

JYP Entertainment

2023 Investor Relations

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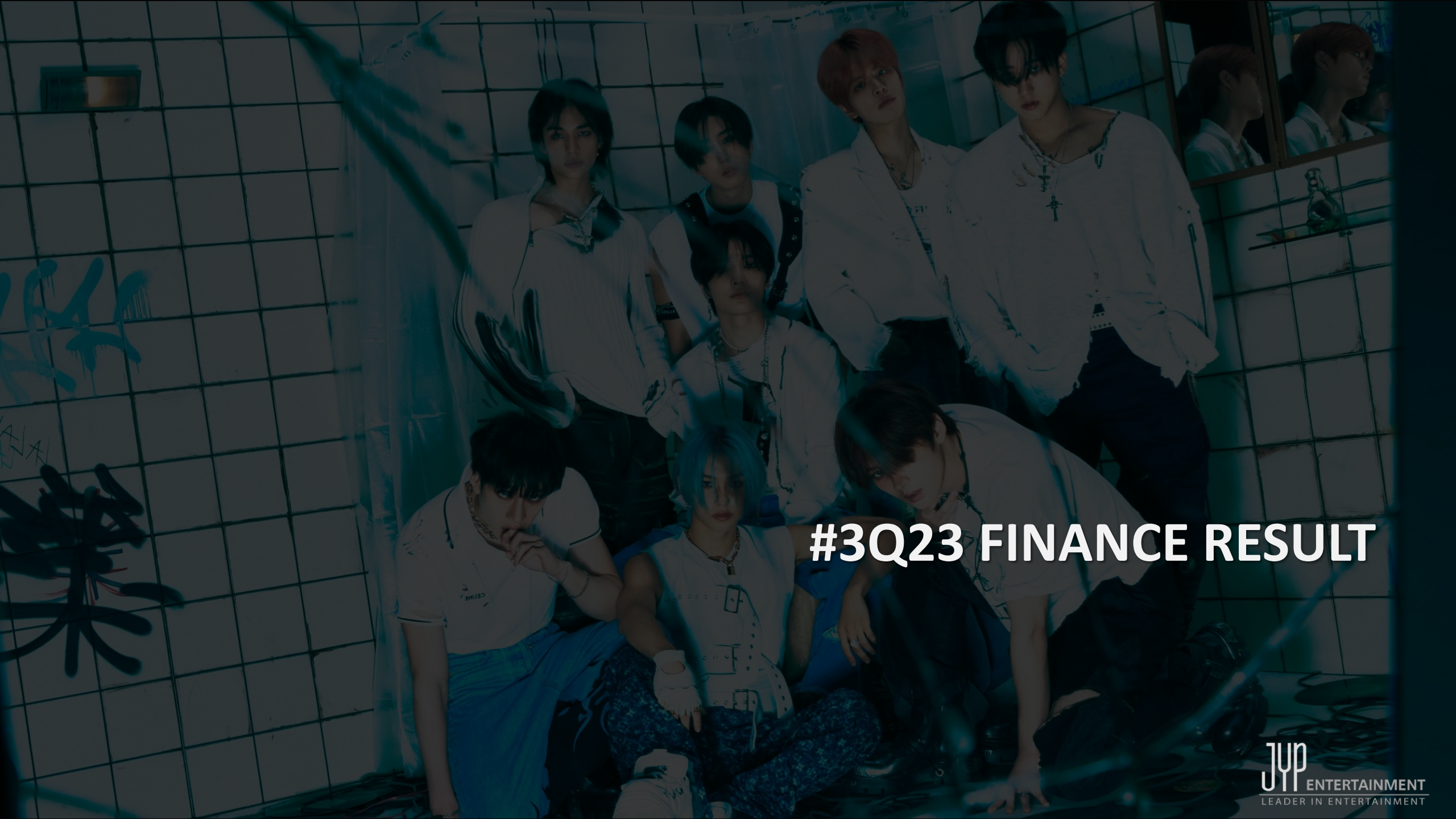

#3Q23 FINANCE RESULT

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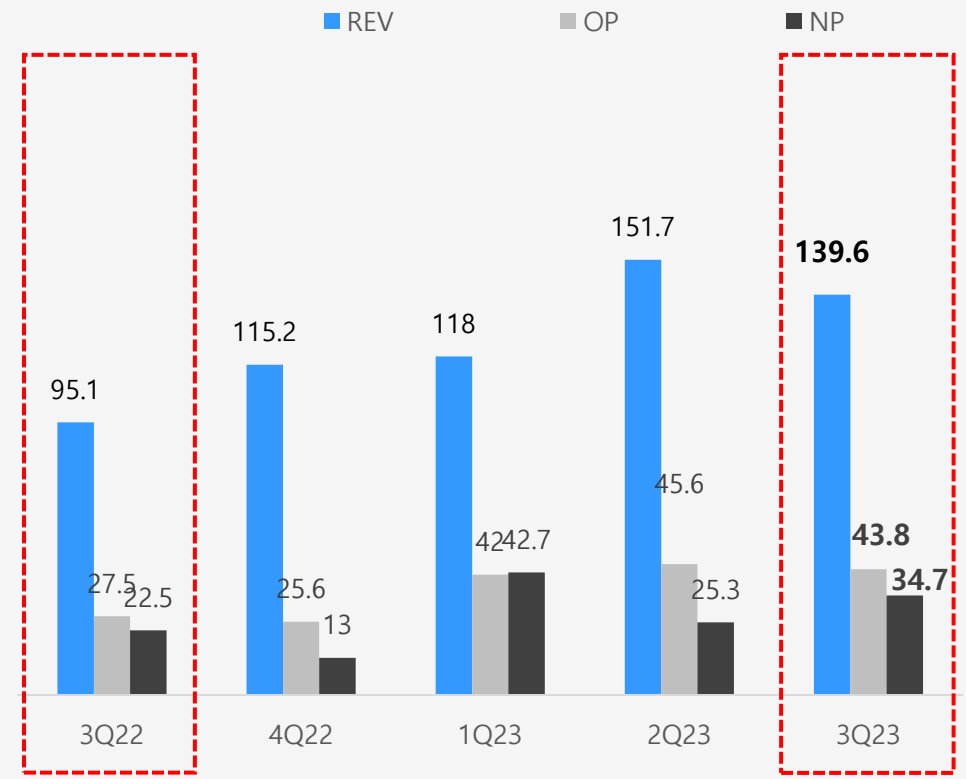
Q3 Result – Overview

"Global-led revenue growth continues as major artists' concert capacity and content demand expand/ Margin improved due to production cost decline / Generated record-high revenue from Japan even with lagging Q2&Q3 concerts revenue

OVERVIEW

(Unit: KRW Bn)



▶ **3Q23** (Unit: KRW Bn)

- **Rev: 139.6 (yoy+46.8%)**
- **OP: 43.8 (yoy+59.3%)**
- **NP: 34.7 (yoy+54.0%)**

▶ **Physical sales / Global streaming drove REV growth, offline-based REV (incl. concert/MD) expanded**

1) 4th gen (ITZY / NMIXX etc.) drove album sales, global streaming REV surged
   - Physical sales **yoy+16%** / Global streaming REV **yoy+72% (qoq+29%)**
2) Offline sales expanded / REV from MD and others (IP licensing etc.) surged
   - Concert REV **yoy+68%** / MD **yoy+103%** (JYP360 contributed 12.6bn) / Ads **yoy+46%**
   - Others **yoy+47%** / IP licensing REV (incl. DEARU) **yoy+71%**
3) Regional: REV growth driven by JPN [2] and others (cml.[1] overseas REV % expand to 58%)
   - REV from JPN **yoy+140%, cml. yoy+97%** / China region **yoy+32%**
   - NA [3] and others **yoy+94%, cml. yoy+132%**

▶ **Margin improved : content production cost reduced and JYP360 margin enhanced**

1) GPM 47.8% (**yoy+3.9%pt**) / OPM 31.4% (**yoy+2.5%pt, cml. OPM 32.1%**)
2) Content production cost (**yoy-8.4%**) / Artist fee (**yoy+91.4%**)

1) Cml : Cumulative 2) JPN : Japan 3) NA : North America

Q3 Result – P/L Summary

(Unit: KRW Bn)

	3Q23 (a)	2Q22 (b)	Growth (yoy)	Gap (a-b)	Note
Revenue	139.6	95.1	46.8%	44.5	**Sales contribution of artists diversified, % of global REV continues to expand** - [Physical] ITZY / NMIXX Album sales grew, 20bn reflected / Republic Records contributed 12.3bn - [Streaming] Global streaming REV increased around 6bn (qoq sales incremental) - [Concert] TWICE SEA&EU / SKZ 1Q NA tour / 2PM, etc. reflected, **yoy+4.8bn** * TWICE / SKZ / NiziU Q2, Q3 Japan concert sales deferred (to be reflected in 4Q) - [MD] SKZ / NiziU Japan MD cut-off sales reflected / JYP360 REV, 12.6bn (OPM 19.2%) - [Others] IP licensing (incl. DEARU) and Japan fan club sales upsurged, **yoy+8bn** - [Japan] MD REV grew / Record high REV even with Q2&Q3 concert REV deferred **yoy+22.8bn** - [Overseas others] Major artists' content (incl. album/ streaming) and concert capacity rose **yoy+24.8bn**
COGS	72.8	53.3	36.5%	19.4	**GPM 47.8% (yoy+3.9%pt)** - Content production cost decreased (**yoy-8.4%**) - Artist fee rose (**yoy+91.4%**)
Gross Profit	66.8	41.7	59.9%	25.0	
L SG&A	22.9	14.2	60.9%	8.7	Incentive increased, yoy+4.6bn
Operating Profit	43.8	27.5	59.3%	16.3	**OPM 31.4% (yoy+2.5%pt), cml. OPM 32.1% (yoy+1.4%pt)** - Effects of margin expansion remain valid
L Financial net gain (profit-cost)	-0.7	1.2	-161.1%	-2.0	Losses on foreign currency transaction (-1.6bn) 4BY4 fair value assessment (+0.5bn), etc. reflected
L JV/Associates Investment Gains(Losses)	1.2	-	-	1.2	Gains in Equity Method DEARU, etc. reflected
Net Profit	34.7	22.5	54.0%	12.1	Corporate tax 9.5bn reflected

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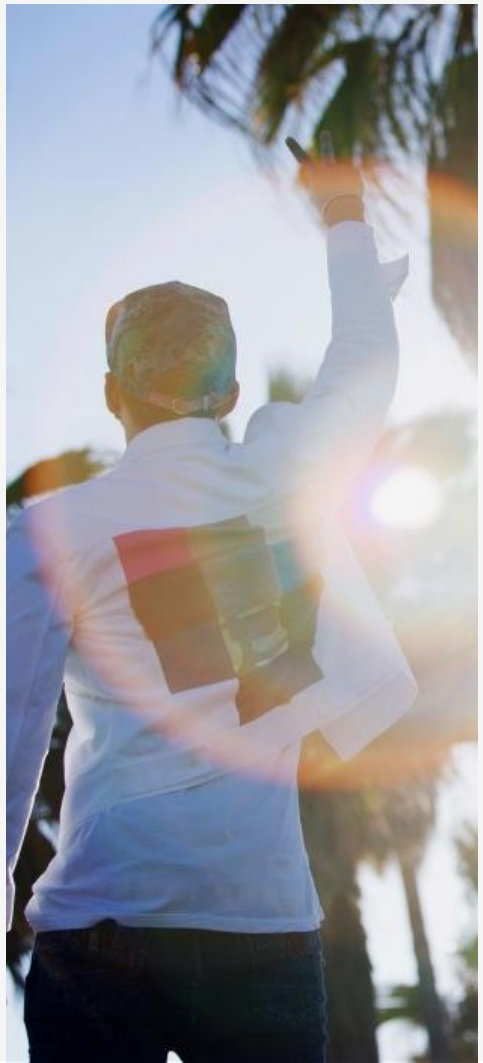
Investment H/L

"REV contribution diversified through artist line-up expansion amid major artists' growth accelerates in NA & Japan / Enhancing global business through strategic partnership with Republic Records & Live Nation / Seeking out inorganic growth opportunities through investment plans"



Summary of Investment Highlight

- **Enhancing Strategic Partnership with Major Global Partners / Artist Growth Continues**
  - [JYP><Republic Records] Strategic partnership to consolidate N.A market / VCHA (A2K project)global debut imminent
  - [JYP><LIVE NATION] Agreed a long-term partnership w/ Live Nation to further strengthen global concert biz.
  - [Stray Kids] Ranked billboard No.1 3times in a row / 2H, hosted 12time dome tour in Japan and a new album release imminent
  - [TWICE] 40time stadium concerts in 23 global cities all sold out (total audience 1.3mil.) Preparing for a new comeback in 24Q1
  - [ITZY] Set a new latest record selling 1.3mil. physical copies. Planning a new album release and major global tour in 24H1
  - [NMIXX] Latest single sold 1mil. copies and preparing for multiple album comebacks in 24H1
  - [NiziU] Japan Arena Tour in 8 cities all sold out (total audience 190K). Released the 1st Korean album for country expansion
  - [VCHA] YouTube views for A2K reached 60mil. and VCHA soon to make global debut under partnership w/ Republic Records
- **New Artist Line-up Expansion**
  - 23Q4 [Project. C], 24Q1 [A2K] [NiziU BOY], 24Q2 [LOUD] to make debut in order
- **Business Enhancement : Investment & Commerce Platform**
  - [JYP PARTNERS] Initiate investment from 24H1 after license acquisition. Create synergy with JYP's PI / SI investment plans
  - [JYP360] Enhancing global MD sales through official online shop, facilitating IP related businesses
- **Digital Sales Continues to Expand**
  - YouTube subs. yoy+2.2mil. (Total subs. 28.1mil.)[1]. Streaming REV keeps increasing w/ KPOP penetration and increasing IP catalogue

1) As of Nov 2023



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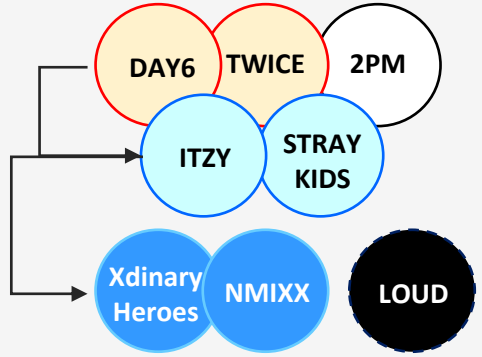
Growth – Strategic Direction

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

A Strengthening the Core Biz

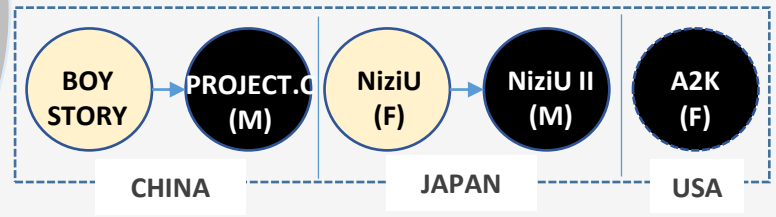
Developing additional artist line-up to target various market & audience



B Global Expansion (Localizing Core Biz)

Localize our core system to target local music market by forming a strategic partnership

Partnership w/ Strategic Partners	SONY MUSIC ENT/ TENCENT MUSIC ENT.	Republic Records/ Live Nation	Entering NEW MARKET



Greater Market Dominance

A Maximizing Efficiency

Achieve greater efficiency through process innovation and focusing on the core biz

C New Business Opportunity

Seeking out potential strategic partners / IP licensing businesses / future contents

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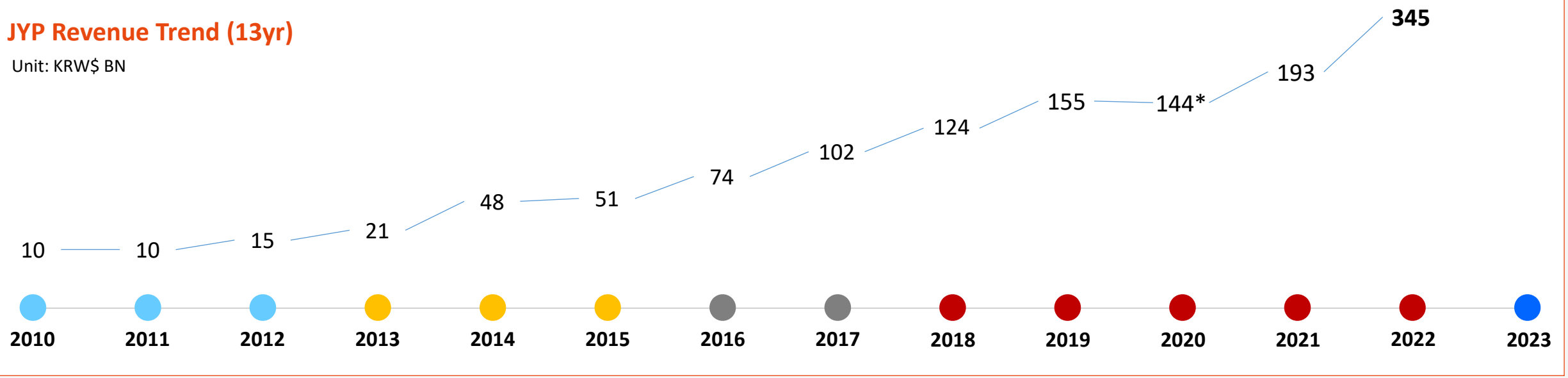
Key Milestones

"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

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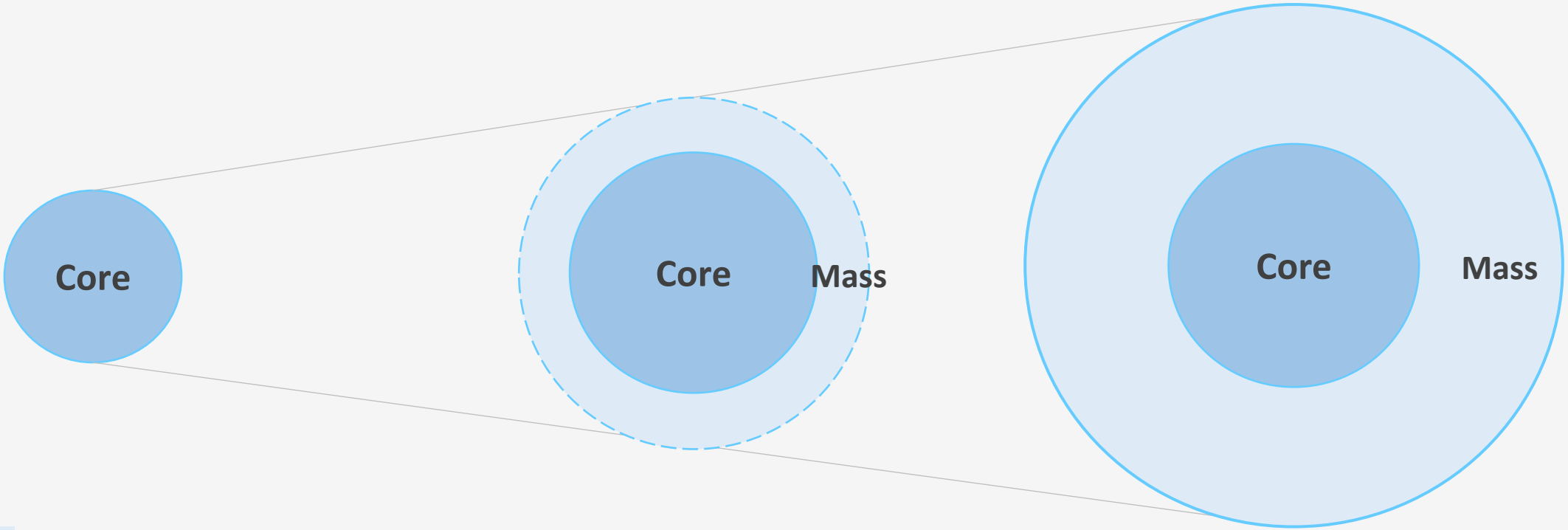
Artist Growth Cycle

"As artists gain mass audience power, monetization segmentation becomes diversified:
Ⓐ Concert Ⓑ MD Ⓒ Global Streaming Ⓓ Advertisement Ⓔ IP Licensing"

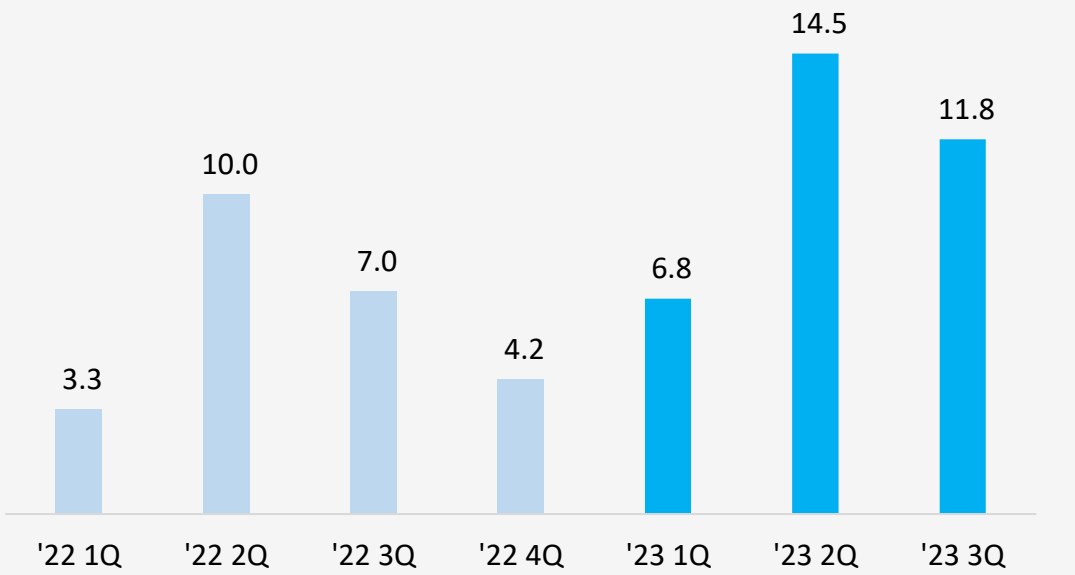


	Young	Transition	Mature
Growth Cycle			
Segment Focus	• Physical • Appearances	• Physical • Concert • MD	• Concert/MD • Global Streaming • Advertisement • IP Licensing

Revenue Trends by Segments: Concert & MD

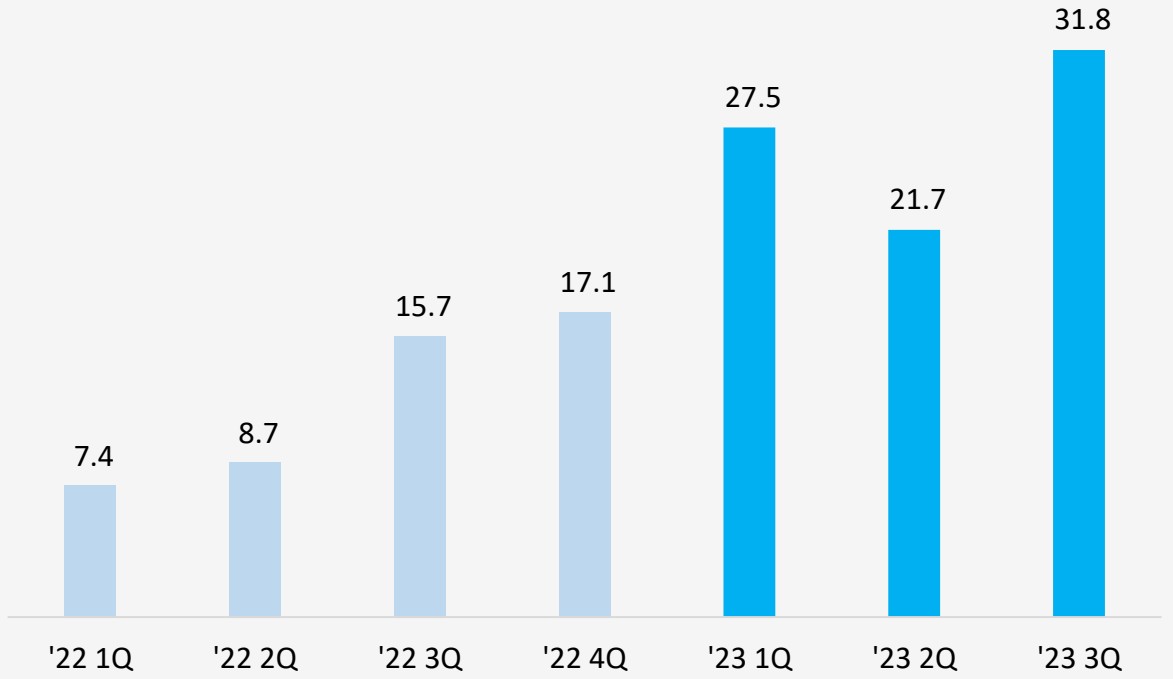
"Increase in artists' popularity leads to larger tour capacity and MD sales growth."

01. Increase in Concert Revenue



(Unit : Billion KRW)

02. MD Sales Expansion



(Unit : Billion KRW)

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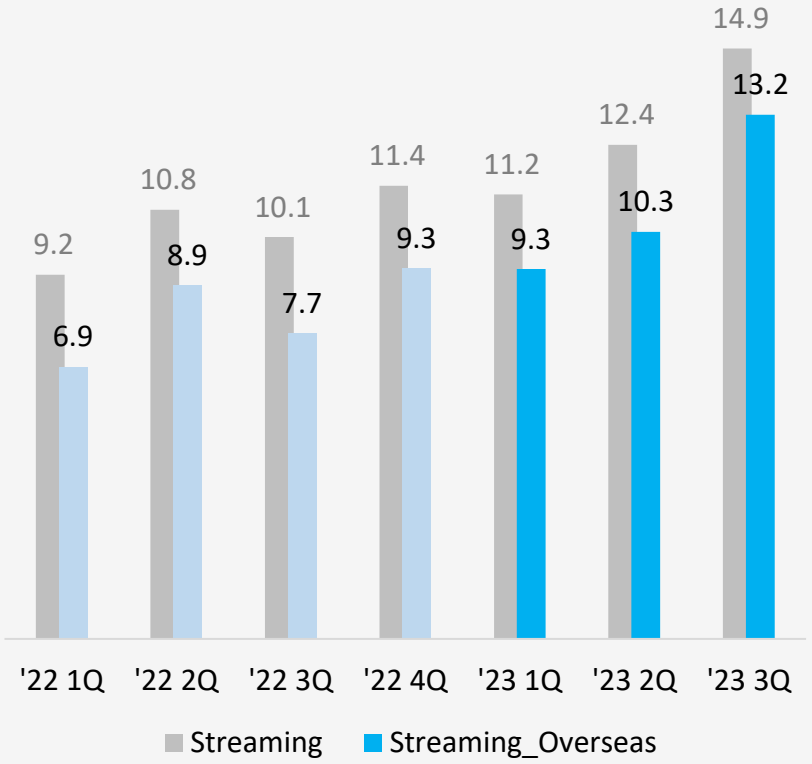
Revenue Trends by Segments: Streaming & Ads & IP Licensing

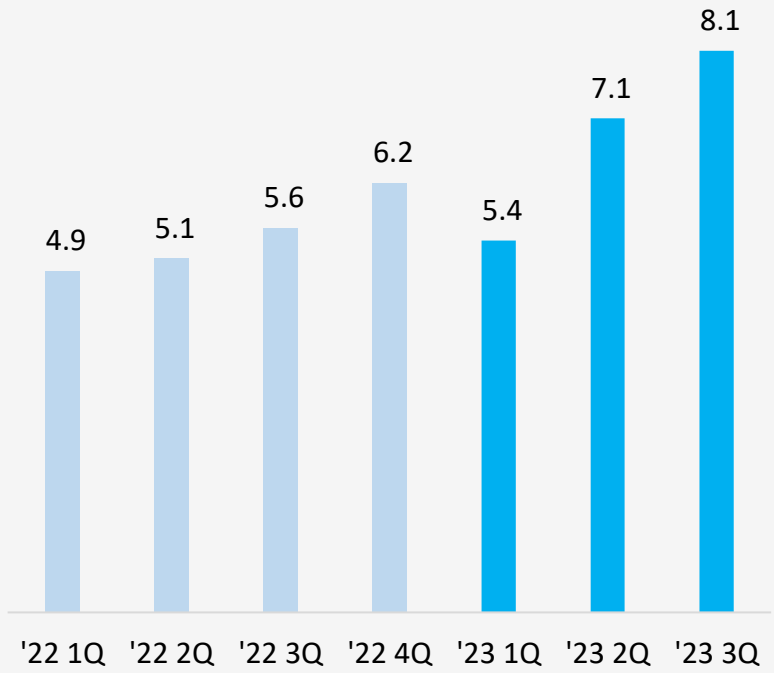
"As artists' popularity and awareness increase, IP value rises based on mass power: growth driven by increasing demand for IP and streaming revenue."

03. Global Streaming Growth

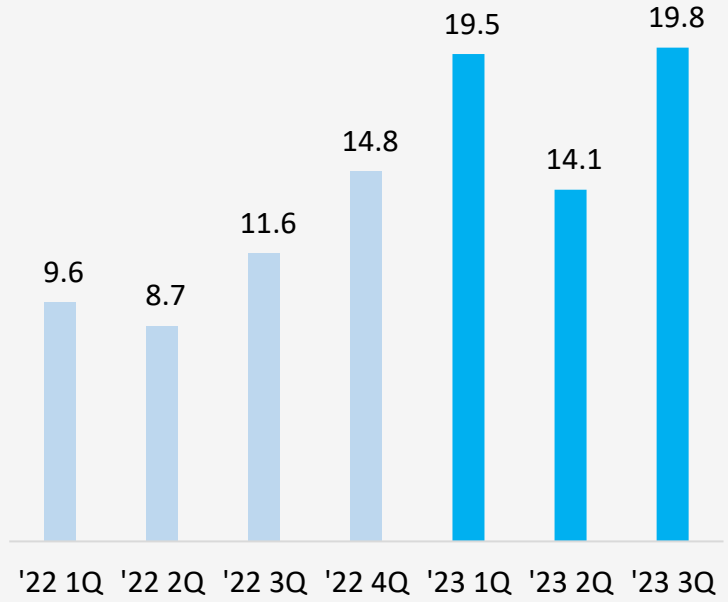


* Cumulative Global Streaming Revenue: 2022 (79%) vs 2023 (85%)

04. Increase in Advertisement



05. Diversified IP Licensing



(Unit : Billion KRW)

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Main Artists



2PM

Debut in 2008 (Sep)

- Sold out their debut 15th Anniversary Concert in Seoul and Tokyo, based on solid fan-base in Korea and Japan



TWICE

Debut in 2015 (Oct)

- YouTube Views over 18 billion with 16.4 million subscribers
- Albums Sold over 17 million copies since 2016
- 12th Mini Album “Ready To Be” ranked No. 2 on <Billboard 200>
- The first K-Pop female artist to perform and sell out SoFi and MetLife Stadium in the US
- Currently hosting the 5th World Tour, 44 concerts in 25 global cities



DAY6

Debut in 2015 (Sep)

- Hosted World Tour in 26 global cities in 2020
- ‘Sing a Song Writer and Composer’
- Currently preparing for a new comeback, after the compulsory military service

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Main Artists







STRAY KIDS

Debut in 2018 (Mar)

- YouTube subscribers over 14.5 million
- Albums Sold over 17 million copies since 2018
- 3rd Regular Album '5-STAR' ranked No.1 on <Billboard 200>, third time in a row since 2022
- Latest release "5-Star" sold over 5.2mil. copies worldwide
- Hosted major Dome Tour in Japan, 8 concerts in 4 cities

ITZY

Debut in 2019 (Feb)

- YouTube Views over 5 billion with 8.7 million subscribers
- The latest album release "KILL MY DOUBT" sold over 1.3mil. copies breaking the highest sales in their career, million sellers for the third time in a row since 2022
- Hosted the 1st World Tour, 20 concerts in 16 cities

Xdinary Heroes

Debut in 2021 (Dec)

- JYP Entertainment's 2nd Boy Band debut following DAY6 success, all members specialized in musical instrument
- Won the Best Band Performance and Rookie Award in 2022 MAMA Awards
- Currently hosting the 1st World Tour in 2023&2024

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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 18 months since their debut
- Successfully completed the first showcase tour, 14 showcases in 13 global cities

ARTISTs (Localization)

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
- The First Chinese artist to enter ‘Billboard Hot Trending Songs Powered by Twitter’ real-time ranking 7 times
- 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
- Sold out their 2nd major tour in Japan, 17 concerts in 8 cities in 2H 2023
- NiziU jointly produced between JYP Ent. & SONY Music Japan and made first debut in Dec 2020 (1st physical album sold 500K)



VCHA

Expected Debut in 2024

- The first all American female group artist trained and produced under JYP system, namely “A2K Project”
- The project co-hosted under strategic partnership between JYP & Republic Records, the No.1 label in the US
- Pre-debut single ‘SeVit’ M/V reached 11.8 million YouTube views within a month of its release

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Artist Line-up Expansion (by year)

Artists	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024E
2PM	*CR*			*CR*						
DAY6	*Debut*							*CR*		
TWICE	*Debut*							*CR*		
Stray Kids				*Debut*						
ITZY					*Debut*					
NiziU (Japan)						*Debut*				
Xdinary Heroes							*Debut*			
NMIXX								*Debut*		
Project C (China)									*Debut (Q4)*	
A2K (USA)										*Debut (Q1)*
Nizi Project 2 (Japan)										*Debut (Q1)*
LOUD Project										*Debut (Q2)*

CR: Contract Renewed
Orange font: Global localization project

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Company Overview

COMPANY OVERVIEW

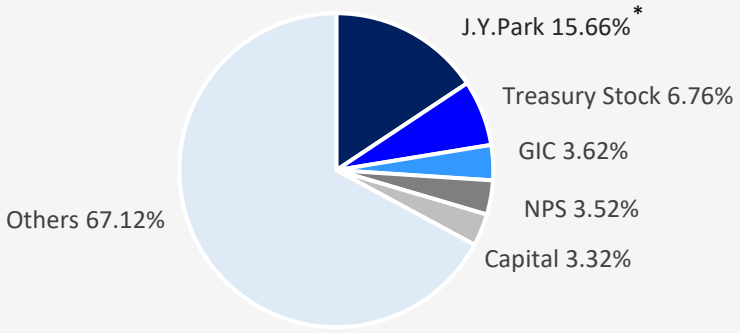
- COMPANY: JYP ENTERTAINMENT Co. Ltd
- Establishment: 25 APR. 1996
- Equity: KRW 17.9 bn.
- Market Cap.: KRW3.7tn (As of 9th Nov. 2023)
- CEO: WOOK JEONG
- IPO: 30 AUG. 2001
- No. of Employees: 368 (As of 9th Nov. 2023)
- Business Field: Music Production & Recording, Artist Management (Agency), Contents Production

SHAREHOLDERS

(As of 9th Nov. 2023)

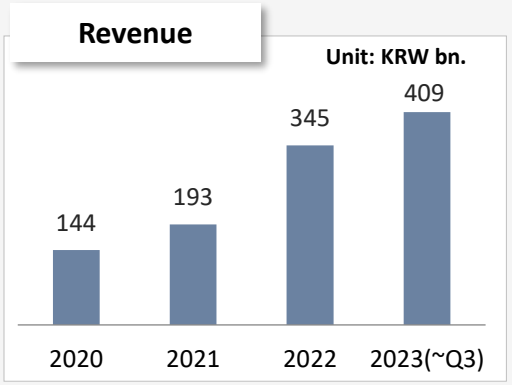
- Jin Young Park (Founder): 15.21%
- Treasury Stock: 6.76%
- GIC: 3.62%
- NPS: 3.52%
- Capital: 3.32%

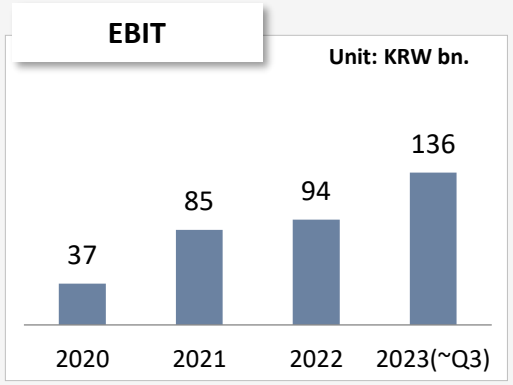
[Total Stock Issued: 35,517,492]

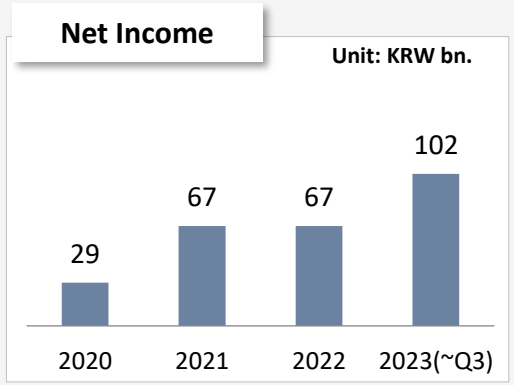


*Incl. key management

KEY FINANCIALS







* COVID19 breakout (2020, Feb)

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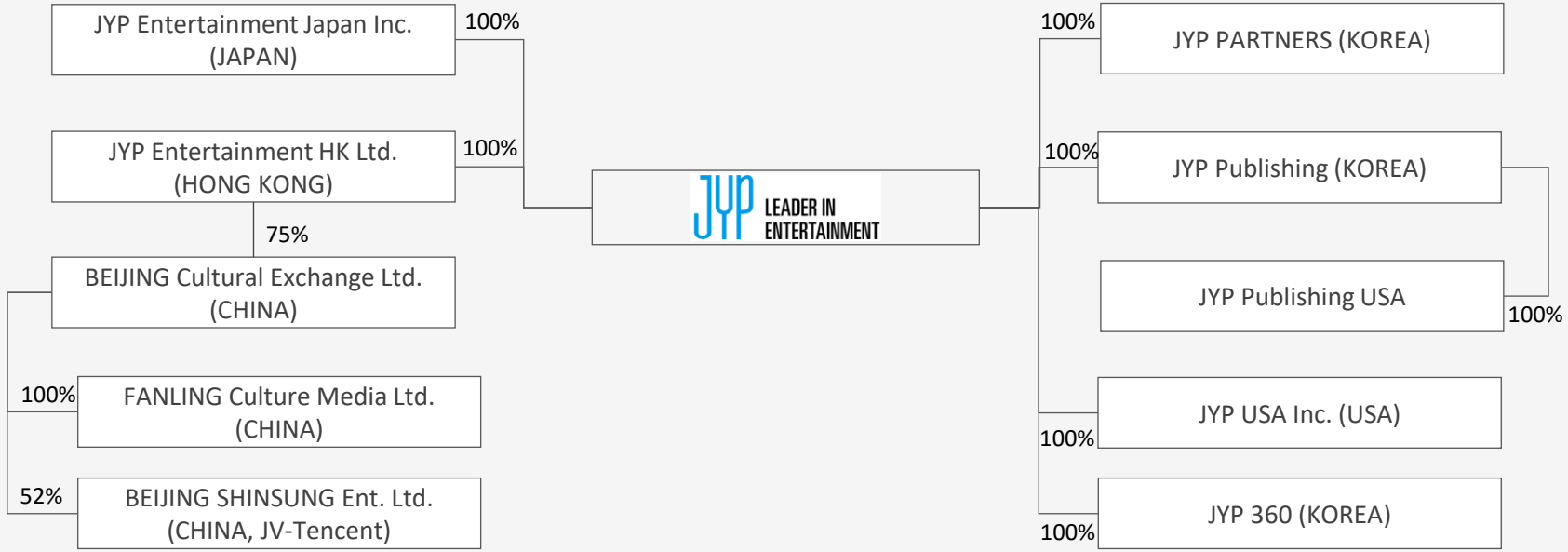
Company Overview

Subsidiary & Affiliated Companies



Roles/Business Field

GLOBAL (CORE)

- Build up local network and support JYP artists for global performance/expansion
- Develop local talents and carry out local artist management (agency)

CORE

- Produce music and develop young talents under JYP's unique integrated system

SYNERGY

- Artist management
- VC Investment
- Produce/publishing music
- Commerce/Metaverse
- Platform

Financial Statements

Statement of Financial Position - Consolidated (B/S)

(Unit: KRW bn.)

	2023 (Q3)	2022	2021
Current Assets	320.9	237.1	159.1
Non-current Assets	191.1	174.0	158.2
Total Assets	512.0	411.1	317.4
Current Liabilities	112.4	101.3	58.3
Non-current Liabilities	5.9	5.2	8.4
Total Liabilities	118.4	106.6	66.7
Capital	17.9	17.9	17.9
Capital Surplus	77.2	76.9	76.9
Treasury Stock	-9.7	-9.5	-11.9
Retained Earnings	306.8	217.5	162.2
Equity attributable to the owners of the Parent Company	388.3	300.5	246.6
Total Equity	393.6	304.5	250.6

Statement of Comprehensive Income - Consolidated (P/L)

(Unit: KRW bn.)

	2023 (~Q3)	2022	2021
Revenue	409.4	345.8	193.8
Cost of Sales	210.0	189.3	89.7
Gross Profit	199.3	156.5	104.1
Selling and Administrative Expenses	67.7	59.9	46.2
Operating Income (Loss)	131.5	96.6	57.9
Other Non-operating Income	0.2	0.3	0.6
Other Non-operating Expenses	1.9	2.1	3.1
Financial Income	4.8	5.8	18.4
Financial Expenses	6.3	7.3	2.6
Share of Profit(Loss) of Associates and JVs	7.7	0.6	14.6
Profit Before Income Tax	136.2	94.1	85.9
Income Tax Expense	33.3	26.6	18.4
Net Profit (Loss)	102.8	67.5	67.5

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