korea creative content agency

stands beside those aiming for the promotion of the content industry of Korea.

Korea Creative Content Agency (hereafter kocca) was established on May 7, 2009 to efficiently support the growth of the cultural industry by combining Korea Broadcasting Institute, Korea Culture and Content Agency, Korea Game Industry Agency, Cultural Contents Center, and Digital Contents Business Group of Korea IT Industry Promotion Agency according to Article 31 of the Framework Act on Cultural Industry Promotion.

kocca is an agency dedicated to promoting all areas for content. We establish a comprehensive support system to nurture the content industry, and aim to develop Korea as one of the world's top 5 contents powerhouses.

kocca conducts various support businesses to help Korea's content industry frow into a global leader in the creative economy.

first, we promote human resource development projects to acquire valuable human resources that form the basis of creativity and develop policies for the promotion of the content industry. We also support the development of specialized culture technologies from design to production, the commercialization of contents, and the promotion of various overseas expansion projects to develop the content industry into an export industry. Furthermore, we encourage digital broadcasting projects, promote game distribution, and carry out digitalization projects aimed at strengthening cultural content which can be used as a subject matter.

kocca will proactively respond to the content convergence environment, and focus on developing carefully selected killer contents to lead the global content market.

KOREA CREATIVE CONTENT AGENCY
kocca

1. Industry Trends

1.1 Market scale

The scale of the domestic game market in 2010 was estimated to be around 7.4312 trillion won. This indicates a 12.9% growth compared to 6.5806 trillion won in 2009, and shows a significant performance that indicates that the fundamental growth of the game industry in South Korea is continuing. The domestic game industry recovered with a 9.0% growth rate in 2008 and recorded a 17.4% growth rate in 2009, re-entering the 6-trillion-won level and continuing its recovery to enter its prime. In 2010, the market again increased by around 1 trillion won compared to the previous year, entering the 7-trillion-won level through rapid growth, and continuous growth is expected in the future.

The overall domestic game market according to sector includes online games, which has a market share of 64.2%, has entered the 4.7673-trillion-won level, and is continuing to increase its weight in the market. This shows that the overall market, including game distribution and consumption companies, are leaning more towards online games. Considering only the platform unit game market and excluding PC and arcade game rooms, the market share of online games has reached 85.2%, showing that such games are leading the market. The domestic online games are also expected to maintain their domestic-market share in the future, based on a stable infrastructure, and to lead the domestic game market with active overseas exports.

Next, the major consumption market of online games, PC rooms, recorded a 23.7% market share in 2010, with 1.7601 trillion won sales. Despite ranking second in market share, it showed a 9.0% reduction compared to the previous year, and it is predicted to face problems such as absence of a growth foundation and a declining market.

Video games did not reach the market share level of online games and PC rooms, but they recorded a market share of 5.7%, with 426.8 billion won sales, while mobile games recorded a 4.3% market share, with 316.7 billion won sales.

The sales amount of arcade games was shown to be 71.5 billion won, with a 1.0% market share, and the sales of arcade game rooms (including video game rooms) is predicted to reach 76.8 billion won sales and to have a 1.0% market share. Arcade games and arcade game rooms went into a big recession after the 2006 "Bada Iyagi" episode, and although it is showing signs of recovery, it still has to take up a big portion of the market. The sale of PC games was only 12 billion won, with a 0.2% market share, showing continued decline. Considering that there is no element for its further growth, there is a big chance that it will be absorbed into the online-game market through platform reorganization based on the changes in the media environment.

Figure 1 Total scale and growth rate trends of the South Korean game market from 2003 to 2010

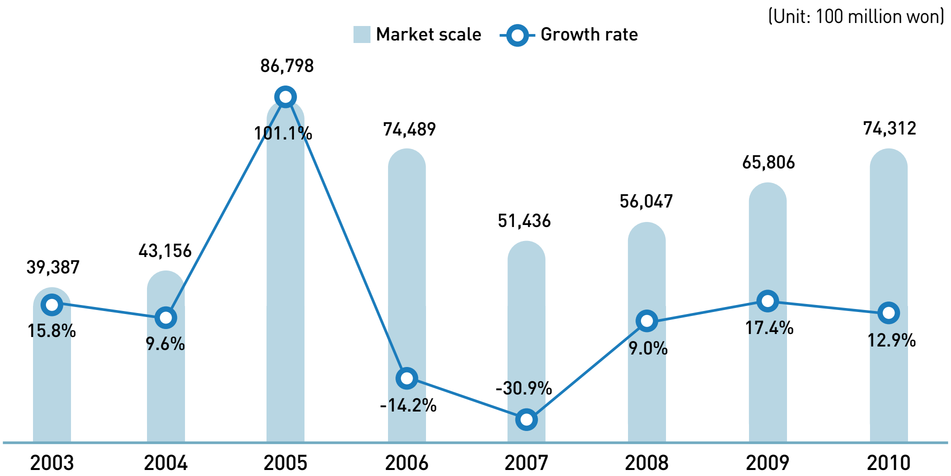
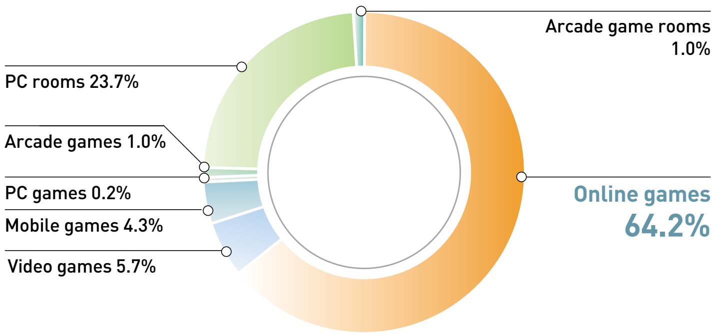


Figure 2 Weights of different fields of the South Korean game market in 2010



1.2 Prospects

The 2011 domestic game market is expected to grow by 13.8% compared to 2010, and to record a market scale of 8.4549 trillion won. Online games are expected to show 20% growth compared to last year, and all other fields, excluding PC games and PC rooms, are also expected to grow. The expectations for 2011 are 25% growth for video games, reaching 533.5 billion won sales; 20% growth for mobile games, reaching 380 billion won sales; and 6.0% growth for arcade games, reaching 75.8 billion won sales.

Growth is expected to continue steadily in 2012 and 2013. In 2012, the overall game market will grow by 17.7% compared to the previous year, reaching 9.9525 trillion won sales, and what is interesting is whether it will actually reach 10 trillion sales. In 2013, it will grow by 15.2% compared to the previous year, reaching 11.4666 trillion won sales, and it is expected that the domestic game market will fundamentally reach the 10-trillion-won level in 2013. Online games, which take up the most part of the weight of the domestic game market, are expected to continue their speedy growth, reaching 7.1510 trillion won sales in 2012 and 8.5811 trillion won in 2013.

Table 1 Scale and prospects of the South Korean game market (2009-2013)

(Unit: 100 million won)

Category	2009	2010		2011(E)		2012(E)		2013(E)	
	Sales	Sales	Growth	Sales	Growth	Sales	Growth	Sales	Growth
Online games	37,087	47,673	28.5%	57,208	20.0%	71,510	25.0%	85,811	20.0%
Video games	5,257	4,268	-18.8%	5,335	25.0%	6,402	20.0%	7,042	10.0%
Mobile games*	2,608	3,167	21.4%	3,800	20.0%	4,636	22.0%	5,796	25.0%
PC games	150	120	-20.0%	112	-6.7%	106	-5.4%	104	-1.9%
Arcade games	618	715	15.6%	758	6.0%	815	7.5%	872	7.0%
PC rooms	19,342	17,601	-9.0%	16,545	-6.0%	15,221	-8.0%	14,156	-7.0%
Arcade game rooms**	744	768	3.3%	791	3.0%	835	5.5%	885	6.0%
Total	65,806	74,312	12.9%	84,549	13.8%	99,525	17.7%	114,666	15.2%

* The mobile-game sales since 2009 were calculated based only on the information usage rate (game purchase and usage cost), excluding the data communication rate.
** The arcade game room sales since 2009 were calculated including the sales of both arcade and video game rooms.

1.3 Import-export situation

The 2010 domestic game industry was calculated to have increased its exports by 29.4%, reaching 1.661 billion dollar sales (1.8571 trillion Korean won, applying the 2010 average foreign-exchange banks sales standard of 1,156.26 won). It is very significant that domestic exports have gone past 1.5 billion dollar sales and have entered the 1.6-billion-dollar level. The profits were reduced by 27.0% compared to the previous year and recorded 242.53 million dollar sales (280.4 billion Korean won).

The import-export scale and weight according to platform are as follows. For online games, 1.54485 billion dollars' worth was exported, accounting for 96.2% (97.6% in 2009) of the country's total game exports. The imports reached 37.97 million dollars, accounting for 15.7% of the total game imports, showing an 11.6% reduction from the previous year. Meanwhile, for video games, 183 million dollars' worth was imported, accounting for 75.5% of the total game imports (81.2% in 2009), and leading the imports. In comparison, the video game exports were worth 3.96 million dollars, only 0.3% of the total export amount. In addition, the mobile-game exports amounted to 8.48 million dollars (0.5%), and the imports, 2.54 million dollars (1.0%). As for the arcade game exports, they amounted to 48.74 million dollars (3.0%), and the imports, 7.33 million dollars (3.0%).

The PC game exports amounted to 65,000 dollars (0%), and the imports, 11.69 million dollars (4.8%). The export scale of the domestic game industry is expected to continue growing in 2011 and to reach a level above the export scale in 2009. The export sales for 2011 are expected to record an innovative performance of over 2 billion dollars for the first time. The fundamental overseas advancements in new online games, the delivery of moving-game services, and the generalization of overseas export contracts are expected to lead to a clear improvement in overseas exports. The 2011 export amount is expected to grow by 34.8% compared to the previous year, and to reach 2.1 billion dollars, due to the efforts to achieve multidimensional exports and the expansion of the export regions. An increase of around 10% is expected for imports in 2011 due to the domestic release of Nintendo 3DS and the lowered prices of the existing models, which will lead to increased demands.

Based on the 2010 sales, the domestic game market (USD4.95 billion) recorded a market share of 5.8% in the international game market (USD84.818 billion). This represents a 2.7% growth compared to 3.1% in 2009, and shows that the growth speed of the domestic game market is faster than that of the international game market. The market share of the South Korean game market in the international market has increased because the statistics on the market scale of video games have largely been revised and adjusted. Considering the prospective growth trends of the international and South Korean markets, the proportion of the South Korean game market in the international game market is expected to become 6.8% in 2011, 8.3% in 2012, and 9.7% in 2013.

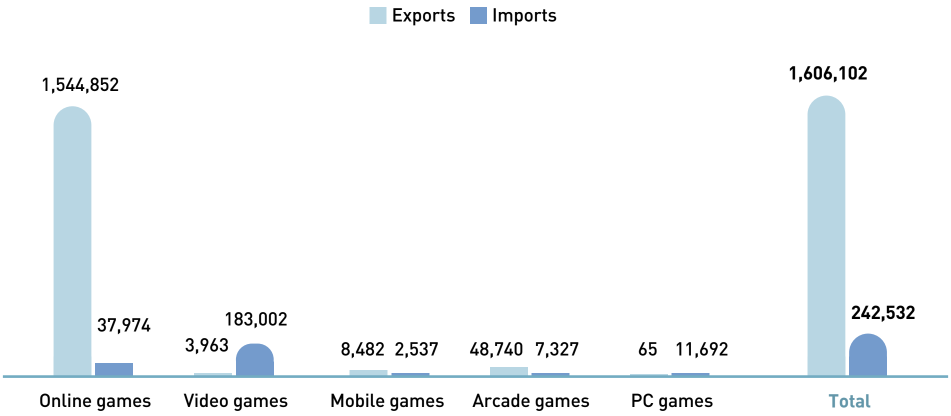
Table 2 Import-export situation and prospects of the South Korean game industry (2003-2011)

(Unit: 1,000 dollars)

Category		2003	2004	2005	2006	2007	2008	a2009	2010	2011(E)
Export	Export amount	172,743	387,692	564,660	671,994	781,004	1,093,865	1,240,856	1,606,102	2,164,970
	Growth rate	22.7%	124.4%	45.6%	19.0%	16.2%	40.1%	13.4%	29.4%	34.8%
Import	Import amount	166,454	205,108	232,923	207,556	389,549	386,920	332,250	242,532	266,785
	Growth rate	3.4%	23.2%	13.6%	-10.9%	87.7%	-0.67%	-14.1%	-27.0%	10.0%

Figure 3 Export-import scale of the South Korean game platforms in 2010

(Unit: 1,000 dollars)



South Korean online games have a 25.9% share of the international online-game market, proving that South Korea is the no. 2 online-game-power country in the world, after China (30.4%). South Korean online games grew by 2.9% from the previous year, whereas China's declined by 0.9%, showing that although Chinese online games occupied the no. 1 spot in 2008 due to their explosive growth, South Korean online games have started to catch up with those of China.

The problem that the weight of platforms other than online games in the international game market is small has always been pointed out. The weight of the South Korean game market in the international market for video and arcade games has remained at around 1.0%. The weight of video games increased slightly, with a market share of 1.1%, but this is a reflection of the statistical adjustments of the international game market scale. The weight of mobile games increased slightly, from 2.8% in 2009 to 3.2% in 2010, which is believed to be a result of the spread of smartphone devices and of the active application of distribution channels.

The country that exported the most South Korean games in 2010 (export amount standard) was China (37.1%). The next was Japan (27.1%), the Southeast Asian countries (15.1%), the North American countries (9.2%), the European countries (8.6%), and other countries (2.9%). China beat Japan and surfaced as the biggest South-Korean-game export country in 2008. It also raised its market share by 2.2% in 2010 compared to 2009, maintaining its status as the biggest South-Korean-game export country. Japan's market share also increased by 0.6% compared to the previous year, making the two countries the biggest markets for domestic game exports. The weights of export countries according to major platforms are as follows. Most of South Korea's online-game exports went to China and Japan, as in the overall South-Korean-game export market. The U.S. market, however, received 57.2% of South Korea's mobile-game exports in 2010, making it the biggest South-Korean-game export country in that year, with Japan in second place, with 28.7%. The European market received only 6.4% of the South Korean mobile-game exports in 2008 but took up 9.4 and 9.7% in 2009 and 2010, respectively, showing a gradual recovery.

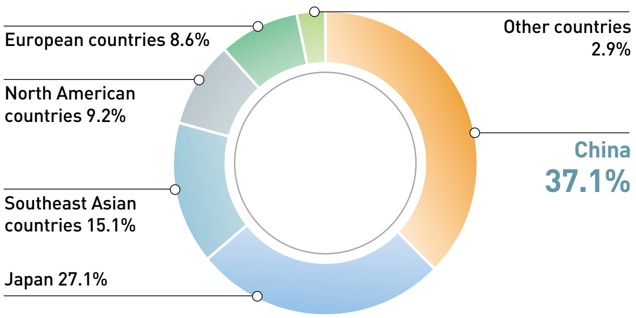
Table 3 Weight of the South Korean game market in the international game market in 2010 (sales amount standard)

(Unit: 1 million dollars)

Category	Online Games	Video Games	Mobile Games	PC Games	Arcade Games	Total
International game market	15,913	33,788	8,569	3,068	23,481	84,818
Domestic game market	4,123	369	274	10	128	4,905
Market share	25.9%	1.1%	3.2%	0.3	0.5%	5.8%

Figure 4 Weight of the South Korean game market in the international game market in 2010 (sales amount standard)

(Unit: %)



1.4 Situation of the game industry workers

The total number of workers in the South Korean game industry in 2010 was 94,973. Of these, 48,585 (51.2%) were employed in game production and distribution companies, and 47,388 (48.8%) in game distribution and consumption companies, a field that was surveyed for the first time in 2010.

The number of game production and distribution company workers increased by 12% compared to the previous year, meaning that there were 5,220 more workers in such companies in 2010 than in the previous year, showing an increase in workers due to the demand for human resources following the market scale growth in 2010. On average, 44.4 people were employed in game production or distribution companies in 2010, as opposed to 28.0 in 2009, showing an increase of 16.4.

A comparison of the structural portion according to type of duty showed that the numbers of customer services (CS), system engineers, sound creators, scenario writers, and game PDs have largely increased. This is interpreted as the supplementation of human resources to improve the game content quality considering areas such as customer satisfaction, customer management, survival in the global competition, and game user standard.

The proportions according to job show that there were high percentages of graphic designers (23.3%) and computer programmers (21.3%) in 2010, whereas the percentages of scenario writers (0.8%) and sound creators (0.7%) were lower than those in the previous year. The gender proportions show that there were much more men than women in the field in 2010 (males: 73.0%; females: 27.0%), but that the percentage of women increased by 1.5%, showing that the number of female workers in the South Korean game industry is slowly increasing.

Table 4 Number of South Korean game industry workers (2008-2010) (Unit: number of workers)

Category	2008	2009	2010	2009-2010 Growth Compared to the Previous Year	2008-2010 Annual Average Growth	Proportion
Game production & distribution	42,730	43,365	48,585	12.0%	6.6%	51.2%
Game distribution & consumption	52,562	49,168	46,388	-5.7%	-6.1%	48.8%
Total	95,292	92,533	96,973	2.6%	-0.2%	100%

2. Policy Trends

2.1 Debate on the introduction of the shutdown system bill

In February 2010, social problems related to game overuse surfaced, and game overuse thus recurred as a social issue. In the second half of 2009, the Ministry of Culture, Sports, and Tourism prepared various methods to prevent game overuse, chiefly by drafting important future policies. In April 2010, a game overuse prevention policy that included voluntary-participation activities was announced. This policy is not only the strongest game overuse prevention policy ever announced in the country but also addresses most of the social issues related to game overuse. The policy debate started not with the enforcement of the game policy Law on the Promotion of the Game Industry but when the revised contents of the Youth Protection Law, which included a "legally enforced shutdown system" that limited the gaming time of youths, became known. In this "shutdown," youths are prohibited from playing online games in the early morning, from midnight to 6 a.m.

Meanwhile, opinions against the shutdown system are continuously being presented. The biggest point that has been made so far is that although there is indeed a need to prevent game overuse by the youths, the shutdown system cannot by itself attain that goal because there are many ways to avoid or go around such system, and because there are no game contents that can serve as alternatives to online games and to various other contents that can be accessed only through the Internet. The issue of fairness has also been raised.

2.2 Revision of open-market game censorship

The issue of the censorship of open-market games was already a point of discussion in South Korea even before the smartphone market emerged, but the problem still has not been solved to this day, when a smartphone market already exists. With the matter of game censorship still unresolved, and with the operation of open-market games depending on the existing censorship system, the demand for the improved censorship of such games has increased.

There are a few factors that account for such demand for improvement. First, it is not easy to continue implementing the existing censorship system due to the environmental changes that have occurred. Thus, whereas the existing mobile-game market is local, the expansion to the smartphone market has the basic principle of being global. A system that is based on local characteristics, like the mobile-game market, can be operated according to national or regional systems, but a system with a global base, like smartphones, has a high chance of coming into conflict with national and local systems. In South Korea, all game contents are legally required to receive an age grade, but smartphone game contents or applications can be developed by anyone, from an individual to a company, and they only have to be registered with the application market where global business is possible. The development and distribution of a wide variety and big number of games is possible, but putting these through the existing legal censorship system will not lead to many benefits and may even pose as an obstacle to market activation.

Second, breaking away from global trends in a fast-changing digital environment can lead to the disadvantageous treatment of the South Korean game industry and companies and can ultimately lead to poor international competitiveness. South Korea actually has an excellent IT environment, users, and companies, but it cannot show off its strengths because of the existing game censorship system.

Third, the smart market is very attractive as a solution to creating jobs for young people. As mentioned above, compared to the existing system, the open system can activate small-scale businesses, but maintaining the existing censorship system can lead to negative effects.

The improvement of open-market game censorship is characterized by grade division privileges rather than grade division exceptions while maintaining the big framework of legal censorship. Therefore, companies are not exempt from grading their contents but are expected to do so autonomously. In this respect, the improvement of open-market games has policy significance as it indicates the possibility of game censorship system change. The improved open-market game censorship will start in the second half of 2011.

2.3 Strengthening the autonomous activities of the South Korean game industry

The negative image of games in the South Korean society triggered the holding of social-contribution activities by game companies from the early 2000s. The rapid growth of the game industry and the phenomenal sales of major game companies led people to expect such companies to make social contributions, having made a lot of money. The Korea Game Industry Association, an organization of game companies in South Korea, also focused on the interest in social-contribution activities from the early stage of its establishment. Of course, big companies were the focus of social contributions due to the financial problems being faced by many small and mid-sized companies. Meanwhile, the Ministry of Culture, Sports, and Tourism exerted policy efforts to improve the social awareness of games and to set the policy direction of "creation of a healthy game culture." The various social contributions of the game industry can also be seen as being in tune with the policy and direction set by the government.

The existing Game Culture Foundation made a fresh start in August 2010 based on donations worth 9 billion won from online-game companies. It was established as a response to the perceived need for a structure for social-contribution activities from the games area. Moreover, the social demands for the game industry to actively participate in game-culture-creation activities led to the game industry's comprehensive game culture campaign in 2009 and to the announcement of the comprehensive solution for the prevention of game overuse in 2010. As a result, the game industry gathered together related human resources to start the Game Culture Foundation.

The Game Culture Foundation is said to have significance in making the game industry's social-contribution activities and the activities for the creation of a game culture official from a social perspective. The establishment of the Game Culture Foundation is also significant in terms of policy because although a game culture policy has been continuously pursued, it has not been easy to produce policy effects through continuous activities due to the limited budget and the yearly change in scale. The establishment of the foundation can also supplement weak areas to a certain extent. In June 2011, the Game Overuse Counseling and Treatment Center was opened, with the support of the Game Culture Foundation, for expert research on, counseling for, and treatment of game overuse.

2.4 Increased interest in functional games

2010 can be seen as the year when the policy-related interest in functional games increased after it became a social issue in 2009. There was no development support or any related policy announcement in 2010, but the policy-related interest increased. A second functional-game forum was held, and a seminar was held in December on the functional-game policy and businesses. The Ministry of Culture, Sports, and Tourism also sealed an MOU with the Ministry of Justice and Korea Consumer Agency on functional-game development.

The policy interest in functional games has increased due to the recognition that functional games represent the positive functional effects of games. In 2010, a negative image of games was so prevalent that there was a continuous debate on the legalization of the shutdown system. In this situation, functional games received more interest than before as a subject of possible policies that can emphasize the good functions of games and that can perhaps help improve game awareness. The interest in functional games has increased not only in the Ministry of Culture, Sports, and Tourism but in other ministries as well, for promotional effects and to improve the services for the people as well as awareness.

The expanded interest in functional games in 2010 has been reflected in the 2011 policy project. The policy on functional games is finally fundamentally being pursued, around 10 years after the need for a policy was presented. Meanwhile, the first functional game jointly developed with an international organization, "Eco Friends," started its services in February 2011 (in Korean and English), and started multilingual services (Chinese, French, and Spanish) in July, becoming the first global functional game presented by South Korea.

2.5 Announcement of the mid- to long-term vision of e-sports

The public interest in and international position of the South Korean e-sports have largely improved in the latter's over-10-year history to date. In December 2004, the Ministry of Culture announced a "Mid- to Long-Term Vision of e-Sports" and clarified that e-sports is an important policy subject within the game policy, and that the establishment of the second Korea e-Sports Association made the activation of more systemized e-sports possible. "The 100,000-strong audience at Gwangan-ri, Busan" showcased the public position and power of the South Korean e-sports and became an object of envy on the part of the e-sports-related personnel in other countries. Qualitative growth of the South Korean e-sports sector has been witnessed, along with the growth of the South Korean game industry, and the cultural significance of e-sports as a major form of digital leisure has expanded.

If the 2004 "Mid- to Long-Term e-Sports Vision" was the first policy direction setting that resulted from the one-year-long discussions held by the related personnel based on the need to activate e-sports in the country, 2010 can be seen as the year when a long-term plan for e-sports was developed at a point when there was a need for a new leap. In July 2010, the Ministry of Culture, Sports, and Tourism announced the "Mid- to Long-

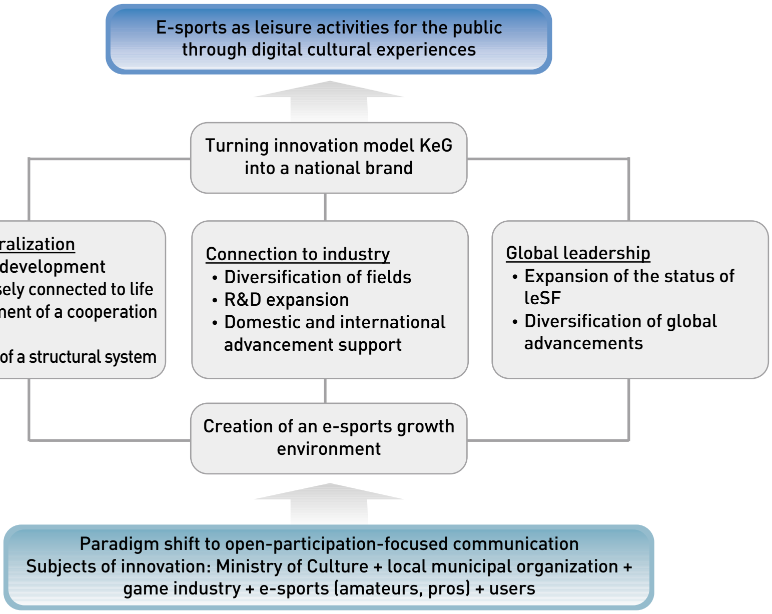
Term e-Sports Development Plan (2010-2014)." The subtitle "e-Sports Innovation 2.0" indicates the direction of the country's e-sports development plans, which is to change the country's stagnant e-sports into an innovative system based on a new policy vision, and to develop e-sports into a popular leisure culture where cultural communication in the digital age is possible.

One of the long-cherished goals of the country in relation to e-sports is to establish an exclusive e-sports stadium. There is currently a stadium in Yongsan, but it is more of a bridge stadium that is being used before the establishment of an exclusive stadium. There have been a few discussions on the building of exclusive e-sports stadiums, and some local municipal organizations have expressed interest in such project, but no such project was actually pursued until Seoul City established a plan to construct an exclusive e-sports stadium with an IT tower in Sangam-dong, in line with its active pursuit of the e-

[Five Major Strategies]

1. Expansion of e-sports as leisure activities for the public
2. Expansion of the game business through e-sports
3. Strengthening the country's global leadership in e-sports
4. Creation of an environment for the continuous growth of e-sports
5. Turning the sports innovation model KeG into a national brand

[Policy Vision]



sports business. The construction of the stadium, a joint project of the Ministry of Culture, Sports, and Tourism and Seoul City, is now in progress. Upon its completion, it is expected to gain symbolic significance as the world's first exclusive e-sports stadium.

The five major strategies and vision of the "Mid- to Long-Term e-Sports Development Plan (2010-2014)" are as follows:

2.6 Strengthening the mobile-game-contents support

The smartphone market provided a turning point to once again realize the importance of the mobile sector in game policies. The policy on mobile games has not been able to break away from the level of general development support, just like other platforms. Meanwhile, the mobile-game industry issue that was focused on was the improvement of the relations with mobile-telecommunication companies, but policy support for such did not actually yield much effect. Only time will tell if the relationship between mobile-game developers and mobile-telecommunication companies, in other words, the relationship between contents businesses (CP) and platform business, will completely be resolved in an environment where an open business system of mobile contents is being activated, but it can be said that a better environment is being created. Furthermore, the development of digital devices is breaking down the existing barrier between mobile and online games. This means that the growth and expansion of the mobile-game and mobile-contents markets can be easily predicted.

In this respect, it can be said that strengthening the policy support for mobile games has more than sufficient significance. Just as a game hub center was created through policy support to preoccupy the future market with support for next-generation game development, as mobile games have a next-generation characteristic with a further growth potential, the basic direction for policy effects should be for the mobile-game support center to be based on open and expansive ideas and ranges.

3. User Trends

3.1 Research summary

Korea Creative Content Agency conducted a survey on February 7-28, 2011 among 1,700 subjects extracted from a pool from the general public aged 9 to 49, according to local region, gender, and age, using the percentage quota system for each field. The survey method was a multimode system consisting of a telephone survey followed by an online survey. The survey contents consisted of questions on living standards related to game use by the users, game use and consumption, users, game awareness, and trends according to game user.

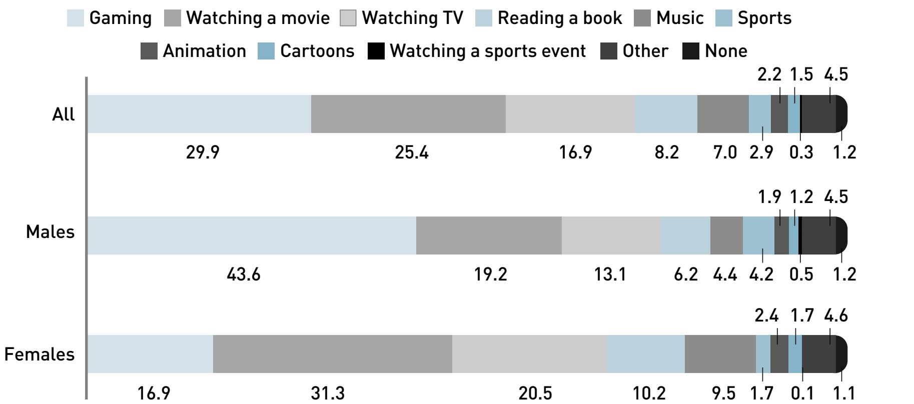
3.2 Major analysis results

(1) Activities Enjoyed during Free Time

The activities that the respondents enjoyed during their free time were surveyed, and "gaming" came out as the most preferred activity (29.9%). "Watching a movie" came in second at 25.4%. "Gaming" was the third most preferred activity in 2009 (20.4%), but it was the most preferred in 2010 (29.3%) and then again in 2011, as mentioned earlier, with a slight increase (29.9%).

Figure 5 Activities Enjoyed during Free Time (according to Gender)

(1 rank; unit: %; n=1,700)



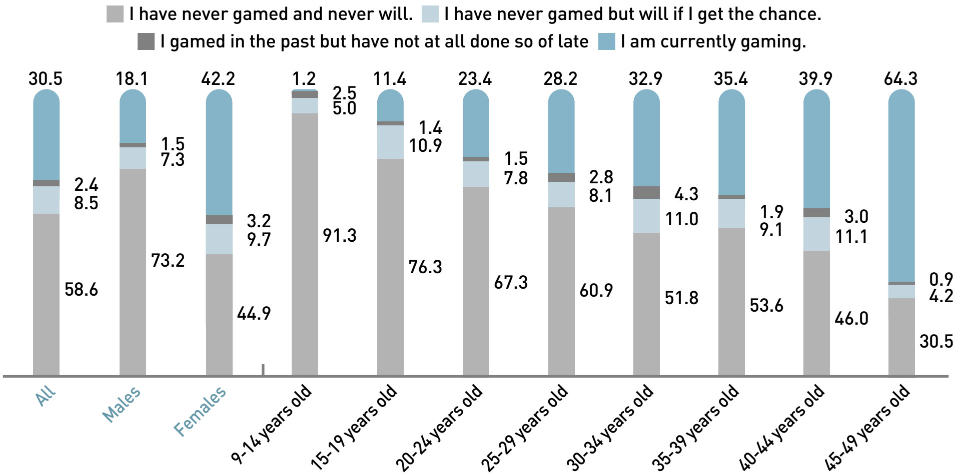
Meanwhile, there was a slight difference in activities according to gender. The activities that the males enjoyed during their free time (in descending order of frequency of performance) were "gaming" (43.6%), "watching a movie" (19.2%), and "watching TV" (13.1%) while for the females, they were "watching a movie" (31.3%), "watching TV"(20.5%), and "gaming" (16.9%). Gaming by males especially continuously increased, accounting for 29.8% in 2009, 39.9% in 2010, and 43.6% in 2011.

(2) Gaming Experience

When asked if they were currently gaming, 58.6% answered "I am currently gaming" (50.3% currently gaming + 8.3% gaming at least once in the last six months), and 8.5% answered "I gamed in the past but have not done so at all of late," showing that 67.1% of the subjects had game experience. According to gender, 73.1% of the males answered "I am currently gaming" whereas a comparatively low 44.9% of the females answered the same. According to age, 91.3% of the subjects aged 9 to 14 answered "I am currently gaming," making it the age group with the highest gaming percentage. In addition, the answer "I am currently gaming" decreased as the age increased, while the answer "I have never gamed and never will" increased.

Figure 6 Gaming Experience (according to Gender/Age)

(Unit: %; n=1,700)



(3) Main Time and Place for Gaming

When asked where they mainly gamed, most responded "(at) home" (80.1%), followed by "(at a) PC room" (12.6%) and "(at the) school/office" (3.6%). PC room gaming according to gender showed that males game therein (15.6%) more than females do

(8.1%). Moreover, while all ages game mostly at home, those in the 25-29 age group game mostly in PC rooms (21.2%).

Meanwhile, the main gaming time range was "6-10 p.m." (37.9%), followed by "10 p.m.-2 a.m." (28.2%) and "12-6 p.m." (27.3%). According to age, the 9-19 age group gamed mainly during the day and evening while the 20-44 age group gamed mainly in the evening, late at night, and in the early morning, showing that different age groups have different gaming time patterns.

Figure 7 Main Time and Place for Gaming (according to Gender)

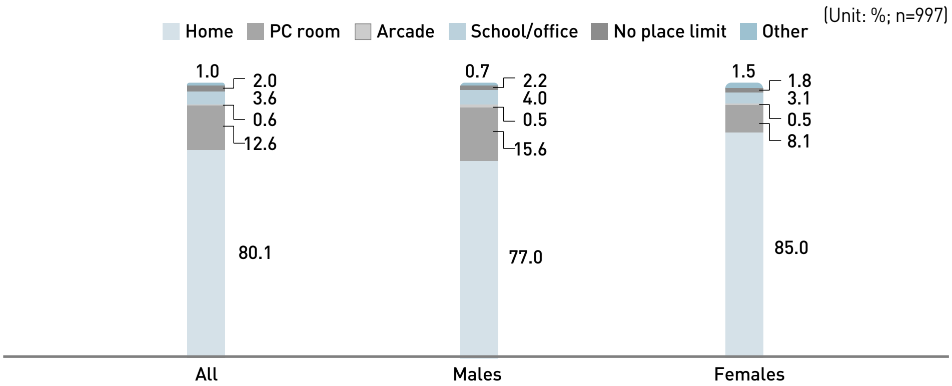


Figure 8 Main Time and Place for Gaming (according to Age)

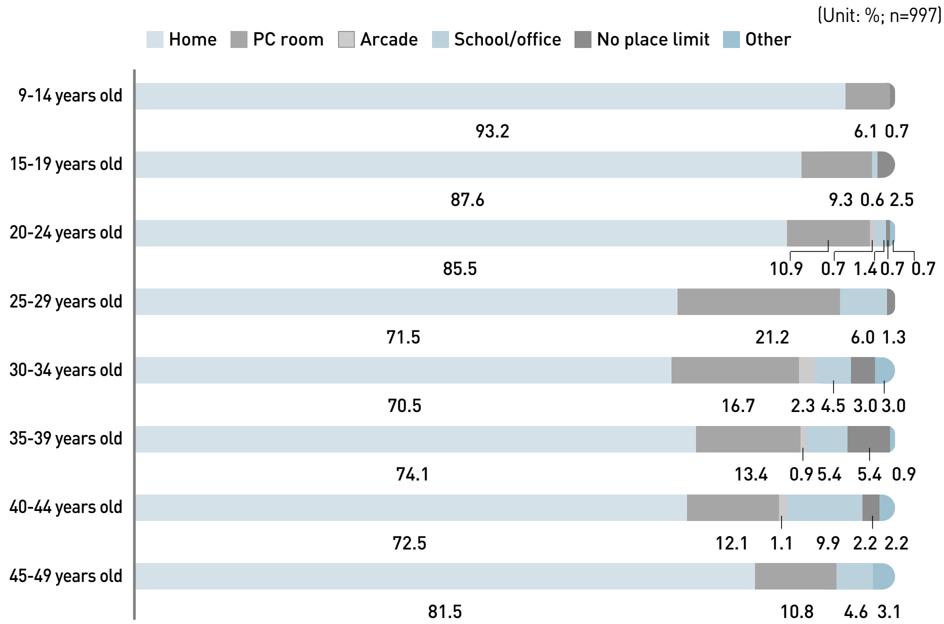
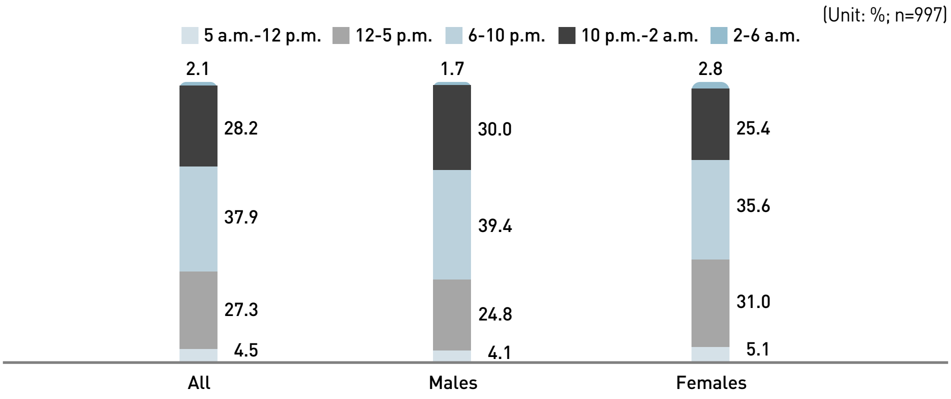


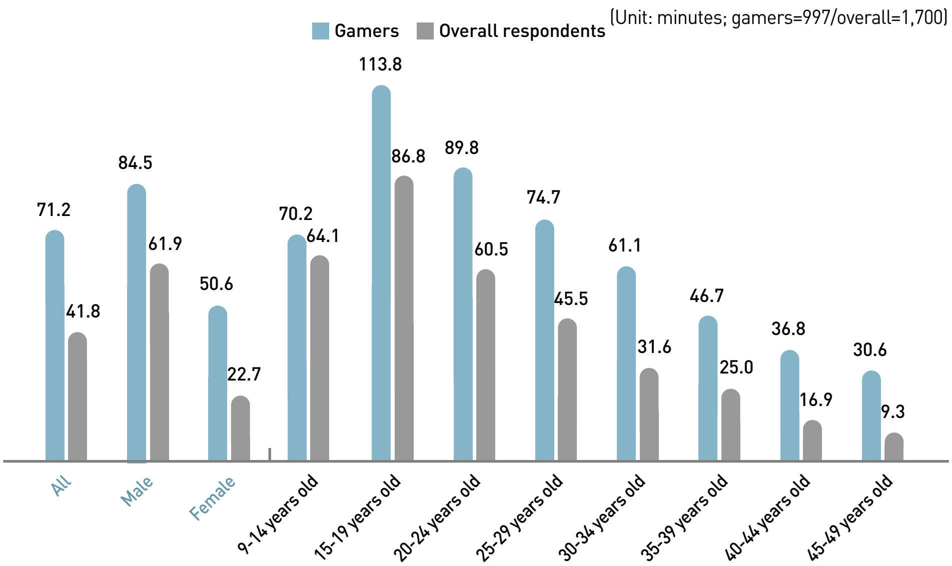
Figure 9 Main Gaming Time Range (according to Gender)



(4) Average Gaming Time per Day

The average gaming time per day was surveyed according to the gamers and the overall respondents, including the non-gamers. The gamers said that they spend 71.2 minutes gaming on average, and the overall respondents said that they spend 41.8 minutes gaming. Focusing on the gamers, the males (84.5 minutes average gaming time) spend around 30 minutes or more gaming than the females do (50.6 minutes average gaming time). According to age, the 15-19 age group game the most (113.8 minutes on average). The gaming time declined after reaching the peak at the 15-19 age group.

Figure 10 Average Gaming Time per Day (according to Gender/Age)



(5) Preferred Game Platform and Genre

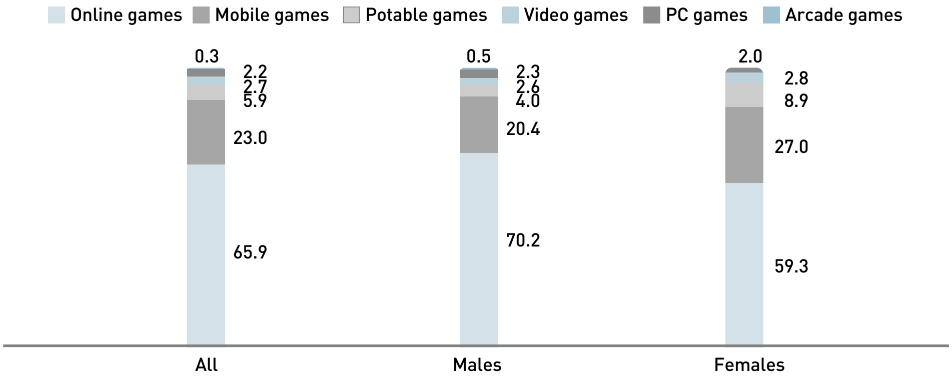
As for the game fields mostly used by the gamers, 67.1% of the respondents indicated "online games," followed by "mobile games" (15.3%) and "PC games" (8.6%). For both the males and females, most answered "online games" while the females used "mobile games" (22.1%) and "portable games" (7.1%) more than the males did. All the age groups had a strong preference for online games, with at least half giving such answer. The most preferred game genre was "role playing" (30.4%), followed by "Web board game" (12.7%), "strategic simulation" (9.1%), and "FPS" (8.6%).

(6) Leading Platforms in the Future

When asked which platform they thought was most promising to lead the South Korean game market in the future, 65.9% answered "online games," followed by "mobile games" (23.0%) and "portable games" (5.9%). "Online games" were still strong, but the number decreased compared to the 2009 and 2010 survey results (75.6 and 72.3%, respectively). In fact, the choice of "mobile games" increased from 12.2% in 2010 to 23.0% in 2011. According to age, more than 30% of all the groups aged 30 and above answered "mobile games."

Figure 11 Game Platforms Most Likely to Lead the South Korean Game Market in the Future (according to Gender)

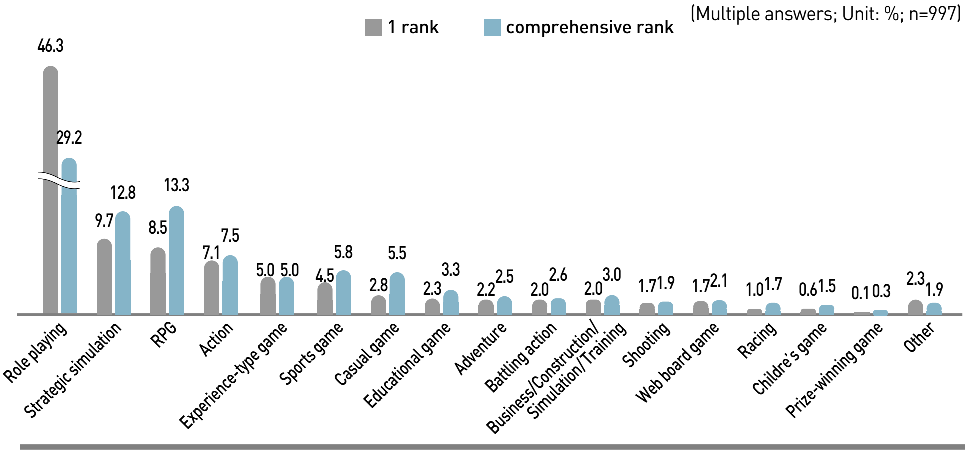
(1 rank; unit: %; n=997)



(7) Leading Game Genres in the Future

When asked which genre they believed would lead the game market in the future, "role playing" came first both for the question that asked for the first place and that which asked for multiple answers (46.3 and 29.2%, respectively). There were no big differences between the other genres. The ranking for the first place was in the (descending) order

Figure 12 Opinions on the Leading Genres in the Future Game Market



of "strategic simulation" (9.7%), "FPS" (8.5%), and "action" (7.1%), and the ranking for multiple answers was in the (descending) order of "FPS" (13.3%), "strategic simulation" (12.8%), and "action" (7.5%).

(8) Reason for Choosing a Game

When asked what they considered important when selecting a game, 62.2% of the respondents answered "the genre that I like," followed by "the contents that I like" (14.8%) and "recommendation of people who have tried the game" (10.3%). The females indicated that they consider "the genre that (they) like" slightly more than the males do, and a slightly higher percentage of the females answered "the contents that I like" and "recommendation of people who have tried the game" compared to the males.

Figure 13 Reason for Choosing a Game (according to Gender)

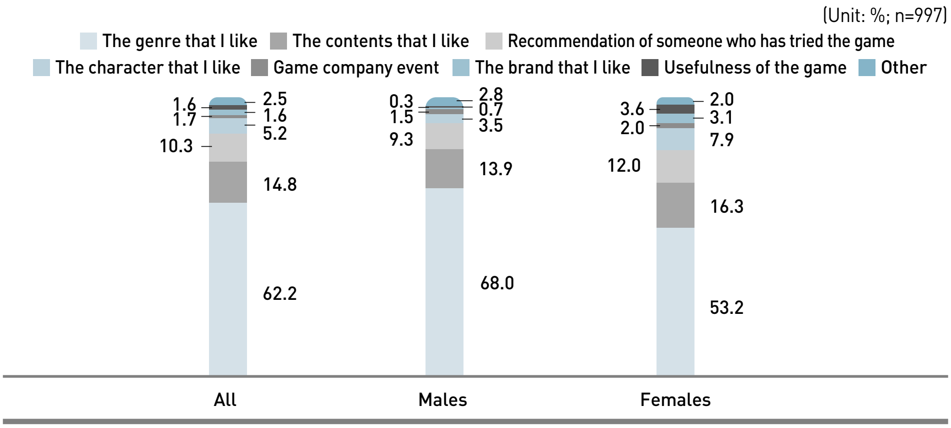
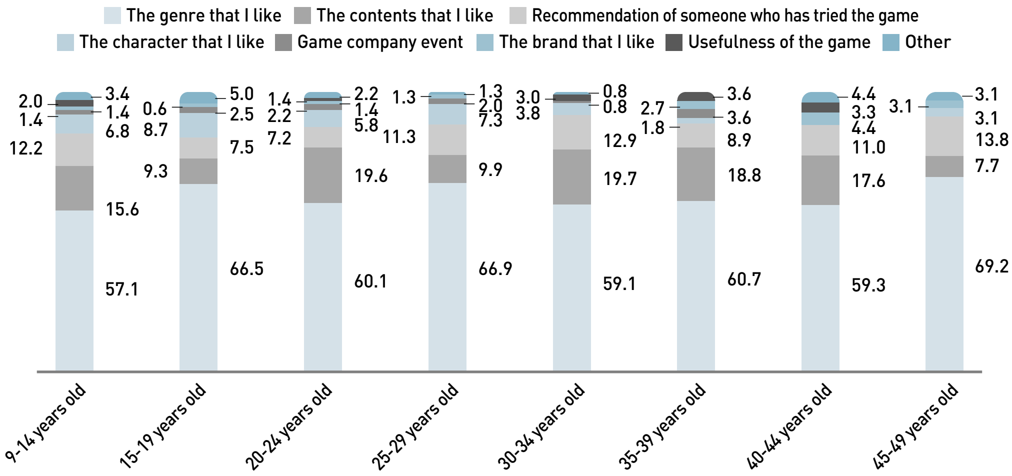


Figure 14 Reason for Choosing a Game (according to Age)

(Unit: %; n=997)

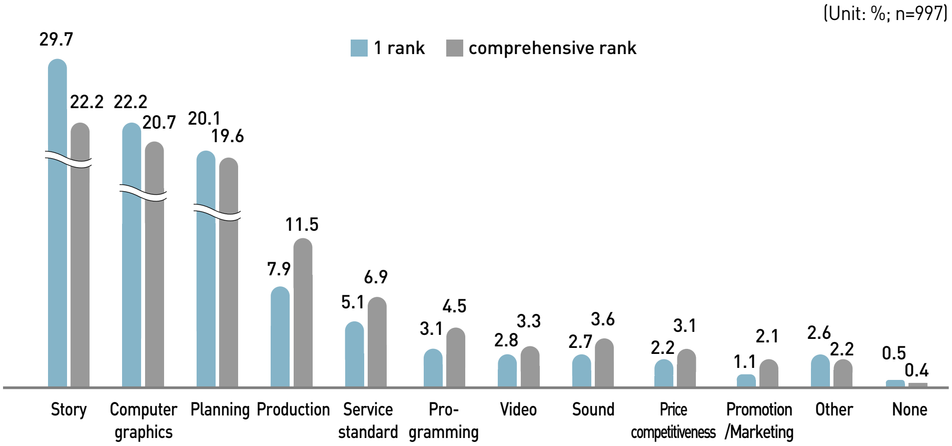


(9) Major Interesting Elements within a Game

The game areas that people found interesting were in the (descending) order of "story" (29.7%), "computer graphics" (22.2%), and "planning" (20.1%). "Story" was the most interesting game element for most of the age groups, but the 15-19 and 40-44 age groups considered "computer graphics" most interesting (30.4 and 26.4%, respectively) while for those in the 30-34 and 35-39 age groups, the most interesting was "planning" (28.8 and 26.8%, respectively).

Figure 15 Most interesting game elements

(Unit: %; n=997)



Information on Contents Industry

Korea Creative Contents Agency,
250-15 Sangam-dong road (1602 Sangam-dong),
Mapo-gu, Seoul, Korea
(Postal code : 121-270)
PHONE : 82-2-3153-1114
FAX : 82-2-3153-1115
URL : www.kocca.kr

Overseas Branch

KOCCA USA (LA)
5509 Wilshire Blvd. Los Angeles,
CA 90036
PHONE : 1-323-935-5001

KOCCA China (Beijing)
KOREA CENTER, NO1, Guanghua Xili,
Guanghua Rd Chaoyang District,
Beijing 100020, China
PHONE : 86-10-6501-9951

KOCCA Japan (Tokyo)
6F, Iidabashi Rainbow Bldg.,
Ichigayahunagawaramachi,
Shinjuku-ku, Tokyo 162-0826, JAPAN
PHONE : 81-3-3513-4872

KOCCA Europe (London)
2F, 2 Conduit Street, London W1S 2XB,
United Kingdom
PHONE : 44-20-7016-3332