

JYP Entertainment

2022 Investor Relations

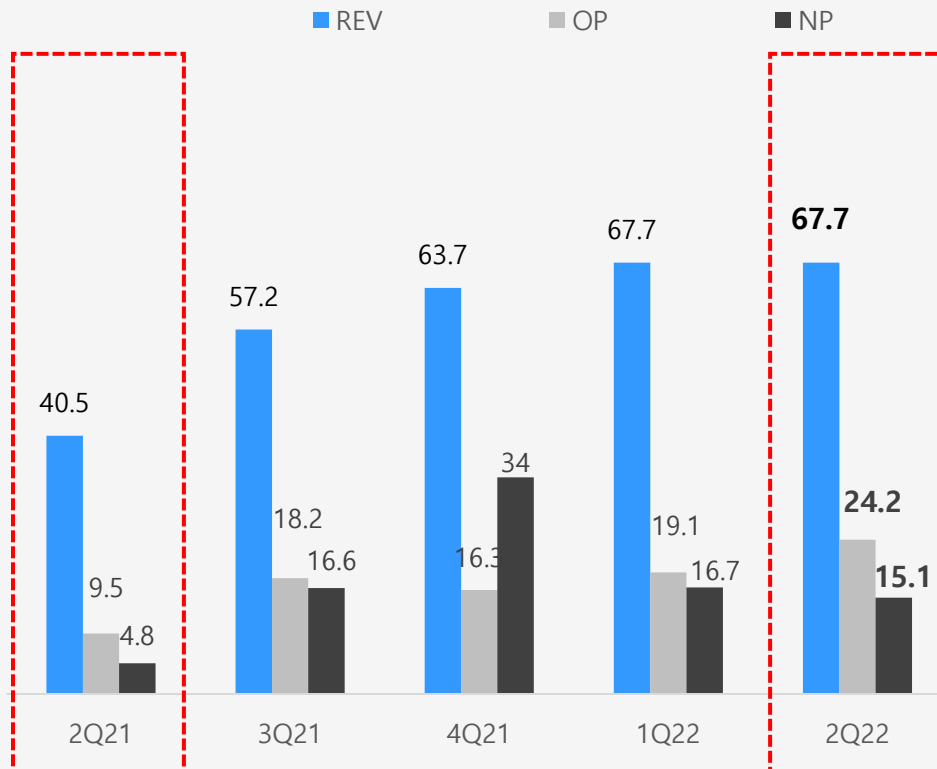


#2Q22 FINANCE RESULT

“Achieved solid top-line growth and the highest quarterly earnings based on increasing overseas demand for contents and offline base business resume”

OVERVIEW

(Unit: KRW Bn)



► Q2 2022

Unit: KRW Bn

- REV: 67.7 (yoy+67.1%)
- OP: 24.2 (yoy+152.9%)
- NP: 15.1 (yoy+214.9%)

► Revenue driven by offline base businesses and music sales

- 1) NAYEON's first solo album sold in volume/ music library sales rose
 - Physical sales **yoy+10%** / Streaming **yoy+18%**
- 2) Offline base (concert/ads/MD)sales surged
 - highest quarterly revenue achieved for concert (10) / MD (8.6) / ads (5.1)
- 3) Offline base revenue approx. 20% (vs. Before COVID approx. 30%)
- 4) Overseas revenue % reached 55% (JAPAN 25% / Others 27%)

► Margin expansion with top-line growth vs. slim cost structure

- 1) Continuing top-line growth over stable contents production cost
 - Contents production cost **yoy+12%**, Other expense **yoy+28%** (GPM 55.3%)
- 2) Highest OP achieved through efficient cost structure (**yoy+27%**)
 - No particular one-offs except incentive (OPM 35.8%)

Q2 Result – P/L Summary

2022 JYP Investor Relations

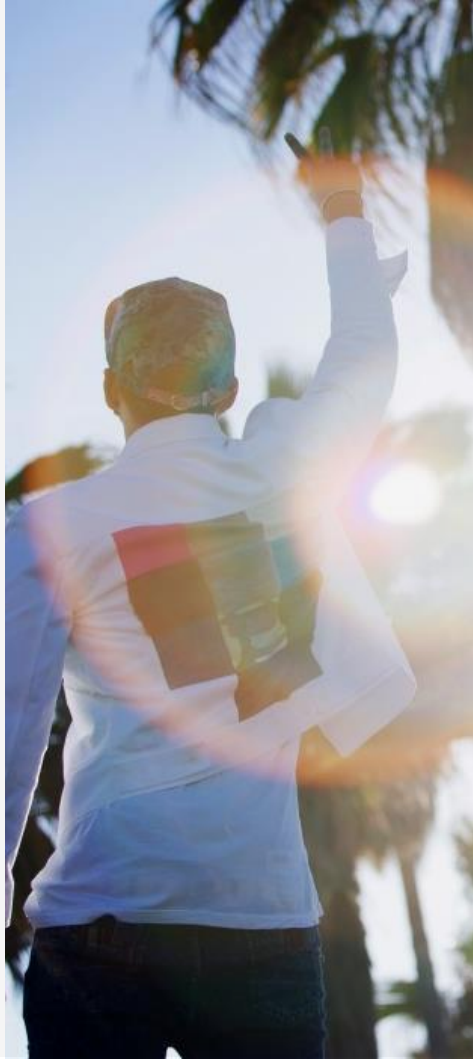
(Unit: KRW Bn)

	2022 Q2 (a)	2021 Q2 (b)	Growth (yoy)	Gap (a-b)	Remarks
Revenue	67.7	40.5	67.1%	27.2	Physical sales volume & offline base management revenue rose - [Physical Album] NAYEON 1 st album sold 600K copies & music library revenue rose - [Concert] TWICE / Stray Kids World Tour revenue reflected - [Ads] Highest revenue achieved due to increasing demand from brand owners - [MD/Others] Highest MD sales achieved with the reopening of concert business / IP licensing royalty revenue continues to increase - [JAPAN] TWICE 11.1 / NiziU 2.7 / Concert 6.7 / etc. - [Others/Region] Republic Records album sales 5.0
COGS	30.2	20.5	47.3%	9.7	Notable margin expansion with GPM 55.3% (yoy+4%pt) 1) Overseas (JAPAN) net base revenue and contents sales continue to rise and drive further margin expansion - Contents production cost 11.6 (yoy+12%) / Other expense 8.6 (yoy+28%) 2) Artist fee 9.9 (yoy+197%)
Gross Profit	37.4	19.9	87.5%	17.4	
L SG&A	13.1	10.3	27.1%	2.8	Low level of SG&A maintained (yoy+27%) - Only the incentive (4.5) increased (yoy+3.1)
Operating Profit	24.2	9.5	152.9%	14.6	[Q1] OPM 35.8% (yoy+12.1%pt) / [H1] OPM 32% (yoy+2.1%pt)
L Financial Income	5.9	1.3	332.8%	4.5	'4by4' fair valuation reflected after IPO (+4.3)
L Financial Expense	7.7	2.4	210.7%	5.2	NAVER-Z equity valuation dropped (-6.8)
Net Profit	15.1	4.8	214.9%	10.3	Corporate tax (7.3)



#INVESTMENT H/L

“Artists’ Growth based on K-POP global expansion / Management Resume / Line-up Expansion through Localization / Inorganic Growth through Strategic Alliance & Investment”



Summary of Investment Highlight

• Main Artists Growth / Concert Tour Resume / US Expansion

- [JYP><REPUBLIC RECORDS] Main artists such as Stray Kids, ITZY, NAYOEN all became a top ranker on “Billboard 200 Chart” since Strategic partnership agreed, and its influence to further expand on artists’ growth in the west
- [TWICE] “TWICE 4th WORLD TOUR” completed. H2, plan to release a new album and host a fan meeting as well as unit activity
- [Stray Kids] Expecting to build up bigger global fandom since achieved “No.1 on Billboard” and “hosted 2nd World Tour in H1”. Planning another major “World Tour” until H1 2023 and also preparing for an album release in H2 2022.
- [ITZY] Latest album sold 930K copies (double growth from the previous album). H2, planning to release 3 more albums including one digital. Also, hosting a World Tour in Seoul and the major cities in the US
- [NiziU] Financial contribution exceeded over KRW25.0bn since debut in Dec 2020. H2, hosting 1st ARENA Tour in Japan
- [NMIXX] Debut album sold 500K copies and planning to release 2 more albums in H2 incl. one digital

• Line-up Expansion & Global Localization

- [LOUD: Global] [NiziU BOY: Japan] [Project. C: China] [A2K Project: USA] 4 more groups to make debut in 2023

• Inorganic Growth Plan: Strategic Investment

- Plan & execute further strategic investment as NAVER-Z (ZEPETO), DEAR U, 4BY4 (Average equity value went up roughly 10times)
- JYP360 established in June 2022. Setting up e-commerce mall to enhance MD sales and to facilitate IP related business

• Digital Content Sales & High-margin Japan/US Business to Expand

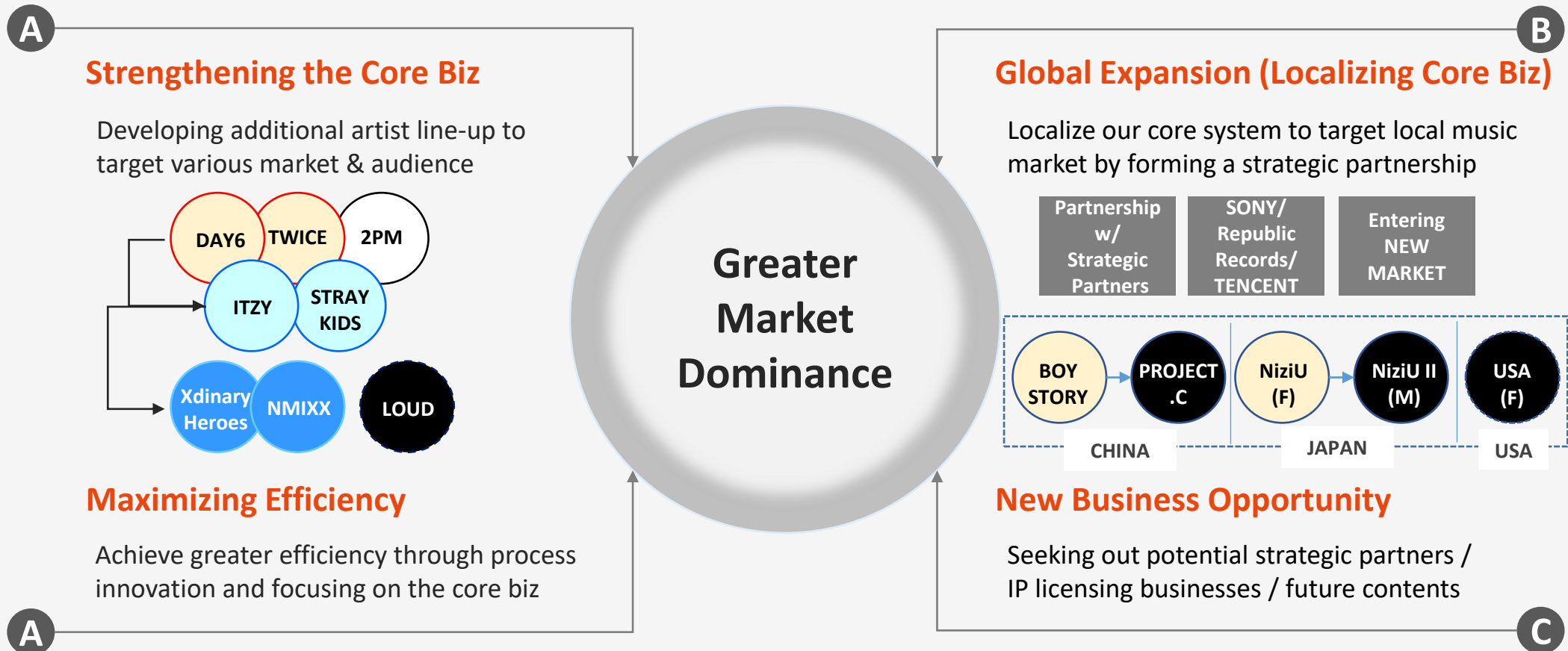
- Streaming & YouTube continue to increase - YouTube Subs. ytd+4MN (25.2MN)¹
- Highly profitable management revenue to increase from Japan Tour/increasing overseas contents demand

1) As of Aug. 2022



#APPENDIX

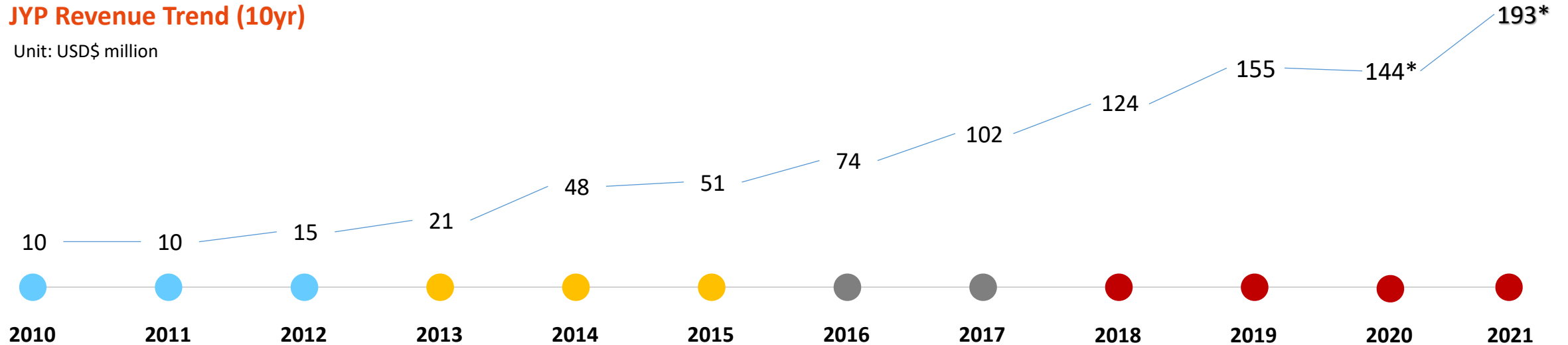
“Focusing on three strategic direction: **A** Strengthening the Core Biz, **B** Global Expansion by Localization and **C** New Business Expansion”



“JYP has proved sustainability and continued fast growth over the last decade under 4 key development phases”

JYP Revenue Trend (10yr)

Unit: USD\$ million



● K-Pop Expansion into Asia

- 2PM Debut (2008)
- Established China Office (2008)
- Established Japan Office (2010)
- Established Thailand Office (2011)

● Merger & Artist Expansion

- Merged J.TUNE Ent. Through RTO (2013)
- [Voting Committee \(2014\)](#)
- GOT7 Debut (2014)
- TWICE Debut (2015)
- DAY6 Debut (2015)

● Change in Structure & Systemization

- [Changed Group Structure into 4 Labels \(2016\)](#)
- TWICE Debut in Japan (2017)
- Established HK Office (2017)

● K-Pop Riding on Digital era : Globalization

- Stray Kids Debut (2018)
- New JYP Center Open - JYP 2.0 (2018)
- [Boy Story Debut - Localization \(2018\)](#)
- ITZY Debut (2019)
- [JPN Nizi Project - Localization \(2020\)](#)
- [Established JYP360 \(2021\)](#)
- Xdinary Heroes Debut (2021)

* COVID19 outbreak vs. achieved highest earnings record

Main Artists



2PM

Debut in 2008

Attracted More than [2.2 Million Audience](#) through ‘World Tour’.

Solid Fan-base in Japan

TWICE

Debut in 2015

Top Female Group Artists in ASIA.

[YouTube Views over 17billion](#) with 14.5million subscribers &

[Albums Sold over 14million](#) since 2016.

Hosted ‘TWICE 4th World Tour’ in the US and Japan in 2022 attracting 300,000 audience

DAY6

Debut in 2015

Hosted World Tour in 26 global cities in 2020.

‘Sing a Song Writer and Composer’

Main Artists



STRAY KIDS

Debut in 2018 (Mar)

With release of “ODDINARY” album in 2022, ranked No.1 on ‘Billboard 200’ main chart and hosted 18time world tour concerts around 10 global cities in 2022
YouTube subscribers over 10.5million since debut in 2018



ITZY

Debut in 2019 (Feb)

Reached 34million YouTube views within 48 hours of their first M/V release on YouTube, “DallaDalla” & the latest album release “CHECKMATE” ranked no.8 on ‘Billboard 200’ chart in 2022
YouTube subscribers over 7.5mn and reached over 4bn YouTube views since debut



Xdinary Heroes

Debut in 2021 (Dec)

JYP Entertainment’s 2nd Boy Band debut following DAY6 success – all members specialized in musical instrument

Hot Prospects



NMIXX

Debut in 2022 (Feb)

Reached more than 30million YouTube views within 48 hours of their first M/V release and sold over 500K physical album copies upon their debut (marked as the highest debut album sales record among K-Pop female groups in history)

Local Artists



BOY STORY (JV)

Debut in 2018 (Sep)

Ranked No.1 in 'QQ Music Video Chart' and 'Weibo Asia Music Chart' upon the debut.

JYP's First Local Artist under JV with TENCENT



NiziU

Debut in 2020 (Dec)

Ranked No.1 in ORICON Chart in Japan with pre-release digital songs and topped all 64 local chart incl. Line Music.

NiziU jointly produced between JYP Ent. & SONY Music Japan and made first debut in Dec 2020 (The first physical album sold 500K)

Currently hosting 15time Arena Tour in Japan

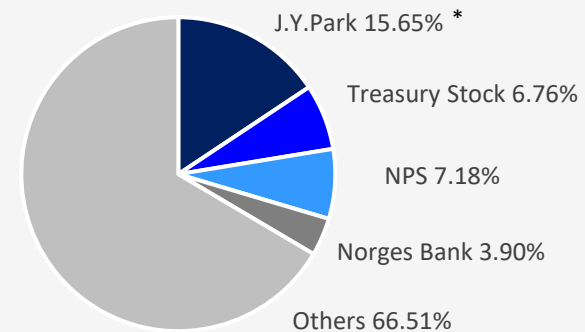
COMPANY OVERVIEW

- COMPANY: JYP ENTERTAINMENT Co. Ltd
- Establishment: 25 APR. 1996
- Equity: KRW 17.9 bn.
- Market Cap.: KRW2.1tn (As of 12th Aug. 2022)
- CEO: WOOK JEONG
- IPO: 30 AUG. 2001
- No. of Employees: 301 (As of 12th Aug. 2022)
- Business Field: Music Production & Recording, Artist Management (Agency), Contents Production

SHAREHOLDERS

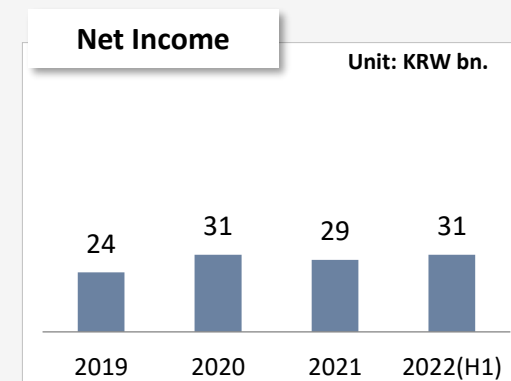
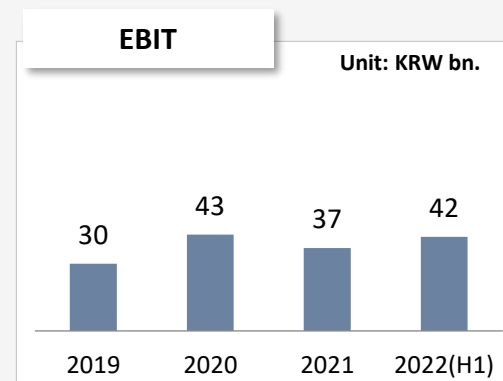
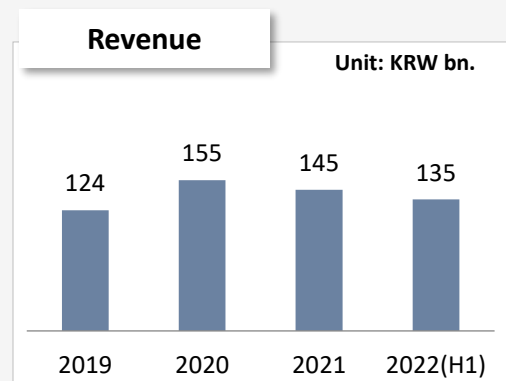
(As of 12th Aug. 2022)

- Jin Young Park (Founder): 15.22%
 - Treasury Stock: 6.76%
 - National Pension Service: 7.18%
 - NORGES BANK: 3.90%
- [Total Stock Issued: 35,497,492]



*Incl. key management

KEY FINANCIALS

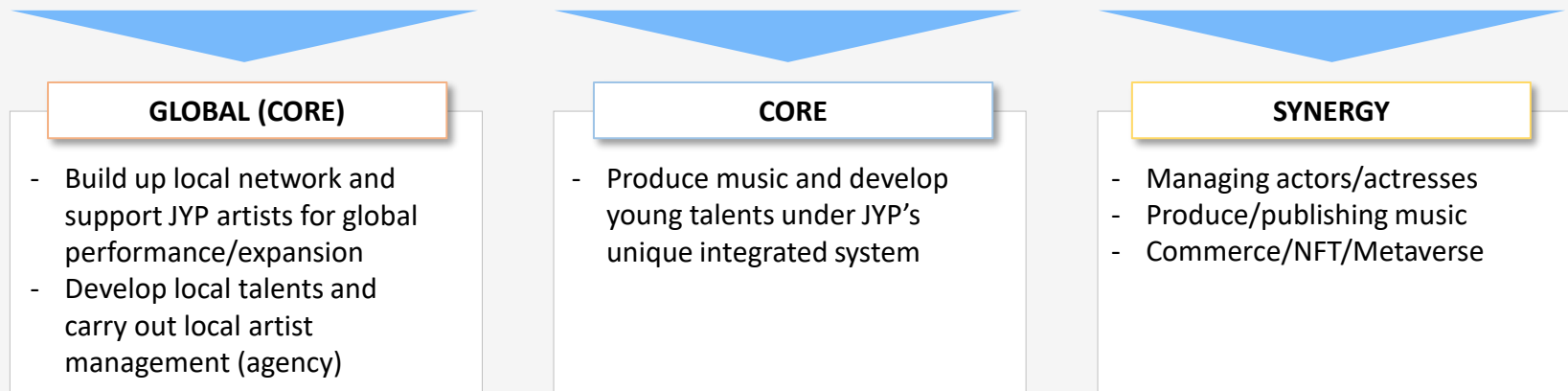


* COVID19 breakout (2020, Feb)

Subsidiary & Affiliated Companies



Roles/Business Field



Statement of Financial Position - Consolidated (B/S)

(Unit: KRW bn.)

	2022 (Q2)	2021	2020
Current Assets	174.6	159.1	126.9
Non-current Assets	164.1	158.2	97.2
Total Assets	338.8	317.4	224.1
Current Liabilities	62.1	58.3	33.3
Non-current Liabilities	6.8	8.4	4.6
Total Liabilities	68.9	66.7	37.9
Capital	17.9	17.9	17.9
Capital Surplus	76.9	76.9	76.9
Treasury Stock	-9.9	-11.0	-12.0
Retained Earnings	182.0	162.2	99.9
Equity attributable to the owners of the Parent Company	265.6	246.6	182.6
Total Equity	269.8	250.6	186.2

Statement of Comprehensive Income - Consolidated (P/L)

(Unit: KRW bn.)

	2022 (H1)	2021	2020
Revenue	135.5	193.8	145.4
Cost of Sales	66.7	89.7	68.5
Gross Profit	68.8	104.1	76.8
Selling and Administrative Expenses	25.3	46.2	32.7
Operating Income (Loss)	43.4	57.9	44.1
Other Non-operating Income	0.2	0.6	0.0
Other Non-operating Expenses	1.7	3.1	2.0
Financial Income	6.4	18.4	2.8
Financial Expenses	7.7	2.6	6.9
Share of Profit(Loss) of Associates and JVs	1.3	14.6	0.0
Profit Before Income Tax	42.0	85.9	37.9
Income Tax Expense	10.0	18.4	8.3
Net Profit (Loss)	31.9	67.5	29.6