

Greater KL's Talent provides Creative Content for the World

Tokyo-listed entertainment content provider, Kadokawa Corporation has chosen Greater Kuala Lumpur (KL) as its creative content hub to penetrate into the South-East Asia and Middle East markets. To expand its growth, Kadokawa acquired an 80% stake in Art Square Group (ASG), Malaysia's leading comics and children's books publisher, which publishes the Gempak and Comic King magazines.

This high impact acquisition allows Kadokawa to inject its 70 years of publishing knowledge while leveraging on Art Square Group's extensive knowledge and expertise in the South East Asia and Middle East markets.

The partnership also marked the rebranding of Kadokawa Gempak Starz (KGS) which led to the new implementation of aggressive media mix strategy in animation, games, digitalisation of IP content and merchandising.

Kadokawa, widely known as Japan's leading creative content aggregator, publisher, and distributor, exports its content worldwide and has a huge backlog of today's bestselling novels, comics, and magazines. Founded in 1954 as a publishing company, Kadokawa is now ranked top-30 in the Global Publishing Leaders 2015 with consolidated revenue of US\$1.3bn in 2014.

GREATER KUALA LUMPUR, ASEAN'S CREATIVE HUB

According to Chris Yew, CEO of KGS (former CEO of ASG), Kadokawa's decision to invest in Greater KL was largely driven by synergistic opportunities in the creative industry. Apart from advantages such as strategic location, business-friendly policies, the city also offers the right infrastructure, ecosystem, and a wide talent pool to establish its creative content hub.

The competition is high as KGS's made-in-Malaysia content and materials compete with IP from publishers in more established content markets such as Korea and Japan. "Greater KL will be an important content IP development base for Kadokawa to expand its reach to its targeted countries," says Yew.

"To date, we have sold our IP copyright to Japan, Taiwan, China, Thailand, Indonesia, and Vietnam. Even though many of the publishers in the mentioned countries tend to look for materials from Japan and Korea, the demand for Malaysian content is very good and increasing. The Malaysian comic storylines and aspect, such as animations are regarded to be better quality."

Expanding into the Southeast Asia and Middle East market has been long term goal for Kadokawa. Before KGS, Kadokawa had considerations to collaborate with other Japanese companies to convert their stories and animation into languages relevant to the target markets such as Mandarin, Bahasa, and Arabic.

"We can do this as we have the know-how and expertise. We have the advantage of being centrally located within Kadokawa's target markets and we are able to contribute ideas to Kadokawa as it enters these new markets. We also have the competitive edge of understanding the Muslim-majority markets better compared to companies based in Japan" he added.

Many of KGS's publications are available in Bahasa, Mandarin, and English due to the multi-ethnic makeup of Malaysian society. The language line-up will expand to include Arabic, Bahasa Indonesia, and even Japanese to enhance its export potential.

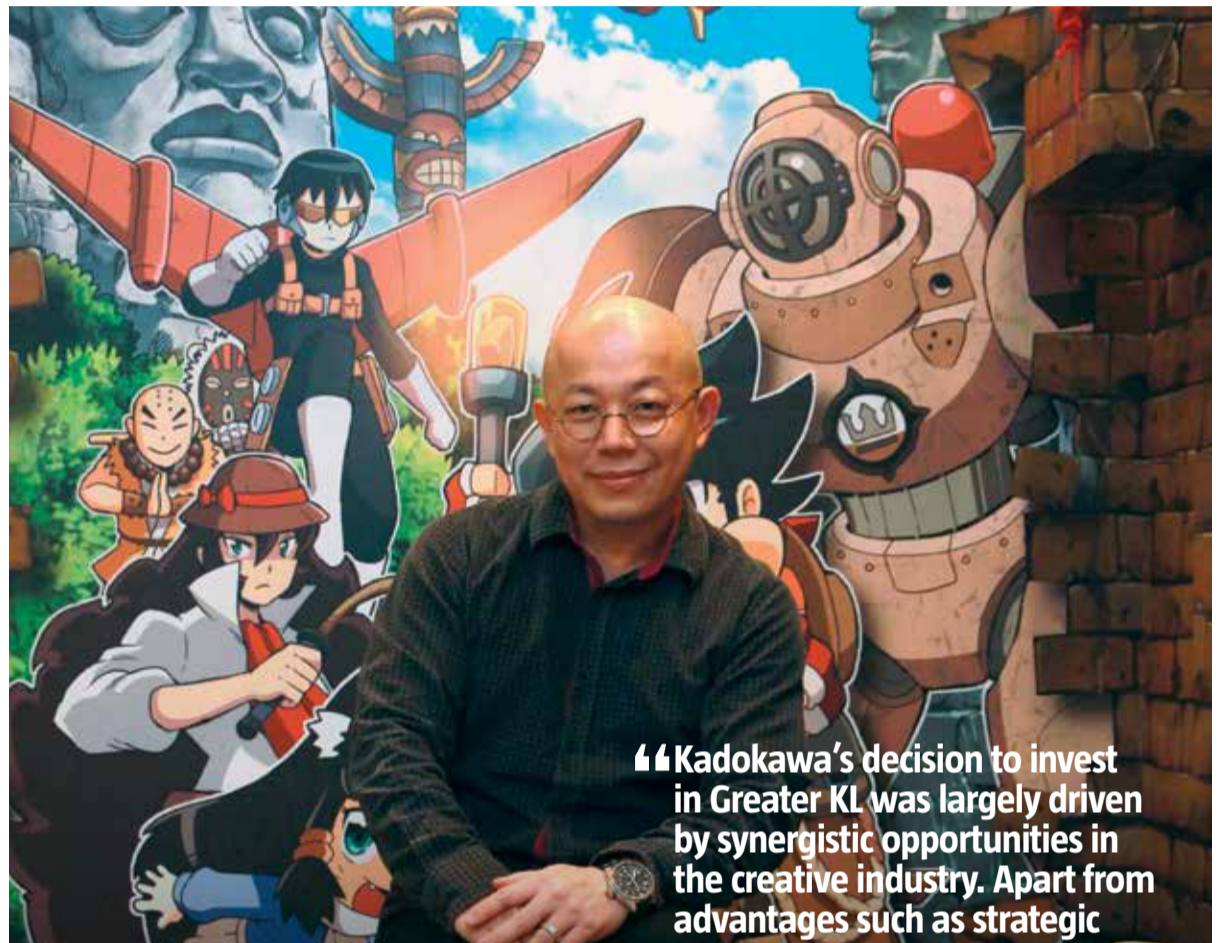
MALAYSIAN TALENT WITH AN INTERNATIONAL REACH

Greater KL is widely known for its access to world-class, educated and highly skilled workforce. IMD World Talent Report 2015 ranked Malaysian talent at 15th worldwide, and 2nd in ASEAN ahead of countries such as Japan, India, Thailand and Indonesia. The city alone is home to 9 public and 25 private universities, with many offering creative and animation programmes.

"Kadokawa invested in us because we are the leading comic publisher in the country. We have access to many talented artists and a wide network of contacts in the creative industry. Our talent in the industry has a good reputation around the world. For example, many Malaysian studios are involved in producing 3D animation for big (budget) movies," says Yew.

"Malaysia is multilingual and multiracial – we produce content in many languages that cater to readers in Taiwan, Hong Kong, China, India and many others. Kadokawa were very impressed with the Malaysian team who have created many popular titles such as X-Venture and Candy Series in different languages," he added.

KGS's long term plans include growing the local talent pool as well as attracting foreign talent into Malaysia.



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— Chris Yew, Kadokawa Gempak Starz, chief executive officer

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Japan's leading
creative content
aggregator, publisher
and distributor



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Years
of publishing
knowledge



Ranked top
30
in the
Global Publishing
Leaders
2015

GREATER KL AS A CREATIVE EXPORT HUB

Sold IP copyright to



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To develop more content such as **manga, comics & animation and games**



BENEFITS TO THE LOCAL ECONOMY



Long term plans include **growing and grooming the local talent pool**



It plans to **establish an academy** to groom the best local talent

A STRATEGIC PARTNERSHIP WITH INVESTKL

To mark Kadokawa's selection of Greater KL as the group's regional gateway, Kadokawa Corporation Chairman, Tsuguhiko Kadokawa signed a memorandum of understanding with InvestKL in 2015 to assist their business growth and to mutually develop talent for the industry and identify export markets.

Till today, the agency's facilitation has proven important "InvestKL opened door to opportunities that were not visible to us. Without their support, it would have been a challenge for us to have content that is endorsed and supported by the government," says Yew.

A POSITIVE OUTLOOK INTO THE FUTURE

Yew looks forward to growing KGS range of products by utilising well-known Japanese producers, scriptwriters and creative directors within Kadokawa's extensive network. The company aims to transform its best-selling comics into animated versions to further increase the popularity of the series, maximize book sales, facilitate merchandising and strengthen overall export to the targeted markets.

"We are looking to convert one of our local comics, X-Venture into an animated series. The idea is to bring our Malaysian produced content to the international arena and penetrate into other strategic markets" says Yew.

The opportunities and future outlook in Greater KL remain positive for Kadokawa as they are now in plans to establish an academy to groom the best talent in Malaysia to support the company's growth to develop more content such as comics, manga, and animation. Graduates of the Kadokawa Content Academy may be selected and offered a regional role within the company.

Malaysia's thriving creative industry is a potential game changer. The country is on its way to capturing a bigger slice of the global creative content industry, valued at US\$10.1 trillion up to 2019 (PWC Global Entertainment and Media Outlook 2015 -2019).

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InvestKL is a government initiative to attract and facilitate global multinationals investment into Greater Kuala Lumpur