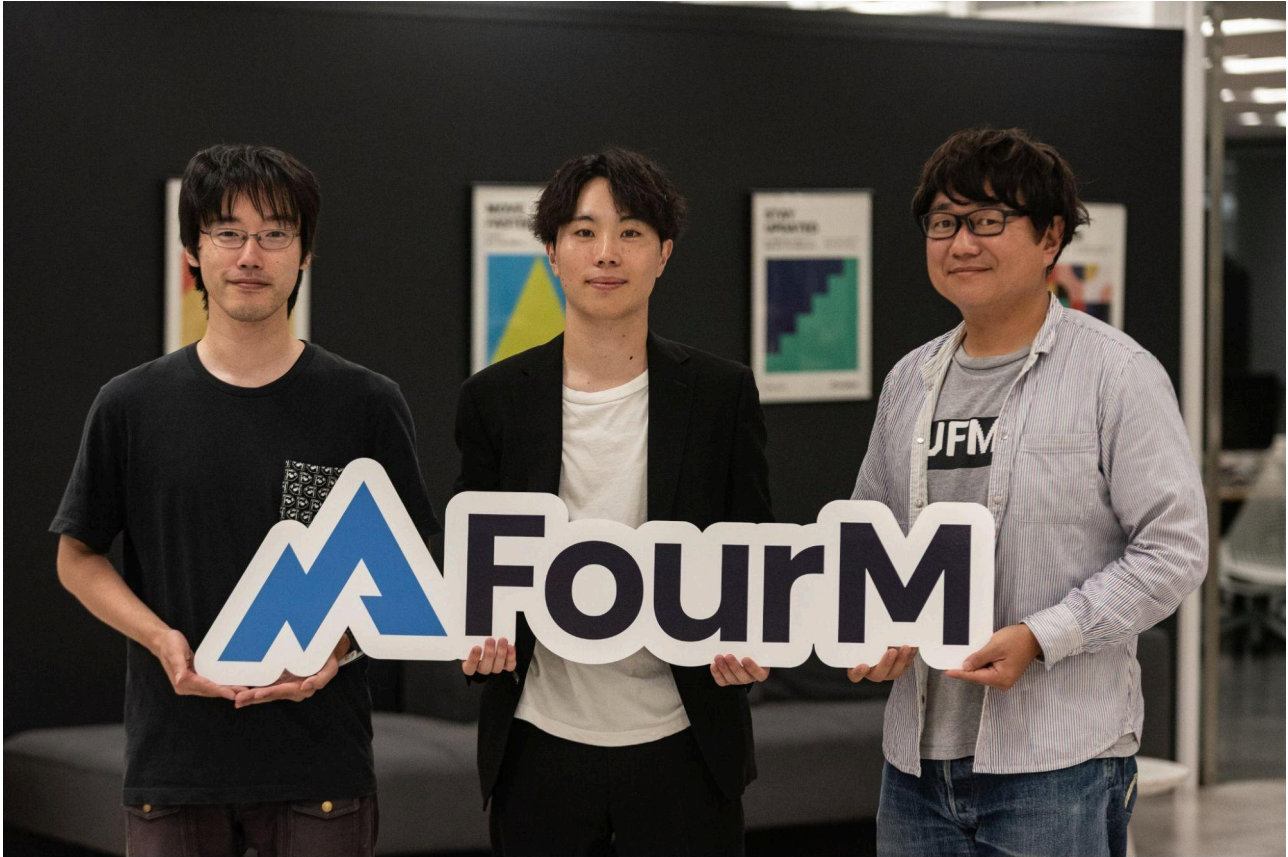


Bleach: Brave Souls/KLab: A Balanced Success Between Revenue and User Experience Through Rewarded Ads



Since May 2024, our group company, FourM, has been providing KLab Inc. (Headquarters: Minato-ku, Tokyo; President: Hidekatsu Morita; hereafter referred to as “KLab”) with extensive support. This includes consulting on in-app advertising operations for “Bleach: Brave Souls,” a fast-paced 3D action game based on the popular anime “BLEACH,” to help achieve common goals relating to in-app revenue.



Hideki Furugori

KLab Inc. - KLabGames Division, Promotion Group Leader of Bleach: Brave Souls

After working in the TV industry for about 12 years, Hideki transitioned to the IT industry. Utilizing his previous expertise, he now oversees promotion and advertising strategies for smartphone games, with a special focus on video content. In 2022, he joined KLab as the promotion leader for Bleach: Brave Souls, planning and executing the overall marketing strategy.



Kento Yoshizawa

KLab Inc. - KLabGames Division, Promotion Group, Leader of Advertising and Publicity

Kento began his career at a media representation company, gaining experience in media negotiations and advertising operations. In 2015, he joined KLab, where he manages advertising across various titles and oversees both ad placements and monetization operations.



Ryo Maekawa

FourM Co., Ltd. - Publisher Growth Division, App Consultant

Ryo manages in-app improvements and revenue enhancement strategies for clients, focusing primarily on game apps. As an avid gamer, he provides monetization proposals and supports international expansion tailored to each app's unique characteristics.

The Journey Before the Partnership

Can you tell us about your company and the media you operate?

Hideki:

KLab mainly plans and develops mobile online games for smartphones. We primarily focus on titles based on popular intellectual properties (IPs) with global fan bases, and we distribute these games worldwide. KLab's games are played by users from regions like Europe, the U.S., Asia, the Middle East, and South America, and we work daily to create exciting experiences through games.

Our game, "Bleach: Brave Souls" (hereafter, "Brave Souls"), is a grand 3D action game featuring characters from "BLEACH," with beautiful graphics, dynamic motion, and thrilling action scenes.





What were the challenges the game faced when you first met FourM?

Hideki:

We met FourM at a mobile app-related event in the spring of 2023. At the time, we were considering ways to enhance app distribution overseas and expand advertising revenue. With the release of the BLEACH TV Animation Series: Thousand-Year Blood War in October of 2022, our player base was growing, and we were exploring ways to further increase app revenue.

One of the challenges we faced was with rewarded ads. While we had already implemented rewarded ads, we hadn't made significant updates since the initial implementation, and optimizing our strategy remained an issue.

Kento:

When I took over the management of rewarded ads, I noticed that the number of ad networks was insufficient, and we needed to increase competition in bidding to raise unit prices. Given

that the CPM for rewarded ads seemed to be decreasing after COVID throughout 2022 and 2023, it was a significant concern for us.

So that's when you received a proposal from FourM regarding rewarded ads?

Hideki:

That's right. We knew that we needed to change the position of ad spaces in line with the growth of the app, but we were also at a stage where we were not making much progress in our internal considerations for improving ad revenue. The proposal from FourM brought a new perspective to us, and we felt that increasing the number of ad spaces and introducing a new ad network would be a major step toward improving earnings.

Proposal from FourM

What were the key suggestions by FourM?

Ryo:

We proposed the "addition and operation of ad networks" and "expansion of ad spaces," which KLab was already considering.

For the "addition and operation of ad networks," we selected ad networks that were expected to perform well with Brave Souls based on the results of more than 200 apps operated by our company. We proposed an operation policy for the existing networks and the newly added networks.

In addition, for the "expansion of ad spaces," we proposed the "expansion of item slots" and "addition of ad viewing missions" from the perspective of how to increase ad revenue and user engagement within the app while taking into account the risk of a decline in in-app spending.

-Expansion of Item Slots

Originally, to expand the maximum number of items a player could hold, it was necessary to use in-game currency which is mainly used on "Summons". As we believed that non-paying users would want to avoid expanding slots via in-game currency, we proposed the expansion of item slots via rewarded ads.

-Addition of ad viewing missions

The addition of ad viewings to daily and weekly missions is not considered additional ad space, but we suggested this as an effective way to encourage players to watch more ads.

By designing it so that players would not only receive items for viewing rewarded ads but also receive additional items for completing ad viewing missions, we thought this would increase the incentive for players to view ads and lead to an increase in viewing rates.



Set up reward functionality for expanding possession slots

Ad Slot

Watch rewarded ads to expand character possession slots /accessory possession slots

Revenue

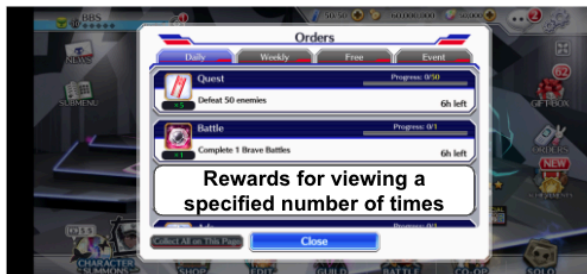
A significant impact on revenue is expected due to the large user demand

UI/UX

Minimal negative impact on the user experience

Notes

It will require additional effort to implement as a new navigation needs to be added



Set missions with video viewing requirements for daily/weekly goals

Ad Slot

Set rewarded ad viewing as a mission (Rewards granted for viewing a specified number of times)

Revenue

Since users intentionally watch rewarded ads, an increase in the viewing rate of existing slots is expected

UI/UX

Minimal negative impact on the user experience

Notes

Design will be required for missions, including view count goals, daily/weekly missions, etc.

How did you initially feel about the proposal?

Hideki:

I thought that the proposal we received would play a role in lowering the hurdle for light users to join the game. Brave Souls is a long-term title that was released nine years ago, so the game's power-up system has evolved considerably. Depending on the player's experience, there will inevitably be a gap in rankings and character strength. Since the game is also about competing for the top rankings, something had to be done to bridge the gap between players who have been playing for years and newer players. The hurdle becomes higher for mid-core users and below, as they have to clear the game while covering that gap with in-app currency (Spirit Orbs).

After receiving the proposal, I was convinced once again that it is very important to make certain in-game systems which are normally available through in-game currency - such as increasing item slots - to also be available through rewarded ads. In this way, new players and re-engaged players who once left the game can play without stress when they return.

What were the determining factors in your decision?

Hideki:

It was not a superficial sales presentation, but a presentation based on an understanding of the

app's contents. I could tell that Ryo was enthusiastic, but I could also tell that he had played the game thoroughly and understood what needed to be improved before making a proposal.

Kento:

It was also very helpful that they created multiple patterns of KPI simulations for us at the review stage. They incorporated various numerical values in the application and proposed calculations that showed the sales that would be generated if the values shown were reached. The multiple patterns of proposals allowed us to increase the accuracy of the sales simulations within the company, and since we were able to consider where we could increase the number of slots, we decided to start the initiative.

Outcomes of the initiative

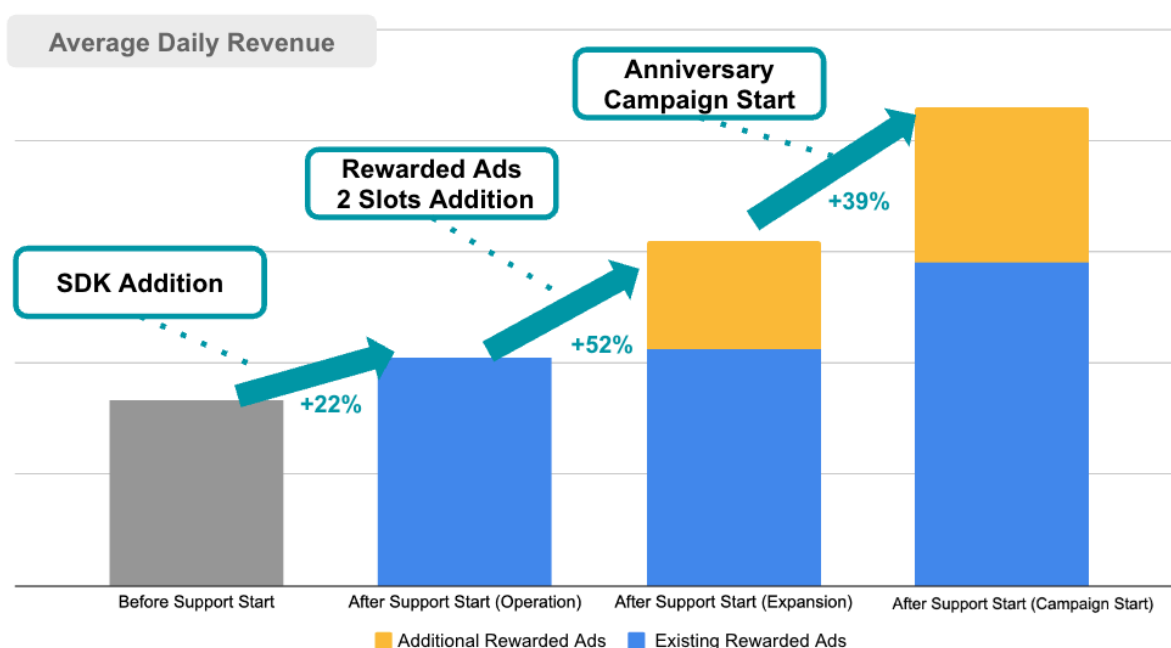
Two of the three proposals were introduced in connection with the 9th anniversary events starting in July of 2024. What was the impact on revenue?

Ryo:

The support itself started in stages. First, we added an SDK to improve the CPM of the reward frame. With the addition of this new SDK and our mediation operation, we were able to increase CPM by 21% compared to before the start of the support.

With the addition of two new rewarded ads for “Expansion of item slots” and “Ad viewing missions,” the average daily revenue increased significantly by 52%. In particular, linking the “9th Anniversary Campaign”, which started on July 19, 2024, with this initiative led to an increase in overall daily revenue of 158% when compared with before the start of the initiative.

We believe the impact of adding rewarded ads at the timing of the anniversary campaign, when player engagement was increasing, was significant. The additional ads accounted for about 30% of the total number of rewarded ads displayed in the app. We estimate that this was a good opportunity to retain engaged players as they were able to immerse themselves in the anniversary campaign while taking advantage of the increased slots gained through rewarded ads.



Kento:

We definitely felt a growth in revenue after the introduction of the system. Although there are

still some issues to be addressed amid the downward trend in CPM in the market, the impact in terms of the number of times the ads were displayed was in line with our initial expectations.

Before the introduction of new rewarded ads, there was a concern that players might feel negatively towards them. What was the reaction from the players?

Hideki:

I got the impression that players accepted it favorably. The campaign to expand the number of in-app item slots by viewing rewarded ads, which was implemented immediately after we increased the maximum number of unlockable slots, also went well, and we were able to promote the use of the rewarded ads to unlock said slots. The ability to expand the number of item slots, which up until that point could only be expanded with in-app currency, by viewing rewarded ads was a significant benefit to players, and I believe that is why the campaign was so well received by players.

After 3 months since the start of support from FourM, what do you think is the value of what FourM offers?

Kento:

I think one of the qualitative results is that FourM has proposed a series of appropriate measures to promptly respond to changes in the market, such as the number of times advertisements are displayed and CPM. I appreciate the fact they have defined issues and taken measures in areas where I would have run out of ideas if I had been operating alone as I did before the start of their support. Especially with regard to CPM, it is very encouraging to receive proposals for new SDK additions and measures based on the latest trends, whereas it would have been easy to just say, “the market is down, so there is nothing we can do because other companies are also seeing a downwards trend”.

Hideki:

Trends are constantly changing, and it is difficult to know which SSPs and ad networks are the best if we only have in-house knowledge. FourM has knowledge and examples of various support apps, so that source of knowledge is something that we cannot fully obtain on our own.

Future Prospects

What is the future outlook for “Brave Souls” and what are your expectations for FourM?

Hideki:

Without losing sight of the essence of what we do, which is to make players enjoy the game, we believe that we need to work on two axes: player engagement and increasing sales. It is true that in-app purchases are the axis of revenue for Brave Souls. However, through the addition of the two rewarded ad slots, we feel that there is potential to create a monetization point in a way that is also accepted by users.

There was one additional proposal that has not yet been added. This is because we still did not know how widely it would be used by players. We may consider adding the proposed rewarded ad slot once we find out how often this particular in-game function is used. We are conducting player surveys on a regular basis, and if satisfaction with the rewarded ads is low, we would like to consider making these rewarded ads more accessible to players.

Issues to be considered will change as the phases of operation change. As a professional in the field of in-app advertising and revenue generation, we would like FourM to continue to offer a variety of proposals to address the issues faced by Brave Souls.

-Bleach: Brave Souls

"Bleach: Brave Souls" is an exhilarating 3D action game based on the popular comic and anime "BLEACH". Players can collect characters to form their own team and experience the world of "BLEACH".

The long-running hit title has been loved by anime and game fans around the world since it was first released as a mobile application in 2015. It is currently also available for PC and home consoles. Download "Bleach: Brave Souls" here: <https://www.bleach-bravesouls.com/en/>