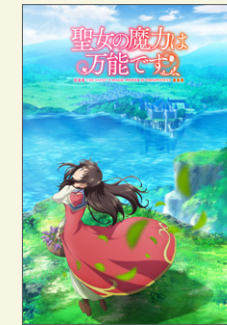


The Amazing Visual Dictionary of the Weather

## Video Business

Maximizing our media mix through live action and animation

We plan, produce, and distribute live action and animation, grant the rights to distribute movies, sell package software, and more. We also take a multifaceted approach to business development including games and merchandise to maximize our media mix.



The Saint's Magic Power is Omnipotent



Banished from the brave man's group, I decided to lead a slow life in the back country.



First Love



The Family



The World's Finest Assassin Gets Reincarnated in Another World as an Aristocrat



The Rising of the Shield Hero

## Game Business

Creating new IP for games and expanding IP

Our activities in this business include planning, development, sales, and licensing of our own original titles, primarily as console games. We are also engaged in selling licensed IP games adapted from animation and books.



ELDEN RING

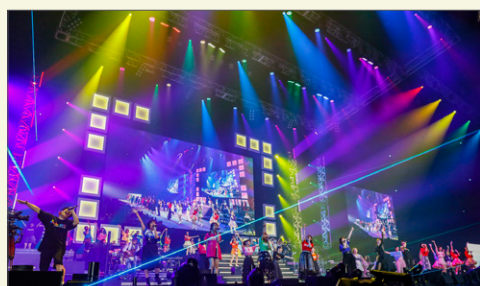
## Web Services Business

Provision of video community services, planning and management of events, and distribution of mobile content

We develop a range of digital content and services including the video sharing service Nico Nico; events such as Nico Nico Chokaigi, which links people both online and in the real world; and mobile content such as music distribution services.



Nico Nico



Animelo Summer Live 2021



Nico Nico Net Chokaigi 2021

## Others Business

Taking on new businesses centered around IP

Operations encompass the education business centering on N High School, S High School, and VANTAN; the IP experiential business, which operates facilities including TOKOROZAWA SAKURA TOWN; and the merchandising business, which plans and sells character merchandise and other products.



N High School /  
S High School



TOKOROZAWA SAKURA TOWN



VANTAN



# THE KADOKAWA GROUP'S STRENGTHS

THE KADOKAWA GROUP

The KADOKAWA Group is involved in all spheres of entertainment at every stage of an intellectual property (IP)'s development from its very beginnings. We create IP, deliver it to users worldwide, connect users to each other, and discover and nurture new talent. In this way, we are able to fulfill creators' wishes and provide moving experiences to users, maximizing IP value.

## Creating IP

We use the Group's editorial and production capabilities, along with technology, to convert information, ideas, and narratives generated by creators into intellectual property that can be delivered to users in the form of media such as books, videos, and games. We also increase points of contact with users and extend the potential for artistic expression by deploying individual IP across multiple media (i.e., pursuing a "media mix").



Animations

### Original works (novels)



### Comics



### Games



Merchandise  
Emilia Birthday Cake Version

### Example of IP deployment: Re:ZERO -Starting Life in Another World-

A novel posted on the internet was published in book form as a series of light novels, then deployed across multiple media including comics, animations, games, and merchandise. The synergies thus generated enabled the title to become a major hit, with cumulative sales of 11 million copies worldwide (including the original novels, comics, and e-books).

## Delivering to users

We deliver IP in the form of books, video content, and games to users through a variety of means. These include facilities for experiencing IP that are run directly by the KADOKAWA Group—such as bookstores, e-book stores, and movie theaters—as well as online media. In addition, our collaboration with many partners in Japan and overseas has created a network connecting our IP with users that now extends all over the world.



### BOOK☆WALKER

The KADOKAWA Group's comprehensive, directly operated e-book store, which carries around a million titles

### Bookstores



**Kadobun Summer Book Fair**  
A sales promotion event showcasing IP-based collaborations including books and videos based on the same IP

### Global expansion



### "So I'm a Spider, So What?" (English version)

The original novels have been translated into seven languages, and the comics into nine languages. Some 500,000 copies of the novels and comics combined have been published overseas.

### Video distribution



### KADOKAWA Anime Channel

An official YouTube channel that shows the latest videos relating to animation titles (has over 2 million subscribers)



### Mubichike

An electronic movie ticket service available all over Japan that enables online seat reservations



### EJ Anime Theater

A movie theater specializing in animations that holds exhibitions and events, and sells merchandise, in addition to showing movies

### Movie theaters



### Web media

### Walkerplus

An information portal site covering everything from news to entertainment that boasts 130 million monthly page views

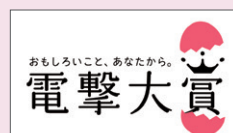
## Discovering and nurturing talent

We identify new talent by running contests, as well as online platforms where users can post their original work, to provide spaces and opportunities for creators to generate new narratives. In the education business, we help individuals bring out their diverse talent by providing learning environments tailored to each person.



### Kadokawa Tsubasa Bunko Novel Award

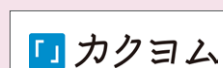
An event to award novels submitted by the public, with the aim of developing a collection of children's books that will enthrall elementary and junior high school pupils



### Dengeki Award

An event to award works submitted by the public that has become the gateway to success for writers and illustrators

### Identifying talent



### Kakuyomu

An online site that enables users to read, write, and share novels free of charge



### TATESC Comics Award

An event to award submissions by the public in the form of vertically scrolling (tatesc) comics, which are easy to read on smartphones anytime and anywhere



### Kadokado

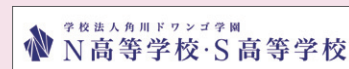
A platform launched in Taiwan for posting serialized novels written in Traditional Chinese



### VANTAN

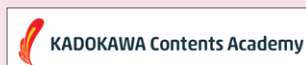
Specialist schools dedicated to developing human resources in the creative sphere

### Nurturing talent



### N High School & S High School

Online high schools that combine the internet with an educational setup based on correspondence-course high schools

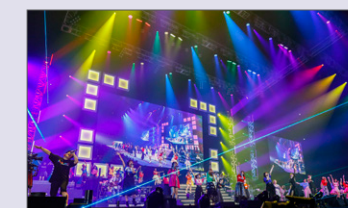


### KADOKAWA Contents Academy

Schools (in Taiwan and Thailand) designed to impart Japanese content creation know-how to the world

## Connecting users

We make use of our own platforms and IP experiential facilities to offer opportunities for users to share their recommended IPs with others, connect in like-minded groups, and have fun together through online fan communities and hybrid events linking online and real-world activities.



### Animelo Summer Live

Held annually, this is the largest anime song event in the world.

### Events



### Niconico Chokaigi

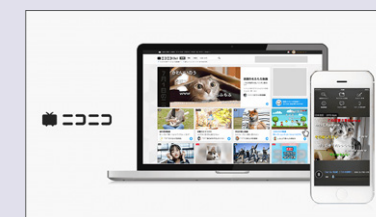
Niconico Chokaigi is one of Japan's largest cultural festivals; inspired by the online world, it is created through the active participation of Niconico users.



### IP experiential facilities

### FAV ZONE

The main base of activities for the professional eSports team FAV gaming, which plays a role in enlivening regional eSports



### Niconico

One of Japan's largest video sharing services, offering Niconico Douga and Niconico Live Streaming

### Online fan communities



### bookmeter

A communication service that enables readers all over Japan to gather online. The number of book-related comments and reviews is among the highest of any Japanese website.

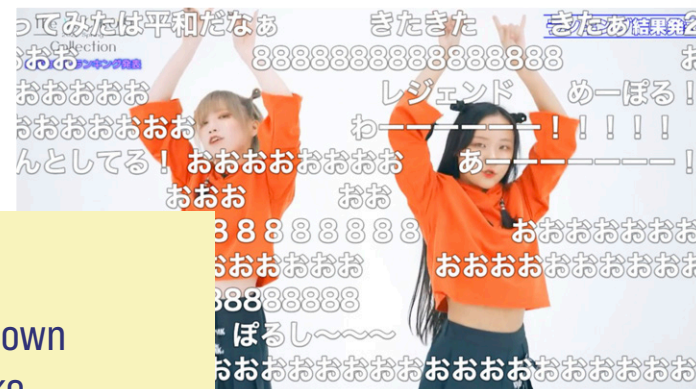
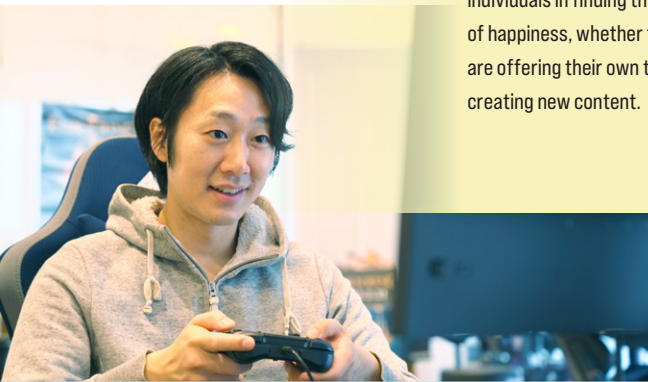


# VALUE PROVIDED BY THE KADOKAWA GROUP

The KADOKAWA Group sets its sights ahead of the times as it continuously reforms itself to create value through collaboration with users and creators. The value we create can be described from three perspectives: the individuals who are the ultimate targets of our business activities, the society formed when those diverse individuals come together, and the culture that is forged during the progress of time from the past into the present, and on into the future.

## Each individual finds their own types of content that make them happy in their own way.

We create spaces and environments in which users, creators, and everybody else can fully express their own creativity and appreciation for content at every stage of the process from content creation, through experiencing and sharing, to cultivation of new content. We support individuals in finding their own types of content and their own form of happiness, whether they are merely curious about certain content, are offering their own top recommendations, or are passionate about creating new content.



THE KADOKAWA GROUP

## Diverse content promotes mutual understanding throughout society.

Transcending the bounds of language and culture to deliver a diverse range of content worldwide offers people an opportunity to encounter values they were previously unaware of and think about others. The enjoyment such content affords, and the experience of sharing the feelings it arouses, forge emotional connections among people with differing values all over the world, helping to deepen their understanding of each other.



## Culture is passed on to the next generation, then new culture emerges.

Ever since Kadokawa Shoten was founded in 1945, the Company has worked to propagate and advance culture by creating content and services. Looking ahead, we will continue enriching people's inner lives, and society, by passing culture on to future generations, while also creating new culture. The words written by Kadokawa Shoten founder Genyoshi Kadokawa in 1949, entitled "On the Occasion of Kadokawa Bunko's Launch" state his sense of responsibility and determination with regard to culture, and these words now comprise one of the philosophies underpinning the Group's business activities.





# VALUE CREATION PROCESS

Intellectual property (IP) can connect one person's desire to express themselves or convey what they feel with other people's desire to have an experience or enjoy themselves, generating tremendous energy that keeps society's creative cycle turning. By involving itself in every aspect of this creative cycle, the KADOKAWA Group increases the enthusiasm that creators and users feel for individual IPs. We generate a wealth of output, thereby providing value to the world on a sustained basis.

Changes in the external environment and social issues that the KADOKAWA Group is currently addressing include the following:

- The digital divide and educational disparities resulting from rapid technological advancement
- Societal transformation from mass-production/mass-consumption to sustainability
- Passing on a diverse culture to the next generation
- Intolerance of others within society
- Diversification in people's personal preferences

## KADOKAWA's Capitals

### HUMAN CAPITAL

Diverse human resources with a high degree of expertise and creativity

- No. of Group employees: 6,645; editing personnel: approx. 600 (parent company only)
- Ratio of non-Japanese employees: 11.1%; No. of overseas Group companies: 24

### INTELLECTUAL CAPITAL

Assets for creation and development of IP

- A wealth of archived titles: 120,000 or more books, 2,000 or more videos
- Operation of TOKOROZAWA SAKURA TOWN, movie theaters, satellite studios, etc.

### SOCIAL AND RELATIONSHIP CAPITAL

Networks and trust that maximize value

- No. of bookstores that can carry KADOKAWA products: approx. 9,000 throughout Japan
- No. of individual business partners such as creators and writers: approx. 70,000

### FINANCIAL CAPITAL

Funding for continuing business activities

- Capital adequacy ratio: 52.8%

### MANUFACTURED CAPITAL

Production, distribution, and sales bases in Japan and overseas

- Digital Production and Distribution Plant at TOKOROZAWA SAKURA TOWN

### NATURAL CAPITAL

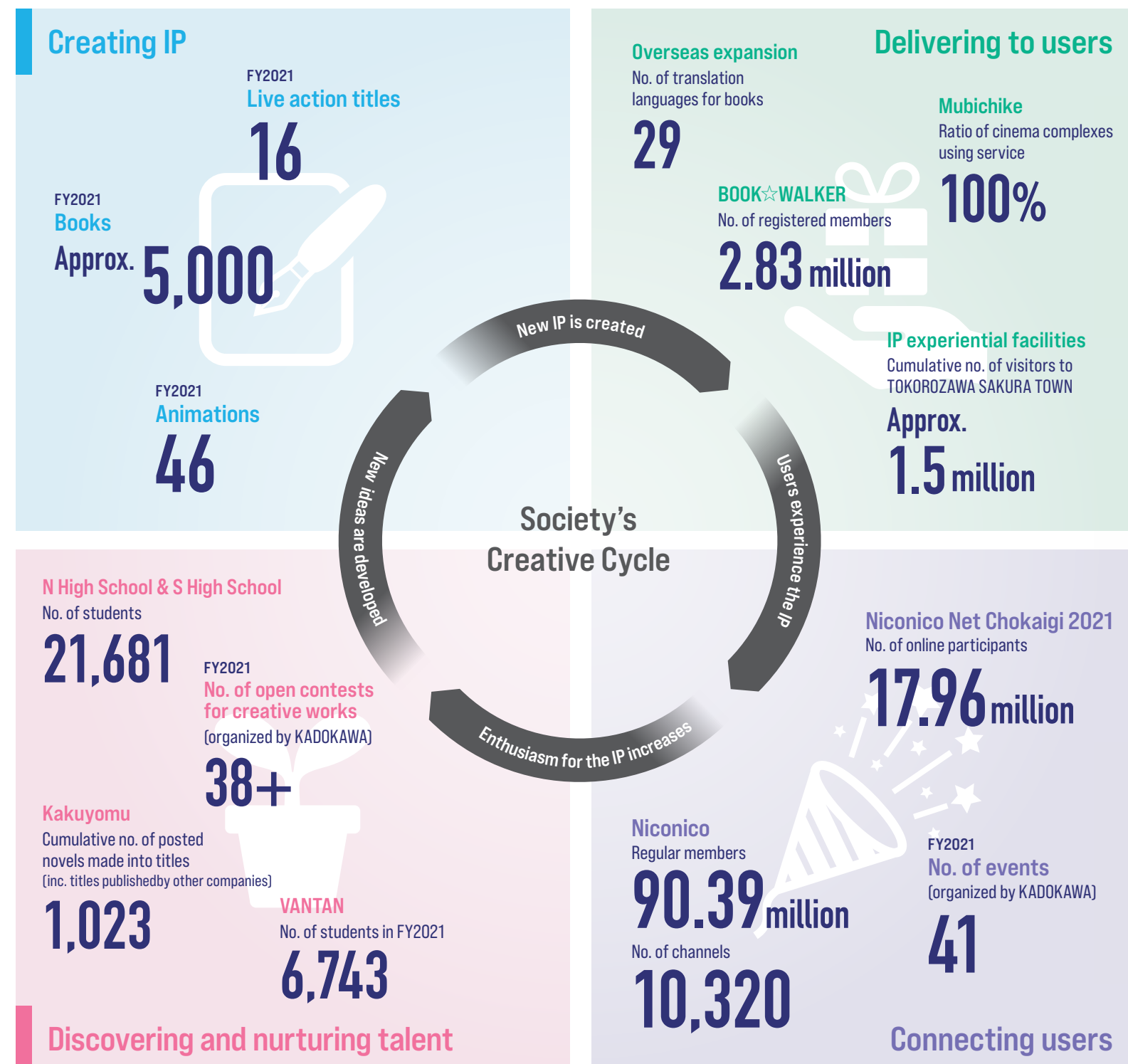
Reduce consumption of resources and energy through business improvements

- Reduce excessive consumption of paper by reforming the printing, distribution, and editing process of books

## KADOKAWA's Strengths

## Accelerate Society's Creative Cycle

## Value Provided



Each individual finds their own types of content that make them happy in their own way.

Diverse content promotes mutual understanding throughout society.

Culture is passed on to the next generation, then new culture emerges.

Note: Data shown are as of March 31, 2022 (excluding entries specifying otherwise).