

JYP Entertainment

2022 Investor Relations

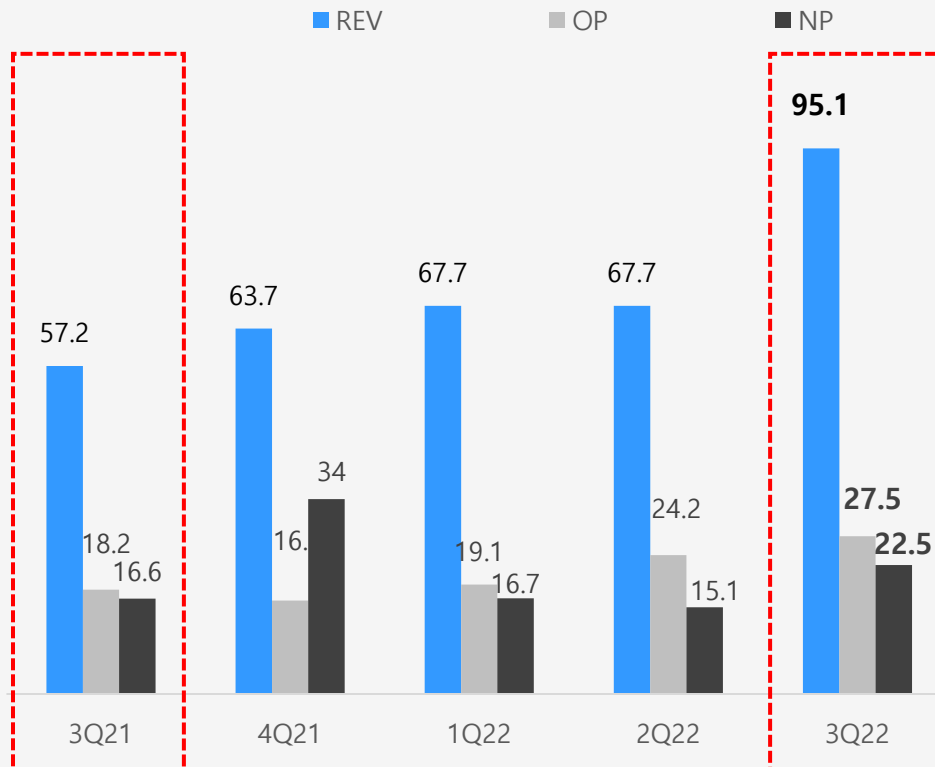


#3Q22 FINANCE RESULT

**“Achieved the record high revenue and quarterly earnings
based on continuing overseas physical sales growth and concert expansion among main artists”**

OVERVIEW

(Unit: KRW Bn)



► Q3 2022

Unit: KRW Bn

- REV: 95.1 (yoy+66.2%)
- OP: 27.5 (yoy+50.9%)
- NP: 22.5 (yoy+35.8%)

► Recorded highest physical sales & overseas concert expansion

- 1) TWICE / ITZY / NMIXX physical sales continue to rise yoy
 - Physical sales revenue rose **yoy+49%** (Republic Records revenue: 8bn)
- 2) Offline base segment surged despite deferred Japan concert REV
 - Concert (7) / MD recorded highest quarterly sales at 15.7, **yoy+469%**
 - * NiziU / SKZ Japan tour revenue deferred
 - Ads also posted highest revenue at 5.5, **yoy+64%**
- 4) All regional revenue increased (Japan **yoy+68%** / Others **yoy+158%**)

► Posted steady margin level despite increasing production vol.

- 1) Quarterly production cost increased due to increasing content volume
 - Content production cost **yoy+75%**, other expense **yoy+114%**
 - (Accumulated GPM 47.9%, yoy+1.3ppt)
- 2) Manageable SG&A with slim cost structure (OPM 28.9%, Ac. OPM 30.8%)

Q3 Result – P/L Summary

2022 JYP Investor Relations

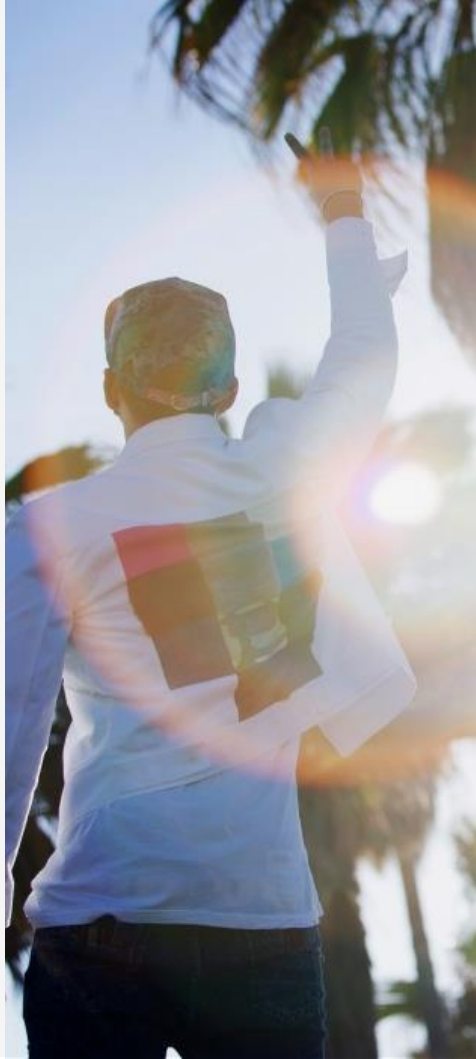
(Unit: KRW Bn)

	2022 Q2 (a)	2021 Q2 (b)	Growth (yoy)	Gap (a-b)	Remarks
Revenue	95.1	57.2	66.2%	37.8	Recorded highest physical sales revenue & overseas concert expansion continue - [Physical] TWICE / ITZY / NMIXX physical sales continue to grow - [Concert] ITZY / SKZ World Tour & JUNHO FAN-CON - [Ads] Unit/Individual artist ad demand increased & ads market recovery from COVID - [MD/Others] Highest quarterly earnings (THREESIXTY posted 7bn quarterly revenue) - [JAPAN] TWICE 5 / SKZ 4.5 / NiziU 3.5 (Japan concert revenue deferred) - [Other Overseas] 8bn physical sales revenue captured from Republic Records
COGS	53.3	28.7	85.3%	24.5	Quarterly GPM down to 43.9% (accumulated GPM 47.9% yoy+1.3%pt) 1) Increasing content production volume / deferred Japan concert revenue - Content production cost 26.8 (yoy+75%) / Other expense 13.6 (yoy+114%) 2) Artist fee 12.8 (yoy+82%)
Gross Profit	41.7	28.4	46.8%	13.3	
L SG&A	14.2	10.2	39.4%	4.0	Manageable SG&A (yoy+4) - Employee cost 2.6 (incentive 1.8)
Operating Profit	27.5	18.2	50.9%	9.2	OPM 28.9% / Accumulated OPM 30.8% (yoy-1.2%pt)
L Financial Income	3.1	0.8	258.8%	2.3	Gains from foreign currency exchange
L Financial Expense	1.9	0.0	3413.9%	1.8	Loss from 4by4 fair value evaluation (-2.1)
Net Profit	22.5	16.6	35.8%	5.9	Corporate tax (6)



#INVESTMENT H/L

“K-POP becomes globally recognized music genre / Main artists accelerate global penetration with wider fan base / Overseas concert expansion and MD sales to boost / New artists to make strong debut through localization



Summary of Investment Highlight

• Main Artist's Global Penetration / Overseas Concert Expansion

- [JYP < Republic Records] Main artists such as Stray Kids, TWICE, ITZY all become a top ranker on < Billboard 200 > since strategic partnership agreed with Republic Records, and its influence to help build up wider fan base and monetize in the west
- [Stray Kids] Ranked No.1 on < Billboard 200 > 2nd time in a row in 2022 (Latest physical sales volume reached 2.8mil. copies) / Officially announced additional 20time concert tour worldwide until Q1 2023
- [TWICE] Preparing for a new album & Japan unit comeback as well as sizable World Tour concert all in H1 2023
- [ITZY] Latest release in Jul 2022, sold more than 1million copies & currently on US Tour in 8 cities / Preparing for ARENA Tour in H1 2023
- [NMIXX] Accumulated physical sales vol. reached 1million copies since debut in Feb 2022 / Preparing for a new album in H1 2023
- [NiziU] Reached ARENA&DOME Tour in just 18months after debut in Dec 2020 / 19time concert tour all sold out incl. 4time DOME / Preparing for a new comeback in Q1 2023

• Line-up Expansion & Global Localization

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

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

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

• Digital Sales & High-margin Overseas Business to Expand

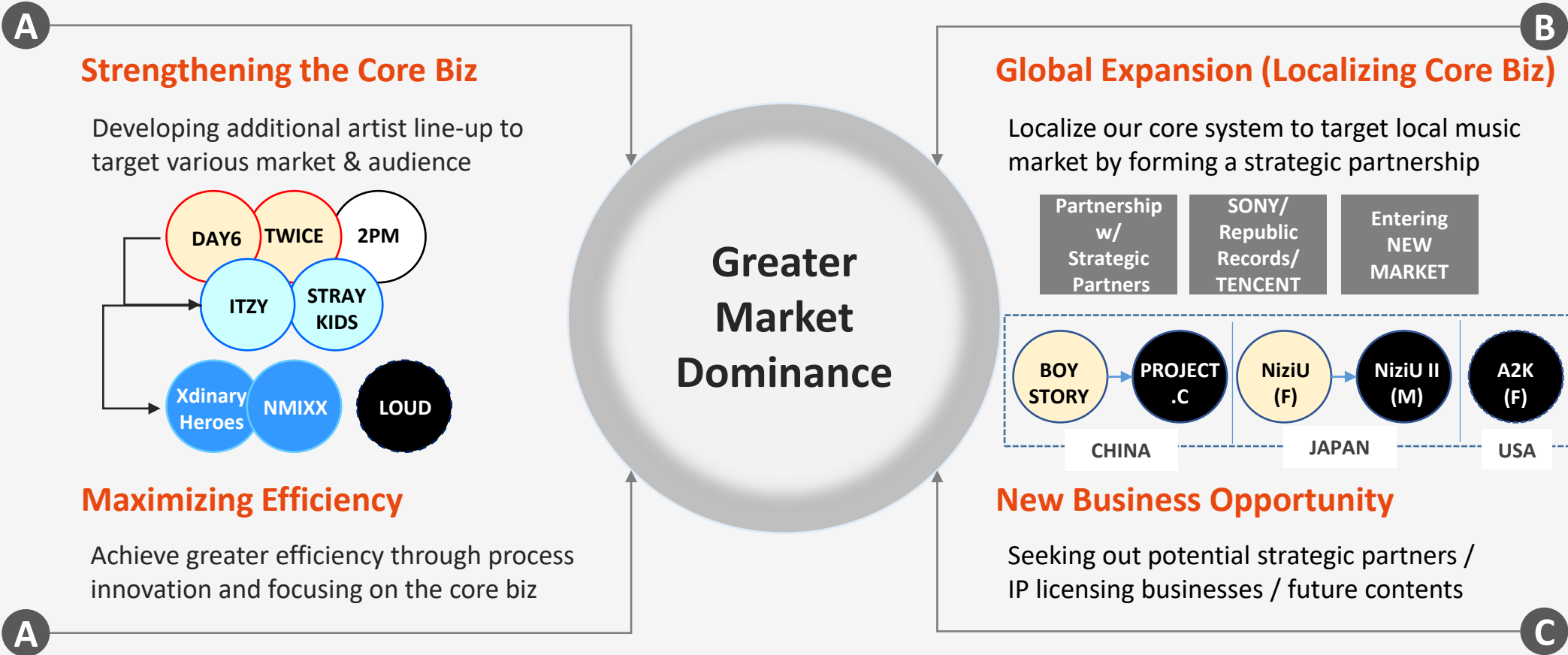
- YouTube subscribers increased yoy+3.9MN (JYP Official Subs. 26MN)¹
- High-margin overseas (US/Japan)management revenue to expand further

1) As of Nov 2022



#APPENDIX

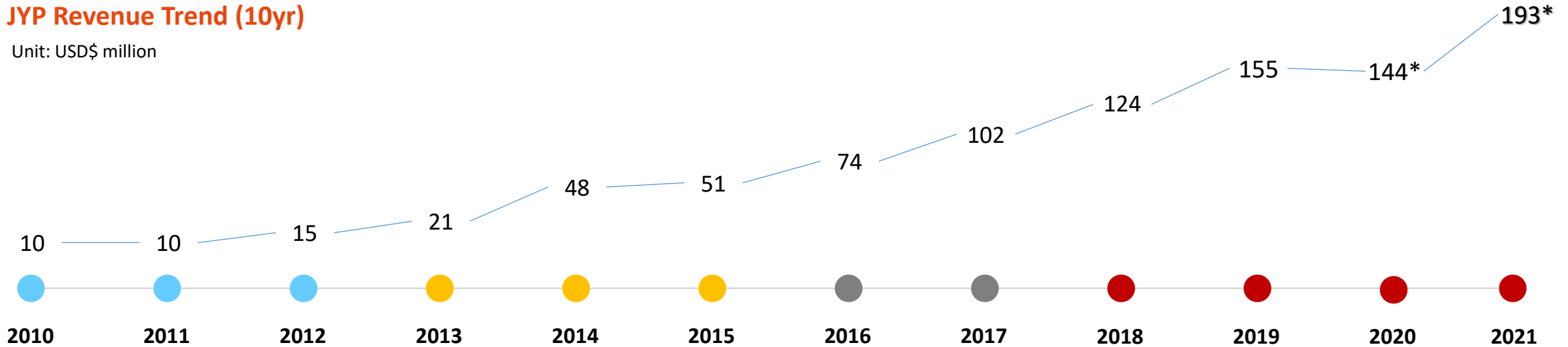
“Focusing on three strategic direction: **A** Strengthening the Core Biz, **B** Global Expansion by Localization and **C** New Business Expansion”



“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.

With release of "Between 1&2", [ranked No.3 on <Billboard 200>](#) in 2022 and sold out their 4th World Tour both in the US and Japan



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)

Ranked No.1 on <Billboard 200> 2nd time in a row in 2022 and currently hosting 39time Stadium World Tour in 17 countries until H1 2023

Latest release “MAXIDENT” sold 2.8mil. copies worldwide

YouTube subscribers over 11million 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> in 2022

YouTube subscribers over 7.8MN and reached over 4bn

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)

Sold over 1mil. physical copies since their debut in 2022 Feb.

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 4time DOME TOUR in Japan after the successful ARENA TOUR in H2 2023

Artist Line-up Expansion (by year)

2022 JYP Investor Relations

Artists	2015	2016	2017	2018	2019	2020	2021	2022	2023E
2PM	CR			CR					
DAY6	Debut							CR	
TWICE	Debut							CR	
Stray Kids				Debut					
ITZY					Debut				
NiziU (Japan)						Debut			
Xdinary Heroes							Debut		
NMIXX								Debut	
LOUD Project									Debut (H1)
Project C (China)									Debut (H1)
A2K (USA)									Debut (H2)
Nizi Project 2 (Japan)									Debut (H2)

CR: Contract Renewed

Orange font: Global localization project

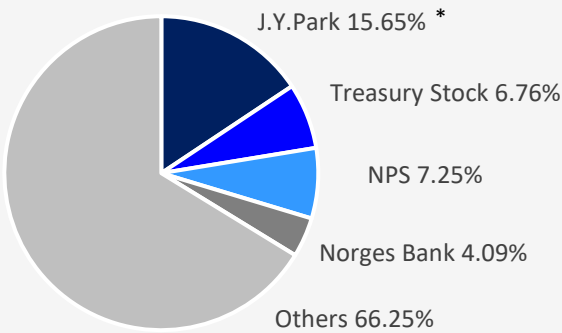
COMPANY OVERVIEW

- COMPANY: JYP ENTERTAINMENT Co. Ltd
 - Establishment: 25 APR. 1996
 - Equity: KRW 17.9 bn.
 - Market Cap.: KRW2.0tn (As of 11th Nov. 2022)
- CEO: WOOK JEONG
 - IPO: 30 AUG. 2001
 - No. of Employees: 310 (As of 11th Nov. 2022)
 - Business Field: Music Production & Recording,
Artist Management (Agency),
Contents Production

SHAREHOLDERS

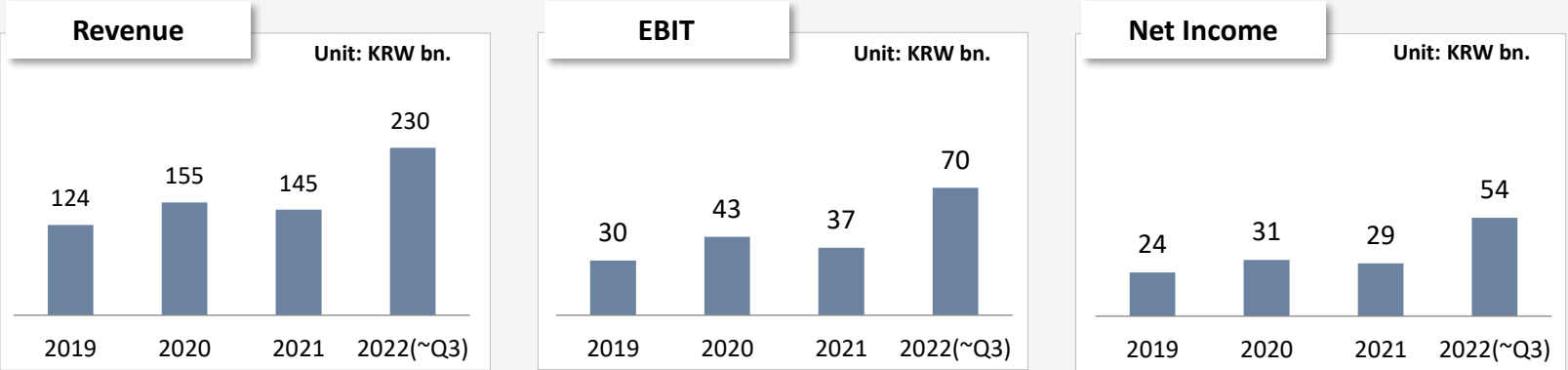
(As of 11th Nov. 2022)

- Jin Young Park (Founder): 15.22%
 - Treasury Stock: 6.76%
 - National Pension Service: 7.25%
 - NORGES BANK: 4.09%
- [Total Stock Issued: 35,497,492]



*Incl. key management

KEY FINANCIALS

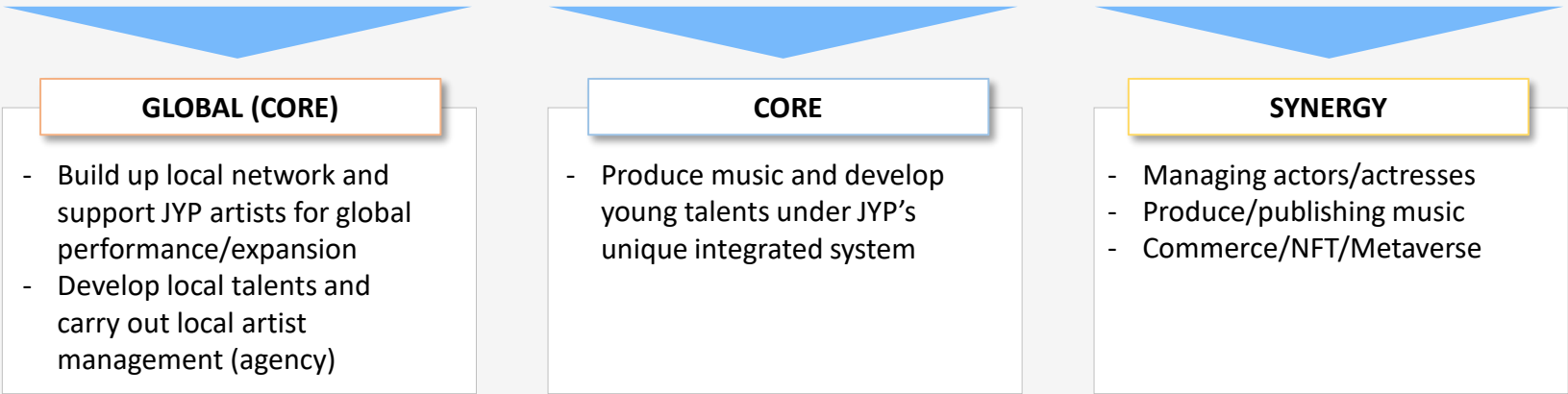


* COVID19 breakout (2020, Feb)

Subsidiary & Affiliated Companies



Roles/Business Field



Statement of Financial Position - Consolidated (B/S)

(Unit: KRW bn.)

	2022 (Q3)	2021	2020
Current Assets	218.1	159.1	126.9
Non-current Assets	162.4	158.2	97.2
Total Assets	380.6	317.4	224.1
Current Liabilities	78.6	58.3	33.3
Non-current Liabilities	7.3	8.4	4.6
Total Liabilities	85.9	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	204.4	162.2	99.9
Equity attributable to the owners of the Parent Company	290.3	246.6	182.6
Total Equity	294.7	250.6	186.2

Statement of Comprehensive Income - Consolidated (P/L)

(Unit: KRW bn.)

	2022 (up to Q3)	2021	2020
Revenue	230.6	193.8	145.4
Cost of Sales	120.0	89.7	68.5
Gross Profit	110.6	104.1	76.8
Selling and Administrative Expenses	39.6	46.2	32.7
Operating Income (Loss)	70.9	57.9	44.1
Other Non-operating Income	0.3	0.6	0.0
Other Non-operating Expenses	1.9	3.1	2.0
Financial Income	9.6	18.4	2.8
Financial Expenses	9.6	2.6	6.9
Share of Profit(Loss) of Associates and JVs	1.2	14.6	0.0
Profit Before Income Tax	70.6	85.9	37.9
Income Tax Expense	16.1	18.4	8.3
Net Profit (Loss)	54.4	67.5	29.6