

JYP Entertainment

2023 Investor Relations

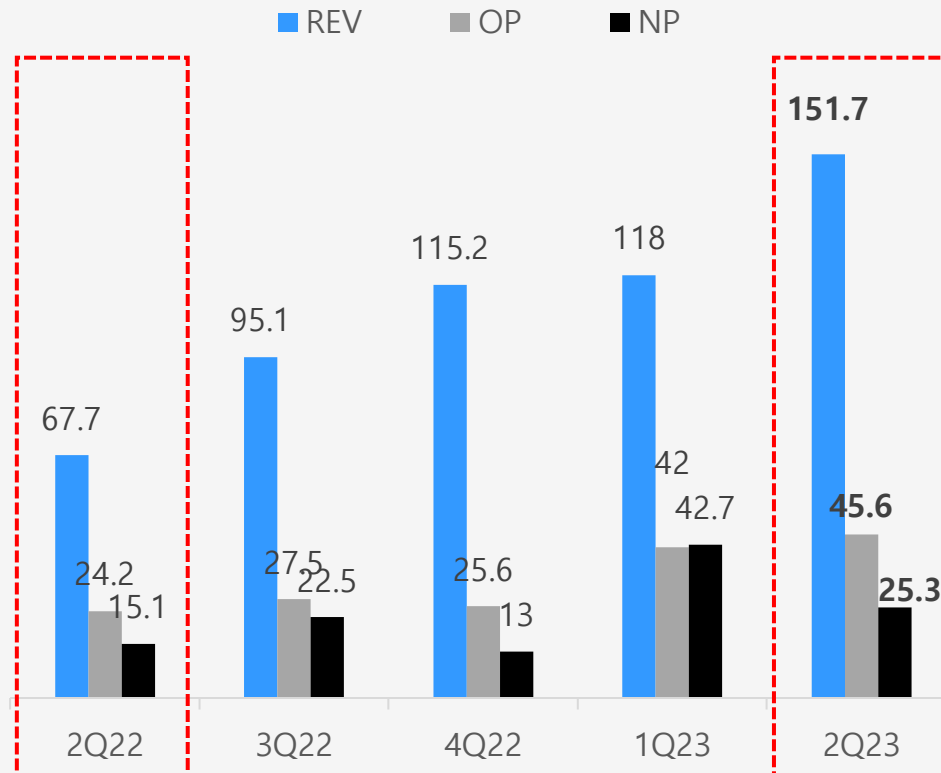


#2Q23 FINANCE RESULT

“Despite the temporary increase in content production cost, 2Q result hits all time high as demand for concerts and contents increase with growing popularity of K-pop overseas”

OVERVIEW

(Unit: KRW bn)



► 2023 2Q

(Unit: KRW bn)

- REV: 151.7 (yoy+123.9%)
- OP: 45.6 (yoy+88.2%)
- NP: 25.3 (yoy+67.1%)

► Robust album sales / Global concert, merchandise & IP REV. surge

- 1) SKZ, TWICE & NMIXX's physical sales upsurged/ streaming REV increased
 - Physical sales **yoy+298%** (Republic Records REV contribution: 14.5bn)
 - Streaming REV **yoy+15%** (cml¹), **yoy+18%**
- 2) Concert REV hit record high / MD and others (incl. IP licensing) REV surged
 - Concert REV **yoy+44%** (reached record high REV, 14.4bn)
 - Merchandise REV **yoy+151%** (JYP360, 14bn)
 - Others **yoy+45%** / IP licensing REV (incl. DEARU) **yoy+63%**
- 3) Rev. increased across all region (domestic **yoy+163%**, Others/NA²) **yoy+141%**

► Quarterly margin declined due to content production cost

- 1) GPM 47.7% (cml. 49.1%, **yoy-1.6%pt**) / OPM 30.1% (cml. 32.5% **yoy+0.5%pt**)
- 2) Production cost incl. Album/MV etc. (**yoy+227%**) / Artist fee (**yoy+152%**)

1) Cml : Cumulative (1H) 2) NA : North America

2Q Result – P/L Summary

2023 JYP Investor Relations

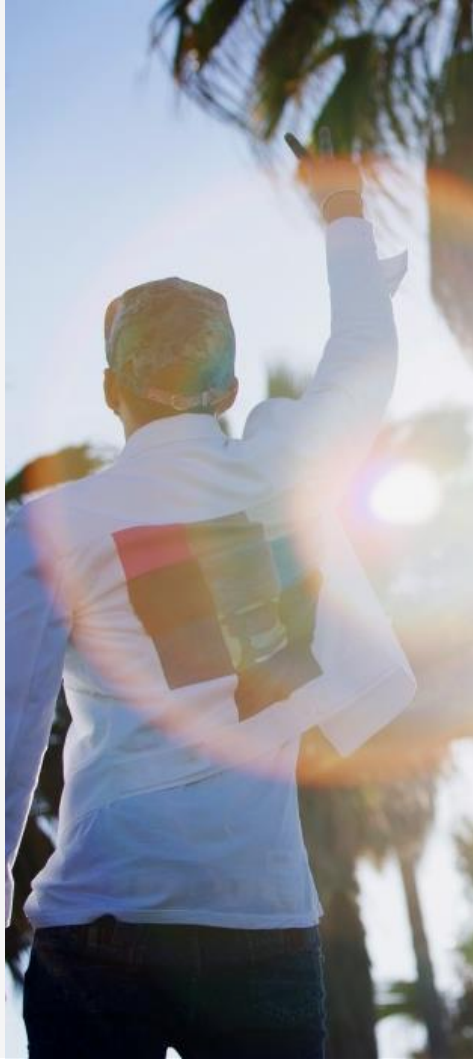
(Unit: KRW bn)

| | 2Q23 (a) | 2Q22 (b) | Growth (yoy) | Gap (a-b) | Note |
|----------------------------------|-------------|-------------|-----------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Revenue | 151.7 | 67.7 | 123.9% | 83 | Continuous growth in content REV / quarterly highest REV achieved from concert - [Physical] SKZ / TWICE / NMIXX drove sales, 74.1bn (Republic Records contributed 14.7bn) - [Concert] TWICE World Tour & SKZ / NiziU deferred REV in 1Q reflected (5.5bn), Achieved quarterly high REV, yoy+44% - [Merchandise] Japan / JYP360, etc. REV 21.7bn (JYP360 contributed 14bn – incl. physical sales / JYP360 Japan mall REV) - [Others] REV 19bn yoy+45% (IP licensing REV Incl. DEARU 14.1bn, yoy+63%). QoQ REV decreased due to surging JYP Publishing REV in 1Q - [Others/N.A.] Increasing content demand drove record high REV at 43.7bn (yoy+141%) - [Japan] Increase in TWICE / SKZ merchandise (9bn) & other management REV (yoy+46%) |
| COGS | 79.4 | 30.3 | 162.2% | 49 | GPM 47.7% (yoy-7.6%pt) 1) Quarterly GPM temporarily dropped due to increasing production cost and artist fee - Content production cost +26bn (yoy+227%) - Artist fee yoy+152% |
| Gross Profit | 72.3 | 37.5 | 93.0% | 34 | |
| L SG&A | 26.6 | 13.2 | 101.7% | 13 | Increase in incentive and commission (yoy+102%) - Incentive yoy+128% / Commission +3.6bn (A2K project cost and JYP360 PG cost & etc.) |
| Operating Profit | 45.7 | 24.3 | 88.2% | 21 | OPM 30.1% (yoy-5.7%pt) Cml. 1H OPM 32.5% (yoy+0.5%pt) - Project cost incl. A2K temporarily increased |
| L Financial Income | 1.2 | 0.8 | 55.8% | - | Donation, 1.2bn |
| L Financial Profit (Loss) | 1.5 | 13.7 | - | -12 | Quarterly decline in fair value evaluation on Naver-Z/ 4BY4, yoy-11.5bn |
| Net Profit | 25.4 | 15.2 | 67.1% | 10 | Corporate Tax, 13.9bn |



#INVESTMENT H/L

**“Expansion of K-pop led to faster artist-growth and continuous increase of content & concert demand/
We plan to expand the global artist line-up, and to enhance business competency by seeding strategic subsidiaries.”**



Summary of Investment Highlight

• Main Artist's Growth Accelerates & Overseas Concert Demand continues to Expand

- [JYP < Republic Records] Strengthening the Strategic Partnership for NA consolidation, A2K Project Debut imminent
- [Stray Kids] Ranked No.1 on Billboard for two years straight (2022&2023), and the latest album sold over 5mn physical copies.

Preparing for a major comeback with 8time Dome Tour in Japan and additional album release in 2H

- [TWICE] Continuing growth with the latest physical sales record at 1.8mn. Tickets sold out for 38time World Stadium Tour across 22 global cities and planning additional Solo (Jihyo) / Japan Unit activities in 2H

- [ITZY] Latest physical album sold over 1.3mn copies breaking their record. Preparing for new album release in major countries in 2H

- [NMIXX] Latest physical sales recorded at 1mn, preparing for new album release in 2H

- [NiziU] Sold out 19time Japan ARENA & DOME Tour in 2022, preparing for additional tours and album release in 2H

• Line-up Expansion & Global Localization

- By 2H23 [Project. C: China] [A2K Project: USA] / By 1H24 [NiziU BOY: Japan] [LOUD] to make global debut in respective order

• Inorganic Growth Plan: Strategic Investment & MD Commerce to boost Growth

- [JYP PARTNERS] Officially launched, preparing to officiate VC investment by 2H24 and strengthen SI investment with JYP
- [JYP360] Enhancing global MD sales through official merch shop, facilitating IP related businesses

• Digital Sales & High-margin Overseas Business to Expand

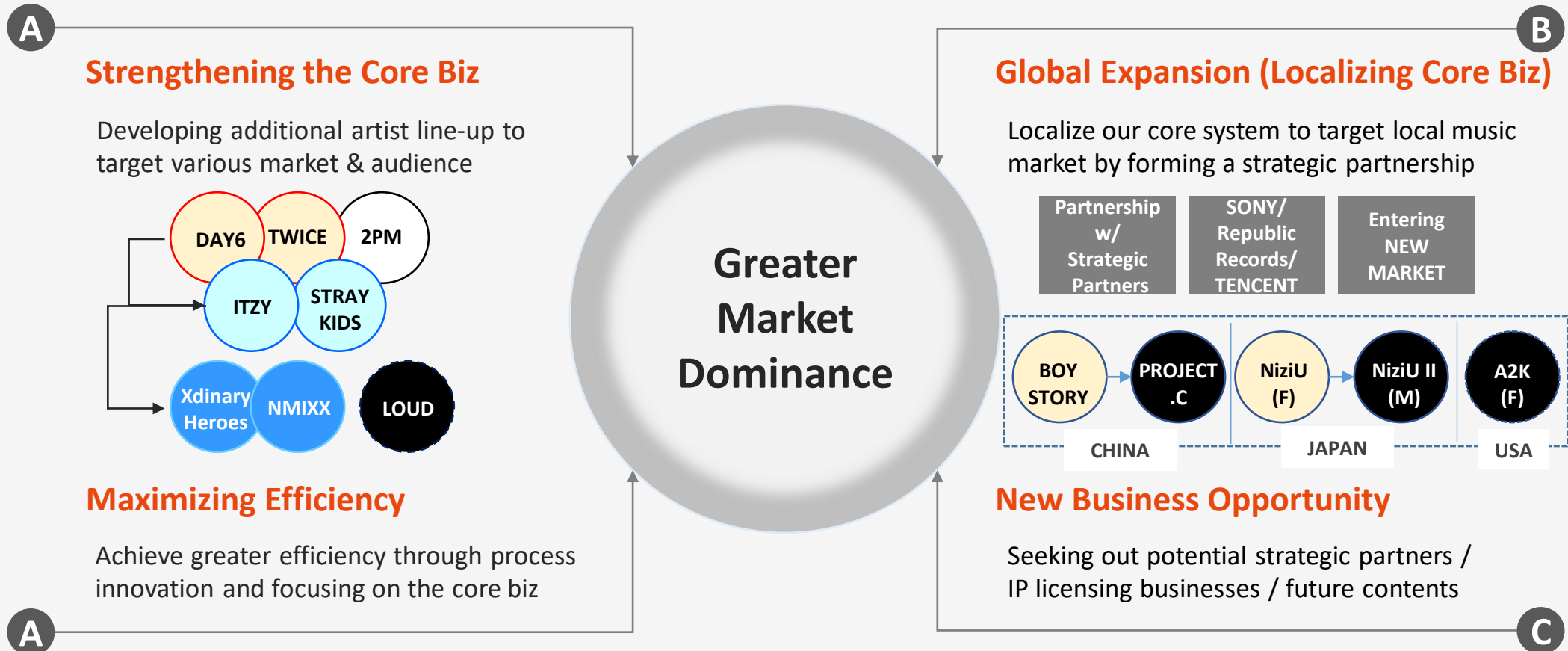
- YouTube subscribers increased yoy+2.3MN (JYP Official Subs. 27.6mn)¹.
- High-margin overseas (US/Japan)management REV to expand further

1) As of Aug 2023



#APPENDIX

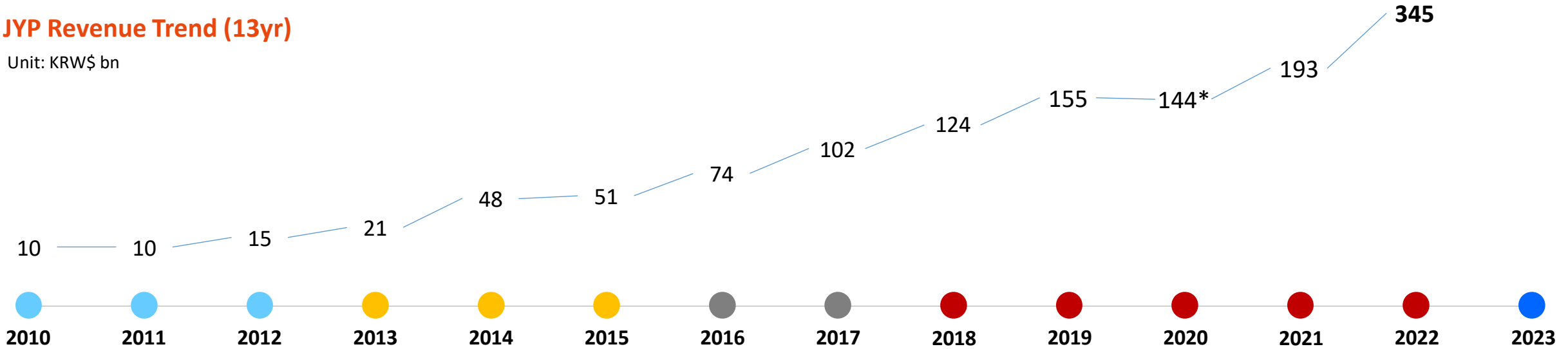
“Focusing on three strategic direction: **A** Strengthening the Core Biz, **B** Global Expansion by Localization and **C** New Business Expansion”



“JYP continues its fast & sustainable growth by optimizing the production system/process & organic multi-label structure”

JYP Revenue Trend (13yr)

Unit: KRW\$ bn



● 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 through RTO (2013)
- [Voting Committee \(2014\)](#)
- GOT7 Debut (2014)
- TWICE Debut (2015)
- DAY6 Debut (2015)

● Setting Up Multi-label System

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

● Global Expansion – Digital era.

- 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)
- [NMIXX Debut \(2022\)](#)

● Glocalization

- Project C - China (2023)
- A2K Project - US (2023)
- NiziU2 - Japan (2024E)
- LOUD Project (2024E)
- Setting up CVC (2024E)

* COVID19 outbreak : achieved highest earnings

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.

[YouTube Views over 18billion](#) with 16.1million subscribers &

[Albums Sold over 15million](#) since 2016.

With release of “Set Me Free”, [ranked No.2 on <Billboard 200>](#) in 2023 and sold out their 5th World Tour in 22 global cities



DAY6

Debut in 2015

Hosted World Tour in 26 global cities in 2020.

‘Sing a Song Writer and Composer’

After the army service preparing for a brand new comeback

Main Artists



STRAY KIDS

Debut in 2018 (Mar)

Ranked No.1 on <Billboard 200> 3rd time in a row in 2022&2023 and currently hosting 8time major Dome Tour in Japan

Latest release “5-Star” sold 5.0mil. copies worldwide

YouTube subscribers over 13.7million 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 “KILL MY DOUBT” sold over 1.3mil. copies breaking the highest sales in their career

YouTube subscribers over 8.4MN and reached over 5bn

YouTube views since debut in 2019



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 first debut (marked as the highest debut album sales record among K-Pop female groups in history)

Latest single album sold over 1mil. physical copies breaking their highest record after just 18months since their debut

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)
Sold out their first major tour in Japan including 15time ARENA & 4time DOME TOUR in 2H 2022

Artist Line-up Expansion (by year)

| Artists | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024E |
|-------------------------------|--------------|------|------|--------------|--------------|--------------|--------------|--------------|-------------------|-------------------|
| 2PM | <i>CR</i> | | | <i>CR</i> | | | | | | |
| DAY6 | <i>Debut</i> | | | | | | | <i>CR</i> | | |
| TWICE | <i>Debut</i> | | | | | | | <i>CR</i> | | |
| Stray Kids | | | | <i>Debut</i> | | | | | | |
| ITZY | | | | | <i>Debut</i> | | | | | |
| NiziU (Japan) | | | | | | <i>Debut</i> | | | | |
| Xdinary Heroes | | | | | | | <i>Debut</i> | | | |
| NMIXX | | | | | | | | <i>Debut</i> | | |
| Project C (China) | | | | | | | | | <i>Debut (2H)</i> | |
| A2K (USA) | | | | | | | | | <i>Debut (2H)</i> | |
| Nizi Project 2 (Japan) | | | | | | | | | | <i>Debut (1H)</i> |
| LOUD Project | | | | | | | | | | <i>Debut (1H)</i> |

CR: Contract Renewed

Orange font: Global localization project

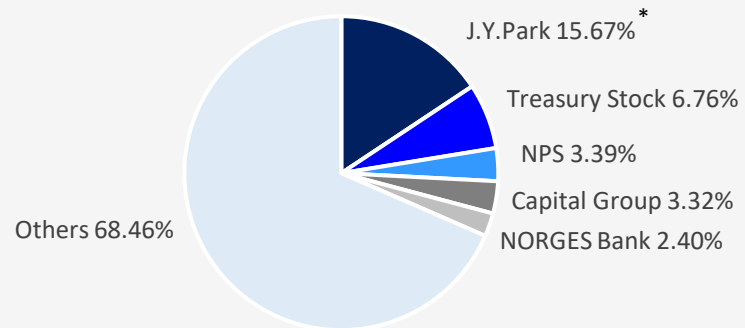
COMPANY OVERVIEW

- COMPANY: JYP ENTERTAINMENT Co. Ltd
- Establishment: 25 APR. 1996
- Equity: KRW 17.9bn.
- Market Cap.: KRW4.5tn (As of 8th Aug. 2023)
- CEO: WOOK JEONG
- IPO: 30 AUG. 2001
- No. of Employees: 337 (As of 8th Aug. 2023)
- Business Field: Music Production & Recording, Artist Management (Agency), Contents Production

SHAREHOLDERS

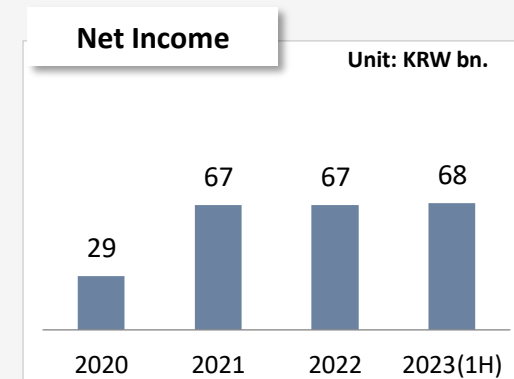
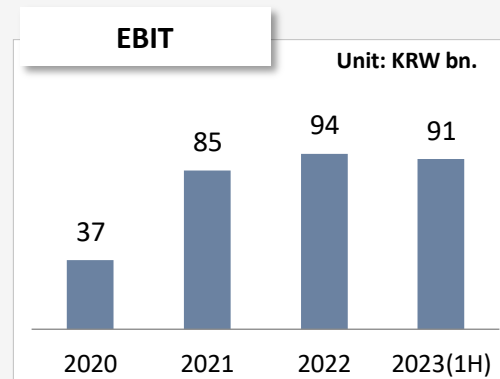
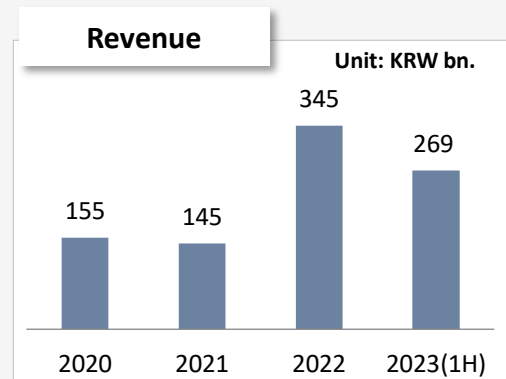
(As of 23rd Mar. 2023)

- Jin Young Park (Founder): 15.67%
 - Treasury Stock: 6.76%
 - National Pension Service: 3.39%
 - Capital Group: 3.32%
 - NORGES Bank: 2.40%
- [Total Stock Issued: 35,497,492]



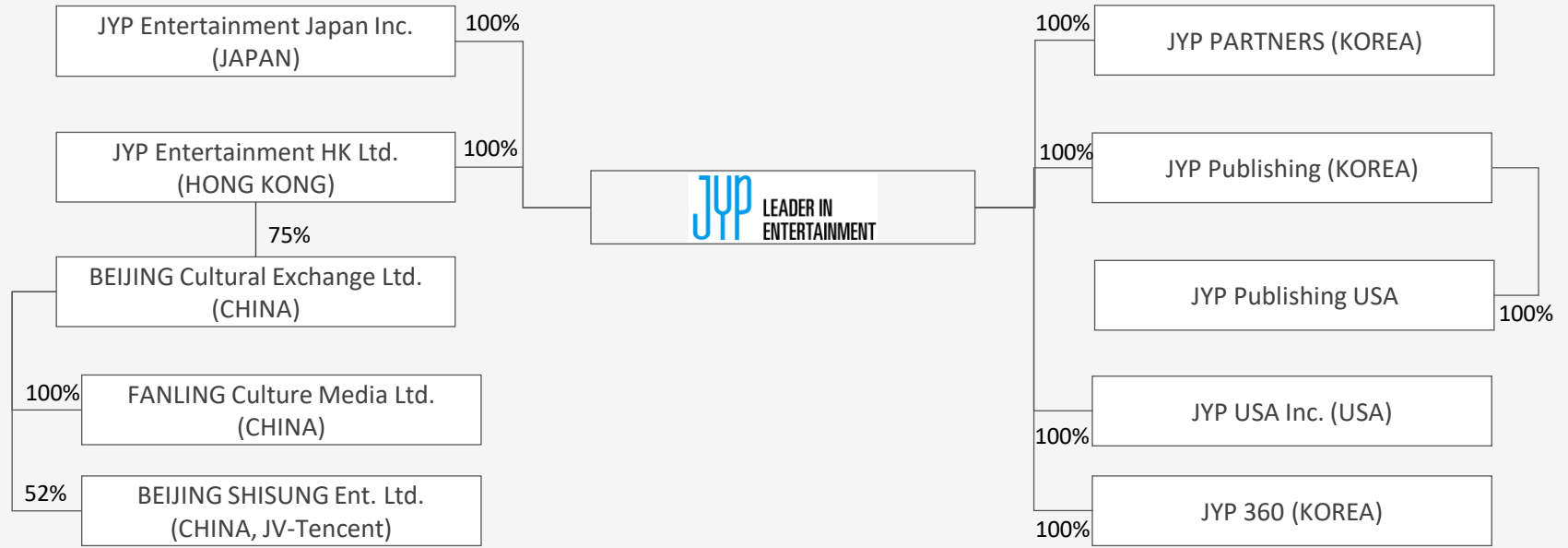
*Incl. key management

KEY FINANCIALS

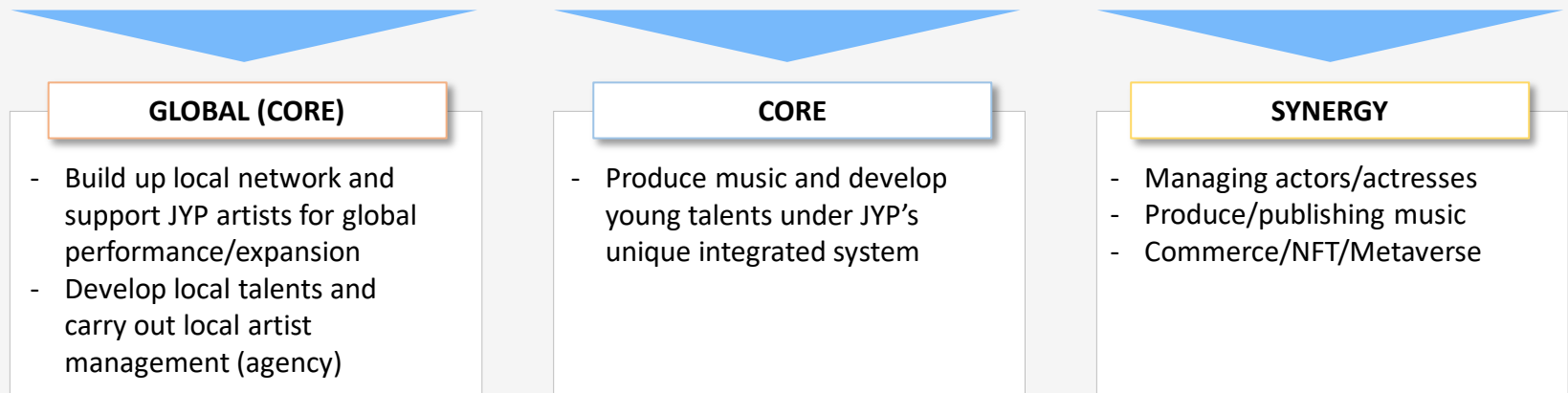


* COVID19 breakout (2020, Feb)

Subsidiary & Affiliated Companies



Roles/Business Field



Statement of Financial Position - Consolidated (B/S)

(Unit: KRW bn.)

| | 2023 (2Q) | 2022 | 2021 |
|---------------------------------------------------------|--------------|--------------|--------------|
| Current Assets | 301.3 | 237.1 | 159.1 |
| Non-current Assets | 183.6 | 174.0 | 158.2 |
| Total Assets | 485.0 | 411.1 | 317.4 |
| Current Liabilities | 119.6 | 101.3 | 58.3 |
| Non-current Liabilities | 6.5 | 5.2 | 8.4 |
| Total Liabilities | 126.1 | 106.6 | 66.7 |
| Capital | 17.9 | 17.9 | 17.9 |
| Capital Surplus | 77.1 | 76.9 | 76.9 |
| Treasury Stock | -9.7 | -9.5 | -11.0 |
| Retained Earnings | 272.3 | 217.5 | 162.2 |
| Equity attributable to the owners of the Parent Company | 353.8 | 300.5 | 246.6 |
| Total Equity | 358.8 | 304.5 | 250.6 |

Statement of Comprehensive Income - Consolidated (P/L)

(Unit: KRW bn.)

| | 2023 (1H) | 2022 | 2021 |
|---------------------------------------------|--------------|--------------|--------------|
| Revenue | 269.7 | 345.8 | 193.8 |
| Cost of Sales | 137.2 | 189.3 | 89.7 |
| Gross Profit | 132.5 | 156.5 | 104.1 |
| Selling and Administrative Expenses | 44.8 | 59.9 | 46.2 |
| Operating Income (Loss) | 87.7 | 96.6 | 57.9 |
| Other Non-operating Income | 0.0 | 0.3 | 0.6 |
| Other Non-operating Expenses | 1.7 | 2.1 | 3.1 |
| Financial Income | 3.2 | 5.8 | 18.4 |
| Financial Expenses | 3.9 | 7.3 | 2.6 |
| Share of Profit(Loss) of Associates and JVs | 6.5 | 0.6 | 14.6 |
| Profit Before Income Tax | 91.9 | 94.1 | 85.9 |
| Income Tax Expense | 23.8 | 26.6 | 18.4 |
| Net Profit (Loss) | 68.1 | 67.5 | 67.5 |