

**CELSYS, Inc.**  
Japan, Taiwan, Korea  
Cultural digital contents industry forum  
**September 6<sup>th</sup> 2007**

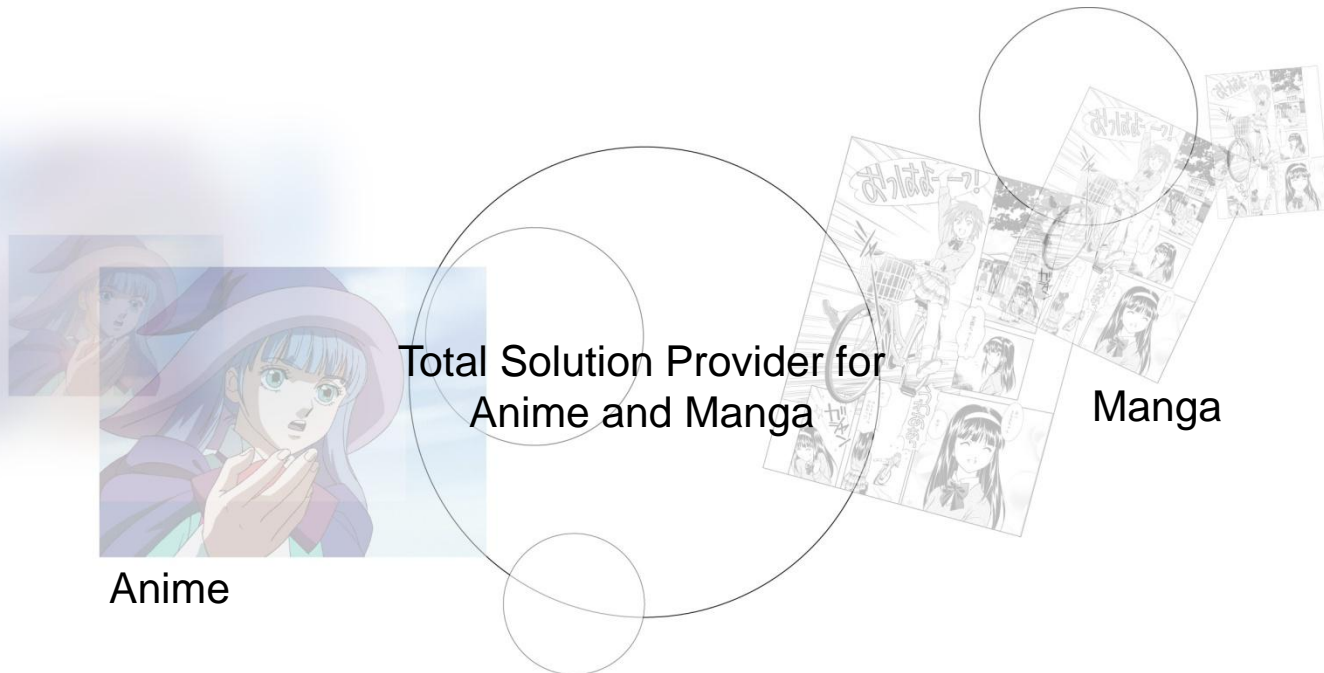


CELSYS, Inc.

# **I n t r o d u c t i o n of Celsys**

## Vision

To establish a digital production and expression medium for anime and manga and invigorate cultural content that is uniquely Japanese.



Japanese anime and manga are greatly appreciated the world over and constitute important content Japan can disseminate overseas. CELSYS is confident that working to introduce digital technology to the anime and manga production environment and supporting the distribution of anime and manga via digital media will promote the further development of Japanese culture and result in a contribution to society.

## “Only One, Number One” Company

No.1 share  
of e-book viewers  
“BookSurfing”

CELSYS' e-book viewing solutions are compatible with the 3 major carriers in Japan, and are used in over 290 sites (\*1)

No.1 share  
of professional  
celluloid anime  
production software  
“RETAS!PRO”

RETAS!PRO is the de facto standard for anime production tools, used for most TV anime currently aired in Japan (\*2)

No. 1 share  
of manga  
production software  
“ComicStudio”

ComicStudio is the world's first professional manga production software, boasting a 90% share of the market (\*3)

\*1 CELSYS survey (Apr. 2007)

\*2 CELSYS survey (Apr. 2006)

\*3 CELSYS survey (Oct. 2006)

■ Trade name	CELSYS, Inc.
■ Establishment	May 1991
■ Capital	735,680,000 yen (as of April 30, 2007)
■ Closing of accounts	October 31
■ Representatives	Yosuke Kawakami, Chairman & CEO Shinya Nozaki, President
■ Employees	102 (as of April 30, 2007)
■ Market	Nagoya Stock Exchange (CENTREX section)
■ Securities code	3829
■ Auditing firm	Ernst & Young ShinNihon
■ URL	<a href="http://www.celsys.co.jp/">http://www.celsys.co.jp/</a>



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## ■ Development Tools Business



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# RETAS! PRO

REVOLUTIONARY ENGINEERING  
TOTAL ANIMATION SYSTEM

**The de facto standard for anime production tools, used for most TV anime currently aired in Japan.**



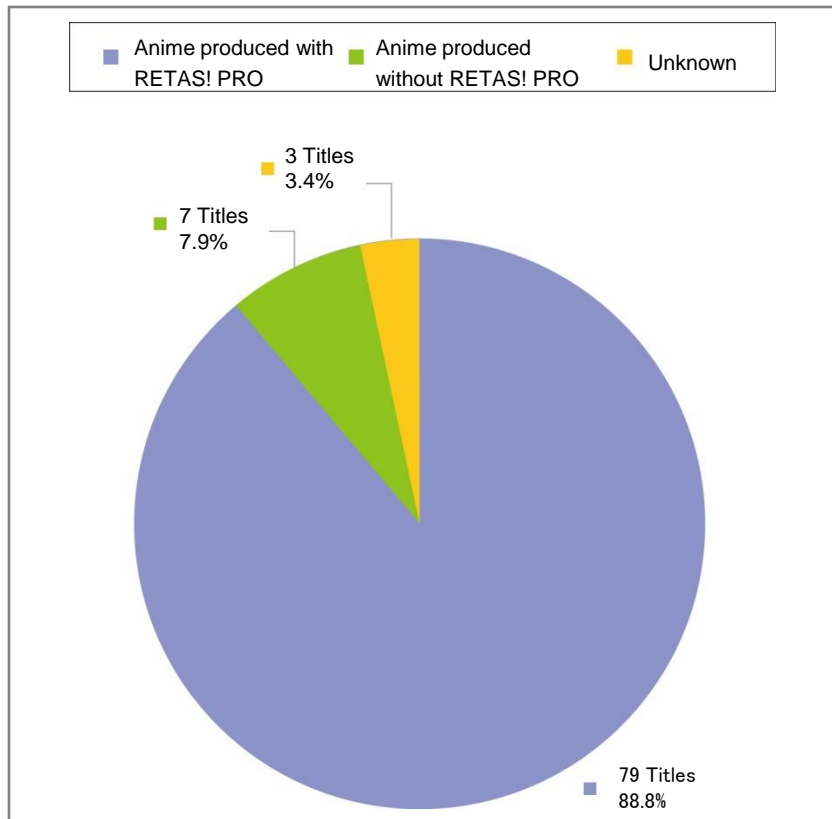
“RETAS! PRO” was introduced in 1993 as an industrial anime production support tool for digitalizing anime, which was conventionally produced using celluloid pictures and film. Anime is produced through “drawing,” “painting,” “shooting” and other processes.

“RETAS! PRO” is the collective name for a group of software applications with functions specialized for each process and production style.

Since its release, this product has continued to evolve based on input from professionals actually working in the production fields, and has been used for the majority of animations currently aired in Japan. This product is also used in more than 50 educational institutes in Japan and at overseas institutes in North America, Korea and China.

“RETAS! PRO” used for approximately 90% of anime currently aired in Japan

■ Current status of the use of “RETAS! PRO” in anime



As surveyed by CELSYS (April, 2006)

Productions implementing “RETAS! PRO” Series and Examples of its use in anime

Title	Production
.hack//Roots	BEE TRAIN Production Inc.
BLOOD+	Production I.G
NANA	MAD HOUSE
NARUTO	PIERROT CO.,LTD.
ONE PIECE	TOEI ANIMATION Co.,Ltd.
WITCH BLADE	GONZO
xxx HOLiC	Production I.G
Ah! My Goddess: Everyone Has Wings	AIC
IDATEN JUMP	TRANCE ARTS Inc.
Crayon Shinchan	SHIN-EI ANIMATION Co., Ltd.
KERORO PLATOONS	Sunrise
Sugar Sugar Rune	PIERROT CO.,LTD.
Suzumiya Haruhi no Yuutsu	Kyoto Animation
Go! Anpanman	TMS Entertainment, Ltd.
Chibi Maruko Chan	NIPPON ANIMATION Co., Ltd.
Doraemon	SHIN-EI ANIMATION Co., Ltd.
Nintama Rantaro	ajia-do
Futari wa Puricure Splash Star	TOEI ANIMATION Co.,Ltd.
Black Jack 21	TEZUKA PRODUCTIONS
Pocket Monster Advance Generation	OLM
Majime ni Fumajime Kaiketsu Zorori	Sunrise/ajia-do
DETECTIVE CONAN	TMS Entertainment, Ltd.
Yu-Gi-Oh! Duel Monsters GX	GALLOP CO., LTD.
Rockman EXE Beast+	XEBEC

(Anime titles/In Japanese syllabary order)

# COMIC STUDIO

THE STANDARD IN ILLUSTRATION AND COMIC

**The world’s first manga production software that enables all processes of manga production to be done by computer.**



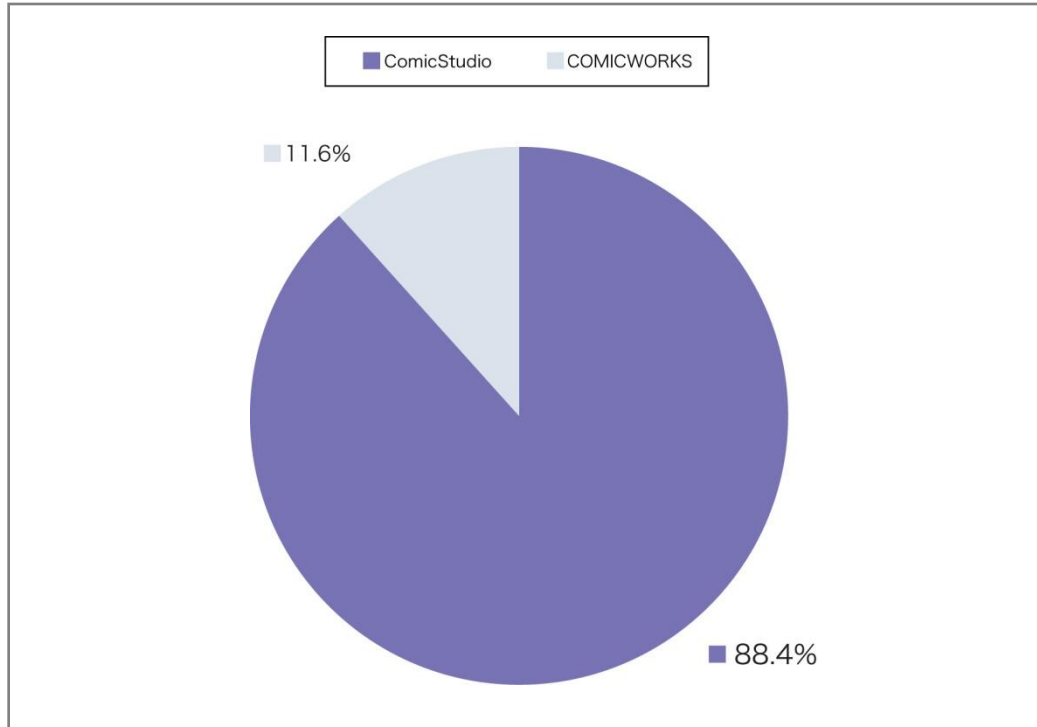
“ComicStudio” was introduced in August, 2001 as the world’s first PC-based manga production tool. It eliminates the need for paper, pen, and other art tools, and allows for manga production using a personal computer. Manga production requires the use of specialized painting tools and techniques of expression that differ from the procedures of standard picture drawing. It is also difficult to faithfully reproduce the delicate touch of the artist, making digitalization in this area quite difficult.

“ComicStudio” has won the admiration of a wide range of individuals, from professional manga artists to highly-skilled amateurs, known as private publication artists, and regular users.

“MangaStudio”, the English version of “ComicStudio”, was released in February, 2006, and sales focused on North America and Europe.

■ ComicStudio Series account for approx. 90% share

■ Comparison of manga production software sales numbers (From May, 2006 to October, 2006)



■ From BCN Data (Changes in the number of sales by software)

# Mobile Solutions Business

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# MOBILE SOLUTION

Compatible with 3 carriers and used on at least **340** websites ([all are On-Deck sites](#)).\*  
Total support for the distribution of electronic books aimed at cell phones.

(\* As of July 2007)

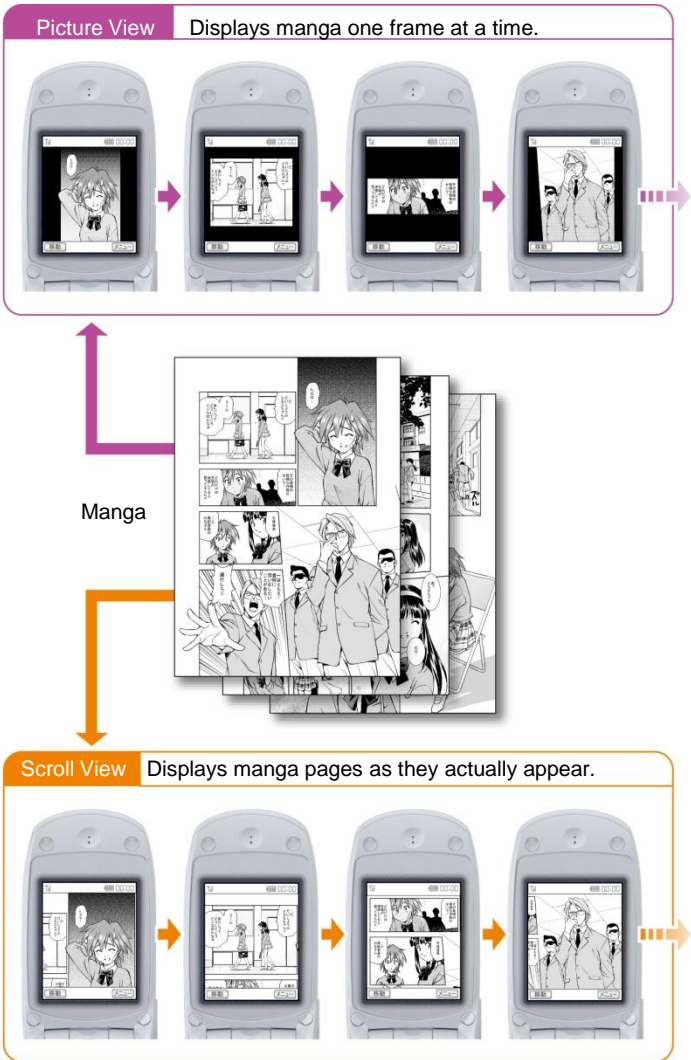


Through our mobile solutions business, we provide total support to businesses distributing manga, anime and other content to cell phones.

CELSYS solutions are compatible with the 3 major carriers — au (KDDI), NTT DoCoMo and SoftBank Mobile— and are currently being used on at least 340 websites.

[From this July, that solution are also compatible with 4<sup>th</sup> carrier- WILLCOM.](#)

How "BookSurfing" displays manga



Features of "BookSurfing"

Sound



Sounds and theme tunes that match the story can be played.

Vibration



The cell phone is vibrated to heighten the realism of the story at key points.

Hot-spot URL jumping



Links to designated sites (URLs) can be inserted.

Subtitles



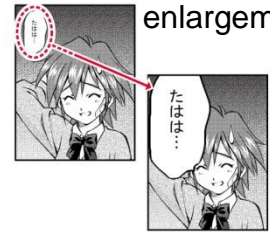
Scrolling text can be displayed to show subtitles or notices, etc.

Rich screen effects



Over 80 screen effects can be used when screens or scenes change.

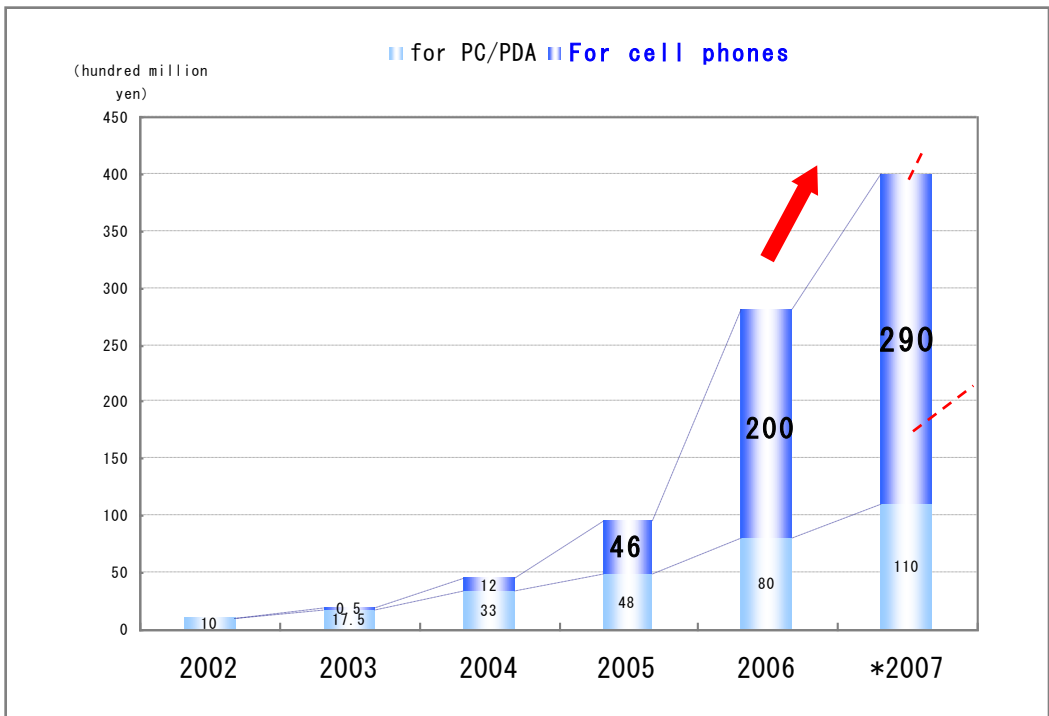
Speech bubble enlargement



When the text is too small to read, you can enlarge the speech bubble.

Rapidly expanding market for electronic books for cell phones

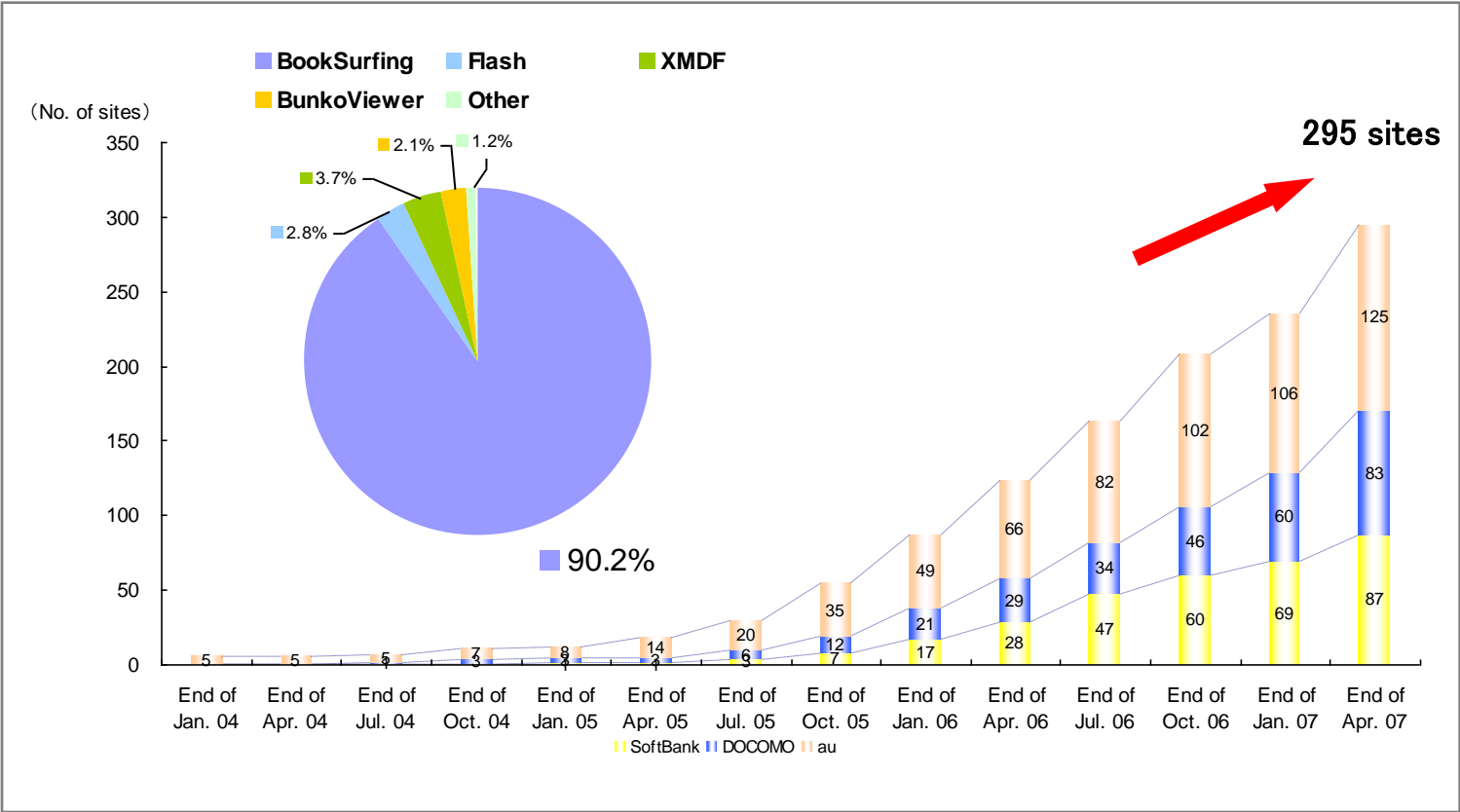
Trends in the electronic book market scale



Source: 2005 survey of the electronic book business (published by Impress R&D)  
 Source: 2006 survey of the electronic book business (announced by NIKKEI)  
 Source: 2007 forecasted of the electronic book business (forecasted by SEED planning)

■ The e-book market is expanding dramatically, particularly in the area of e-books for cell phones. In 2007, the market scale of e-book on cell phone would be, forecasted as 29billion Yen, approx. 280million USD. Especially that of Mobile Comic readers are expanding in the market.

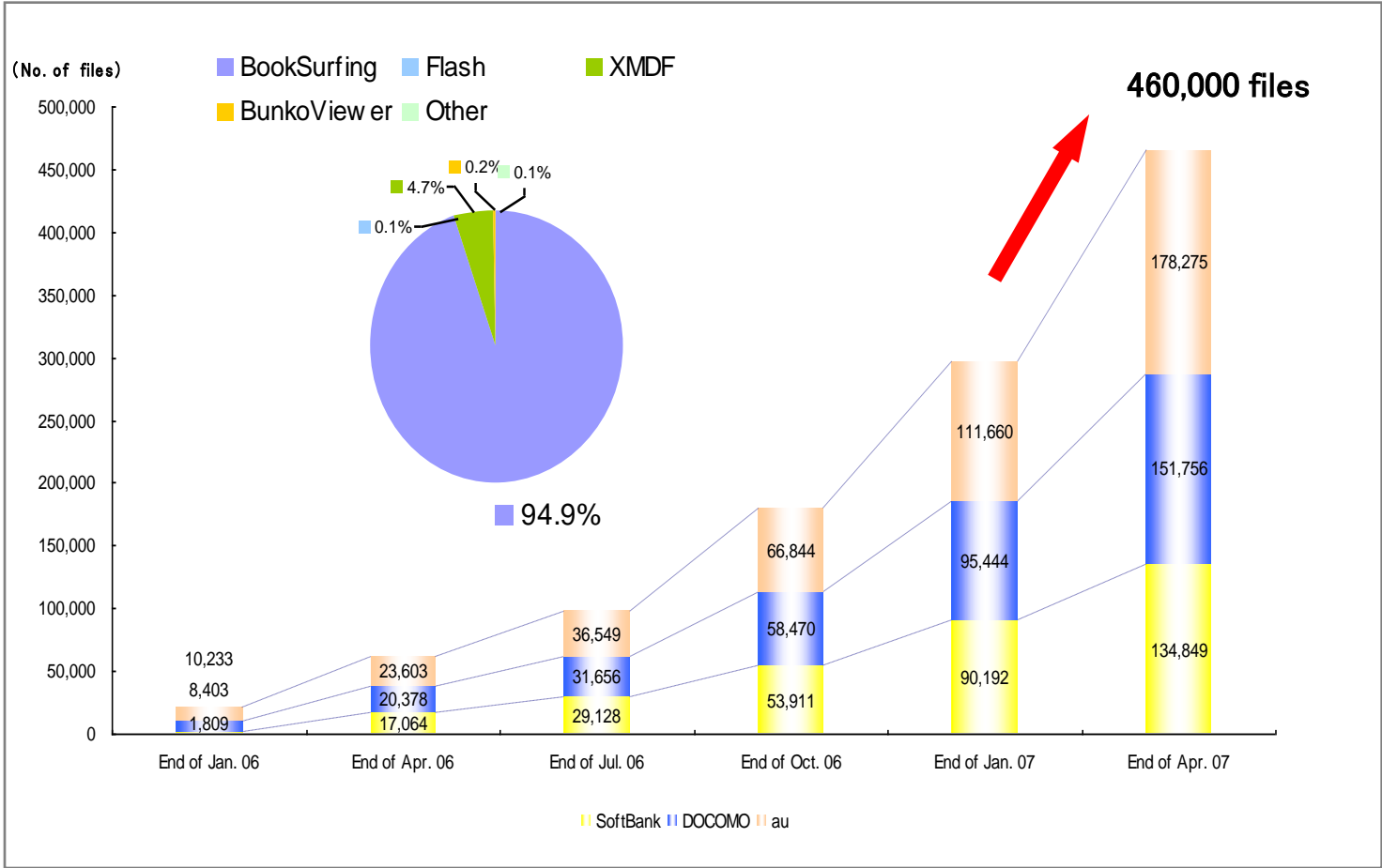
Number of sites (**On Deck**) that have introduced BookSurfing, and rate of introduction



As of April 2007 (as surveyed by CELSYS)

■ 295 sites, or 90.2% of sites, have introduced BookSurfing as of April 30, 2007.

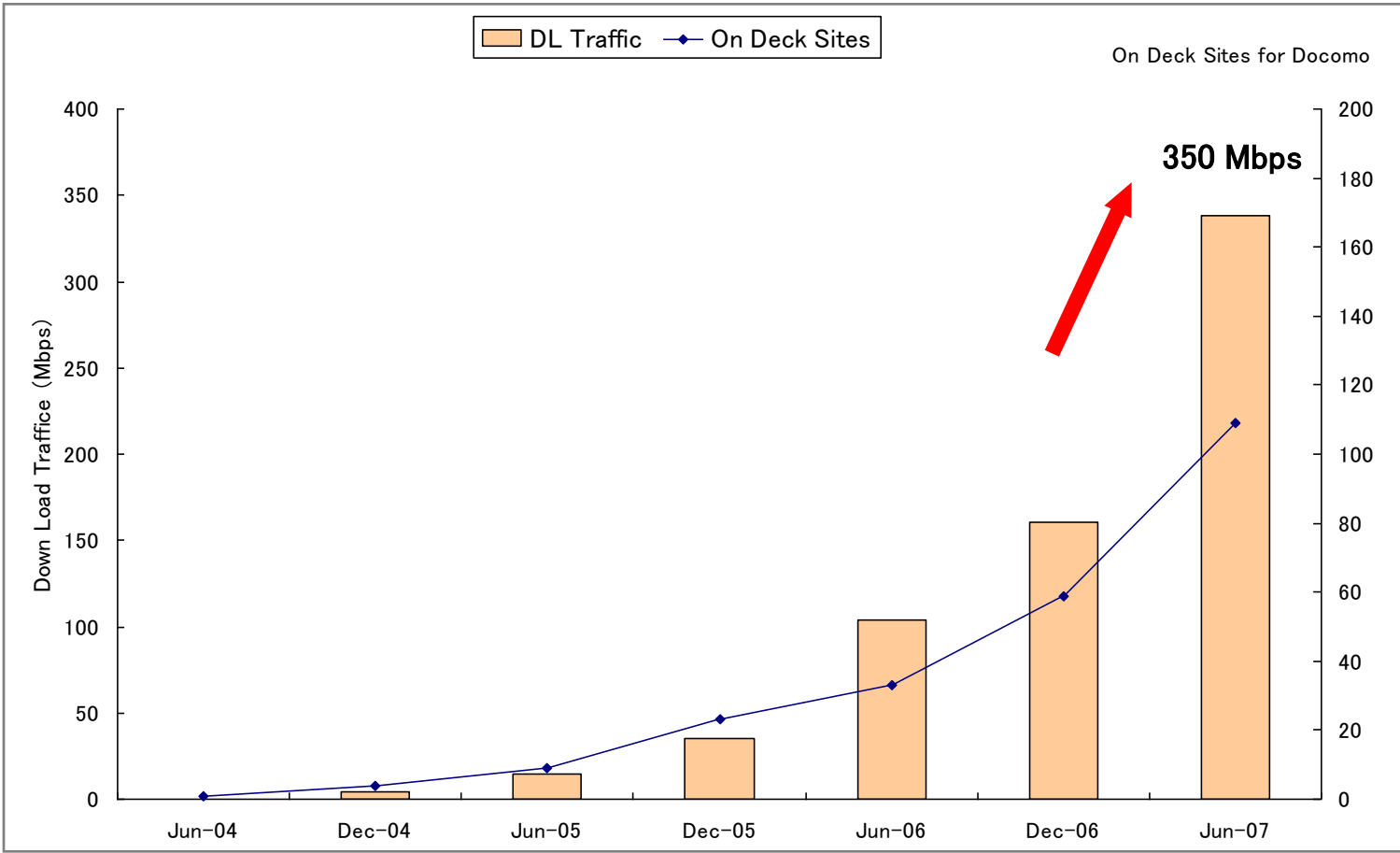
Changes in the number of content files using BookSurfing, and BookSurfing usage rate



As of April 2007 (as surveyed by CELSYS)

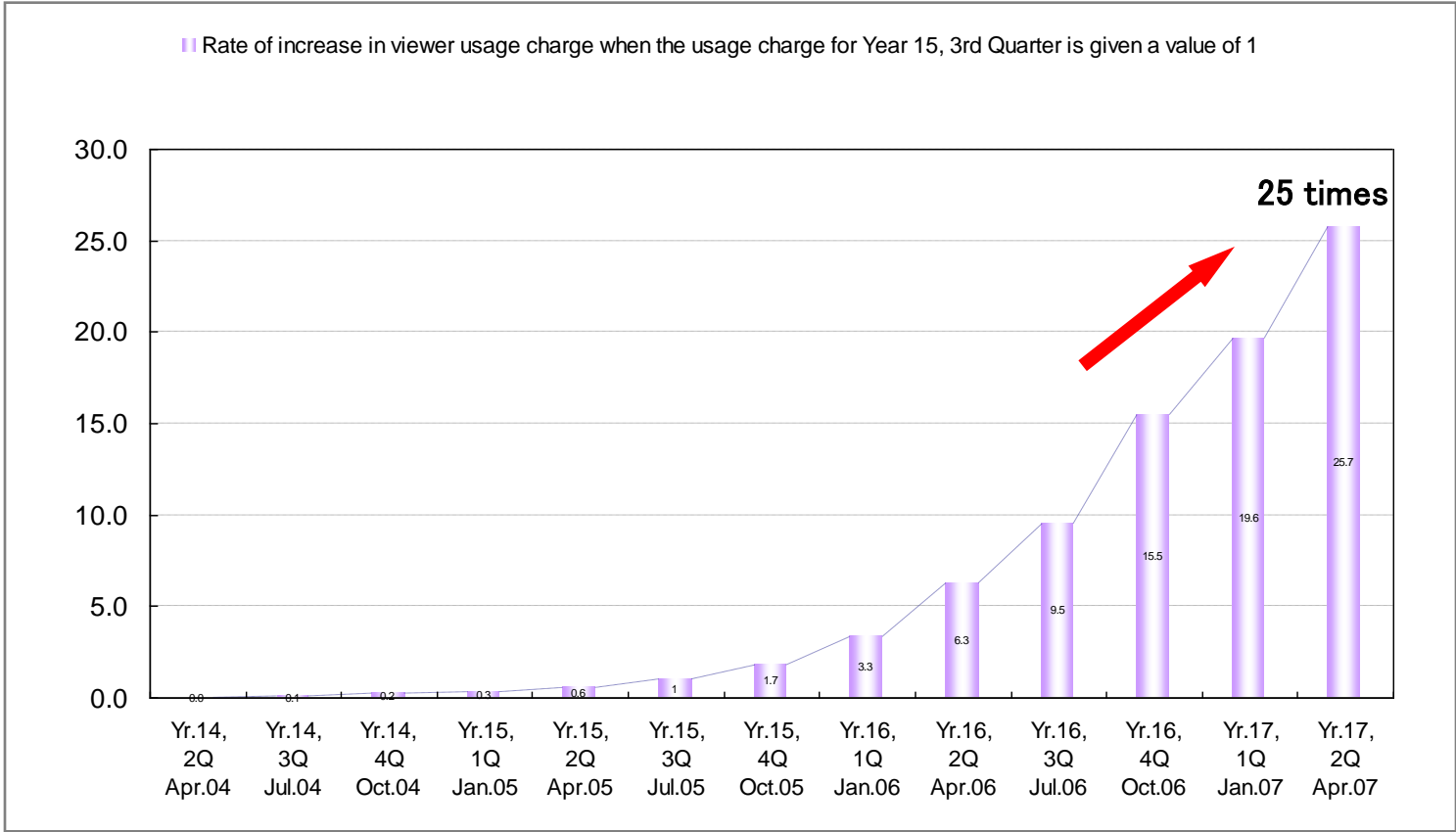
■ The number of content files using BookSurfing has exceeded 460,000, corresponding to a 94.9% share in the market, as of April 30, 2007.

The Transition of Traffic and “on deck” sites (on a quarterly basis)



■ The number of Down Load comic files in June, 2007 is about 29.1 million Down Load for a month .  
1 file size on air = from 1 to 1.5 MB on average, 1 file size = 17-20 page of Comic Book would be authoring. .  
10 files = 170-200 pages of Comic Book, the end users could finish read one volume of Comic Book.

Sales trends for viewer usage charges (on a quarterly basis)



■ Adoption of the revenue sharing system has led to market expansion and a dramatic increase in viewer usage charge.

# Thank you!

Celsys, Inc.

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