

JYP Entertainment

2024 Investor Relations

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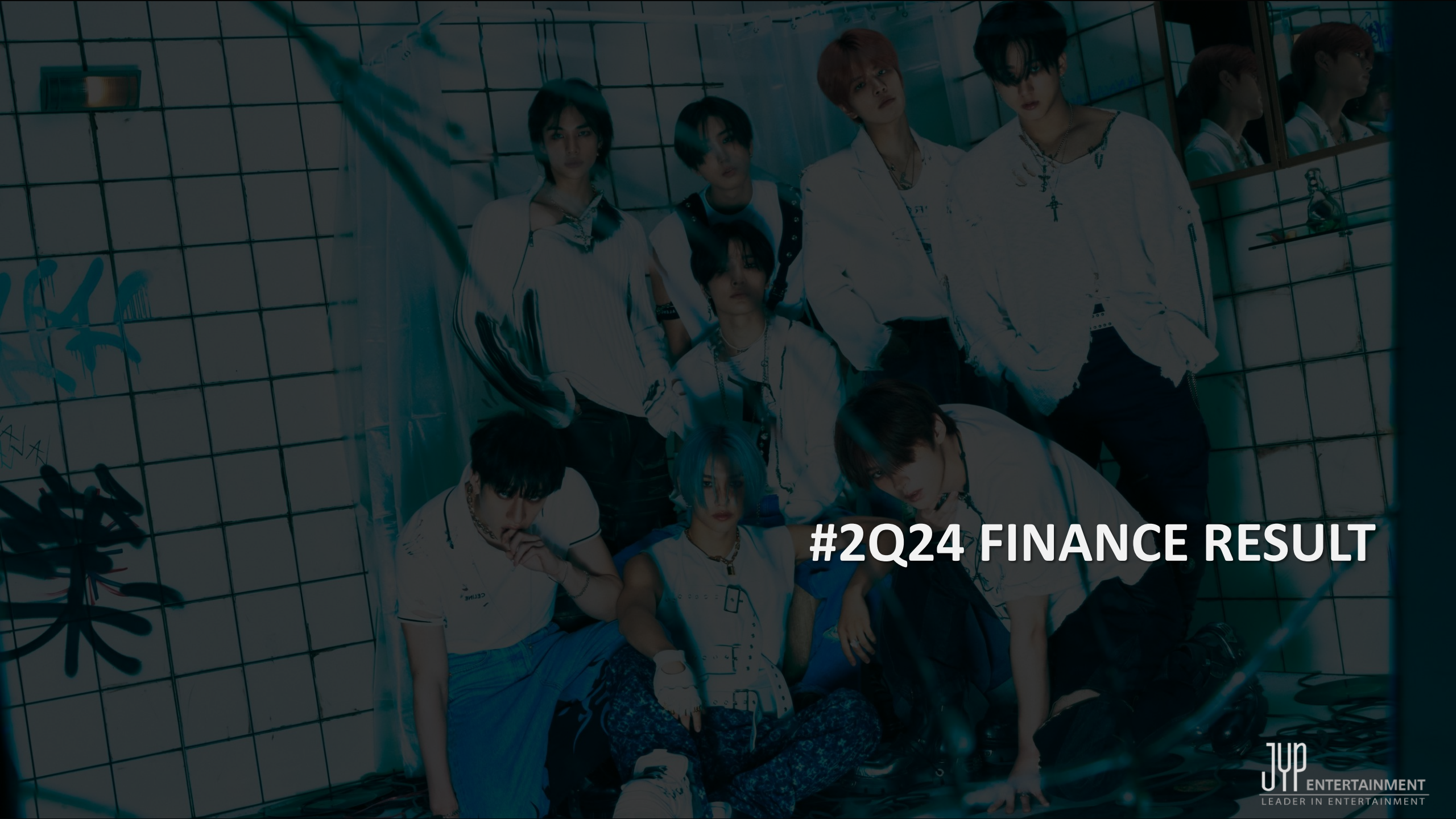

#2Q24 FINANCE RESULT

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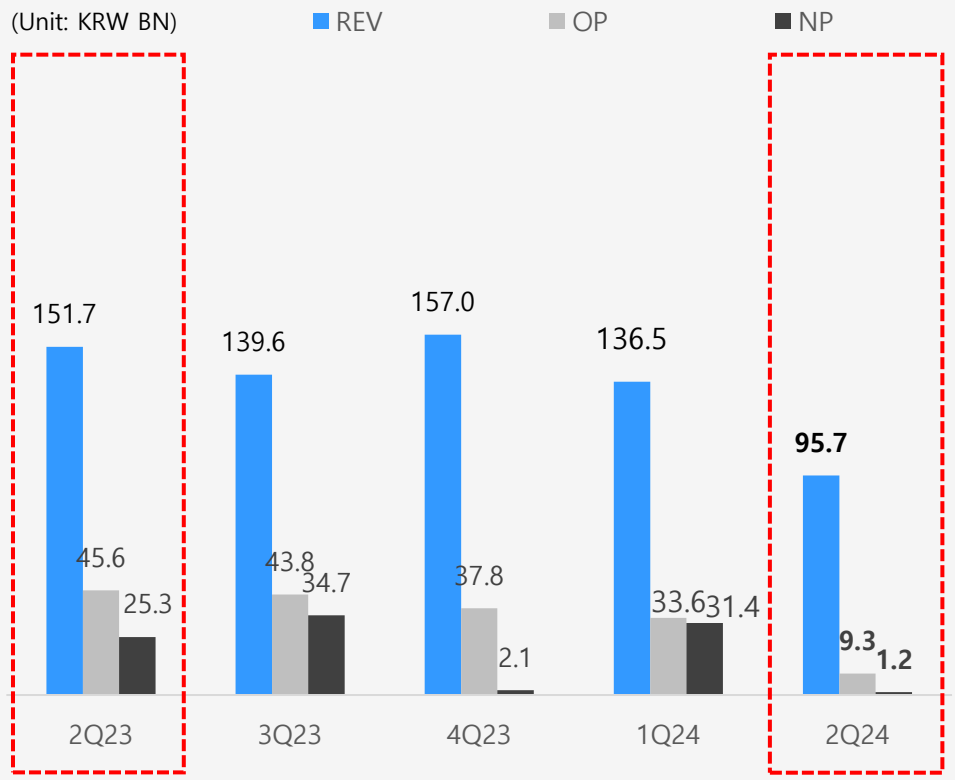
Q2 Result – Overview

"Decrease in content REV as artists take a pause/ mgmt. REV increase nonetheless as major artists' global popularity rises, A temporary decrease in content REV and increase in JYP360 cost led to margin contraction"

OVERVIEW



(Unit: KRW)

▶ **2024 Q2**

- **REV: 95.7BN (yoy-36.9%)**
- **OP: 9.3BN (yoy-79.6%)**
- **NP: 1.2BN (yoy-95.0%)**

▶ **Q2 REV decreases without major artists' album release/concert**

1) Absence of major artists' activities affected album REV, global streaming REV grows
   - Album REV **yoy-82%** / Global streaming REV grows **yoy+5%**
2) Mgmt. REV including Ads increase as artists' global recognition enhances
   - Ads: Reached record-high quarterly REV 9.2BN **yoy+29%**
   - Appearances: fan-meeting / fan-concert reached 7.9BN **yoy+194%**
   - Concert: Overage profit share from LN reflected even without major artists' concert
3) Others-Others: IP licensing & fan-club REV growth **yoy+33%**
4) Japan : SKZ / NiziU fan meeting, ITZY tour REV deferral

▶ **Margin contraction due to absence of artists' activities & JYP360 cost**

1) GPM 34.8% (**yoy-12.9%pt**) / OPM 9.8% (**yoy-20.4%pt**)
2) GPM: Increase in JYP360 manufacturing cost caused GPM to drop
   - contents production cost **yoy-57%** & artist fee **yoy-17%** decreased with a lack of activities
3) OPM: OPM diminished with decreased REV & increased JYP360 commission fee
   - JYP360 commission fee (PG/delivery cost) increased 1.0BN / incentive decreased 8.0BN

Q2 Result – P/L Summary

(Unit: KRW BN)

	2024 Q2 (a)	2023 Q2 (b)	Growth (yoy)	Gap (a-b)	Note
Revenue	95.7	151.7	(36.9%)	(56.0)	**Decrease in content REV as major artists take a pause. Mgmt. (ads/appearances) REV expands** - [Physical] No album release from major artists, Nayeon solo, NEXZ, XH new album 13.5BN - [Streaming] Global streaming maintains growth (global REV portion 84%) - [Concert] 14.0BN quarterly REV (incl. TWICE NA overage profit share & DAY6, ITZY concert) - [MD] 14.6BN quarterly REV (incl. JYP360 MD REV 7.0BN, Japan fan-meeting/tour MD REV) - [Ads] Major artists' global recognition expands, reached highest quarterly REV 9.2BN - [Appearances] Highest quarterly REV 7.9BN - [Other] Reached 18.8BN with increase in others-others REV such as fan-club yoy+33%
COGS	62.4	79.4	(21.4%)	(16.9)	**GPM 34.8%** (yoy-12.9%pt) - Other expenses increased 9.0BN including JYP360's manufacturing costs yoy+56% - Contents production cost decreased 21.8BN yoy-57% / artist fee decreased 4.1BN yoy-17%
Gross Profit	33.2	72.3	(54.0%)	(39.0)	
L SG&A	23.9	26.6	(10.2%)	(2.7)	- Incentive (salary) decreased yoy-8.0BN - JYP360 commission fee, etc. yoy+1.0BN - Lease asset increased D&A yoy+0.7BN
Operating Profit	9.3	45.6	(79.6%)	(36.3)	**OPM 9.8%** (yoy-20.4%pt)
L Financial Income	0.1	-2.0	-	2.2	Gain on FX Transaction 1.2BN / 4By4, fair value measurement gain 0.5BN
L Financial Expenses	1.6	3.5	-	(1.8)	Decrease in Naver Z fair value measurement loss 1.6BN
L Other Non-operating Expenses	3.0	1.2	-	1.7	Donation increased 1.7BN
Net Profit	1.2	25.3	(95.0%)	(24.1)	Corporate tax 4.6BN reflected

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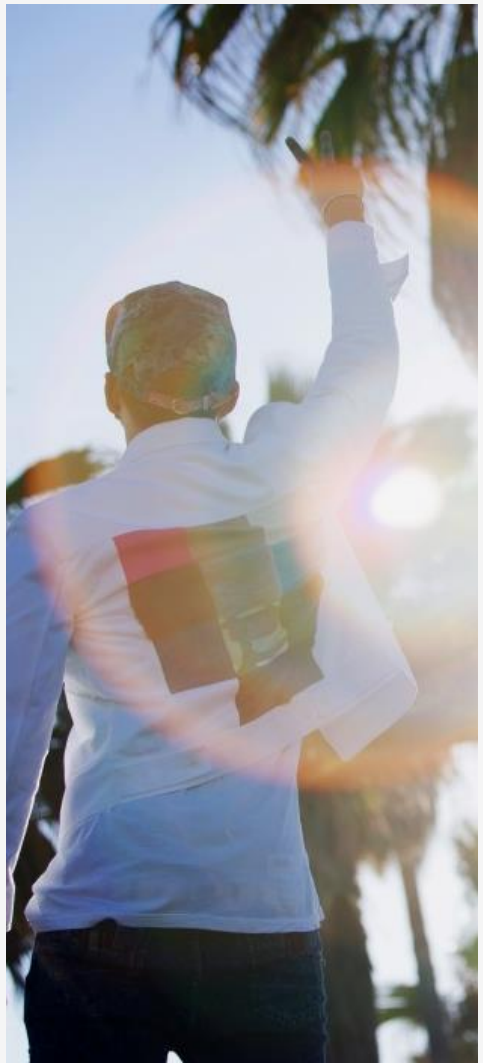
Investment H/L

**“Mid to long-term growth expected as major artist renews contract and artist lineup expands /
Strengthening presence in the global music industry incl. NA & LATAM /
Founded a new label based on the company’s core competency to diversify artists and content, gaining new growth momentum”**



Summary of Investment Highlight

- **Major Artists’ H1/H2 activities and growth potential**
  - [JP] TWICE & Japan Unit / SKZ / NiziU strengthen presence in Japan, NEXZ expands lineup
  - [TWICE] Held 51 concerts in 27 regions, amassed 1.5MN audience in ’23–’24 / Planned H2 tour & group/unit/solo (Tzuyu) activities
  - [SKZ] Album <ATE> released in July tops ‘Billboard 200’ 5 times consecutively, entered ‘Billboard Hot 100’ 3 times in a row with the highest-ever ranking #49 / Headlined in major global festivals, massive world tours planned in H2 / All members renew contract
  - [ITZY] EU / OCEANIA / NA / Asia region second world tour successfully held (28 regions 32 times) / H2 comeback planned
  - [NMIXX] Expanding domestic presence, Asia region fan concerts successfully held / Plan to release mini-album in Q3 (8/19)
  - [NiziU] Planned activities including H2 album comeback and fan meetings
  - [NEXZ] Official debut in Japan planned in Aug. (8/21) after the global debut / Plan to appear in a Japanese variety show from Sep.
- **Expansion of Artist line-up**
  - 24H2 : [LOUD] [Project C] / Plan to establish a subsidiary in Latin America for L2K Project
  - Established INNIT Entertainment (plan to diversify artist by utilizing core business capabilities)
- **Strengthening Core Biz**
  - [Contents] Change in content decision-making process & structure / Strengthen key personnel in creative roles
  - [Platform] Integrate and develop ‘JYPSHOP’ & FANS, Optimizing JYP360 BM

Q3 Update

- **Artist Album and Concert (Q3 expected)**
  - Album: [TWICE JP regular] [Tzuyu Solo Mini] [SKZ Mini] [NMIXX Mini] [NiziU JP EP] [NEXZ JP Debut Single] [DAY6 Mini]
  - Concert: [TWICE JP Concert] [SKZ World Tour] [ITZY World Tour] [NiziU JP Fan-meeting] [NEXZ Showcase] [DAY6 World Tour] [XH Seoul Concert]

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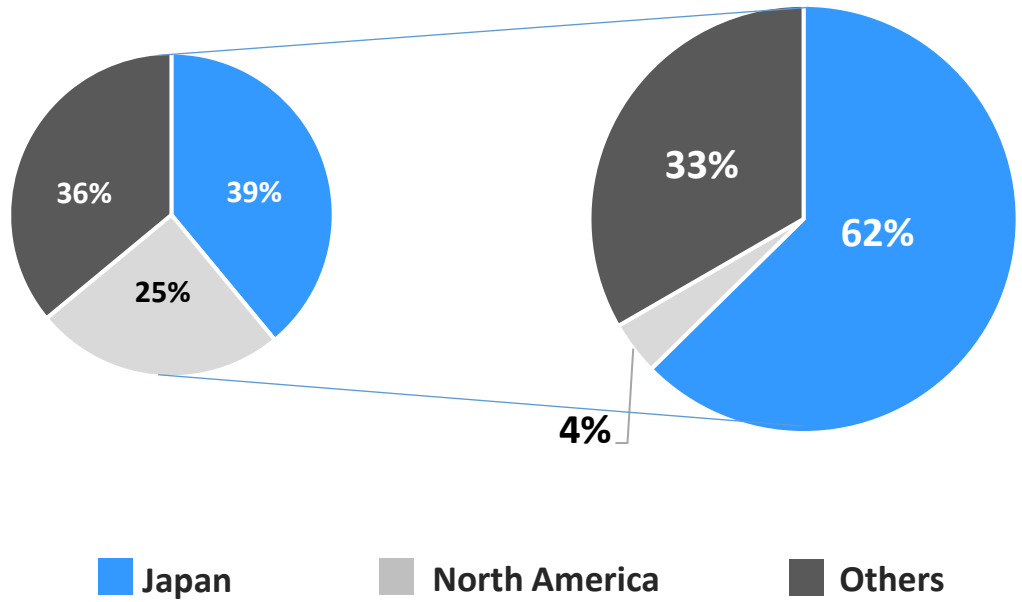
Concert Capacity Comparison

"While the number of audiences in 2024 grows, an increased proportion of sizable tours in Japan will contribute to the concert margin growth."

No. of Concerts & Audiences

FY2023	FY2024
No. of Concerts	No. of Concerts
141	130
No. of Audiences	No. of Audiences
1.4 Million	1.9 Million

Audiences by Region



* '24 Tour Information is subject to modification.
* Number of deferred concerts are reflected.

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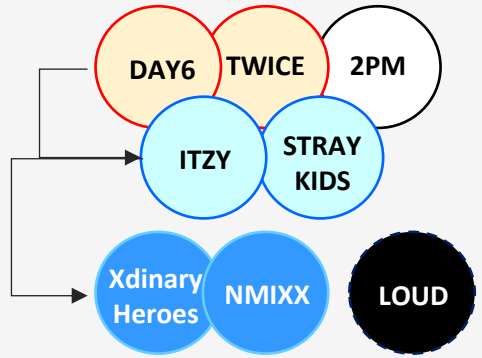
Growth – Strategic Direction

"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



A Maximizing Efficiency

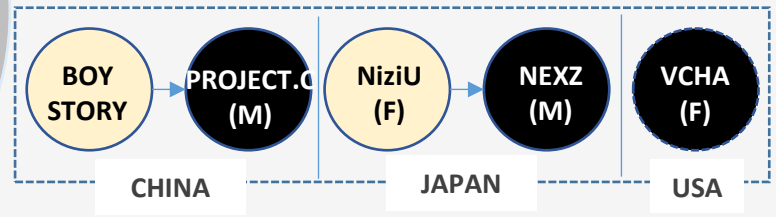
Achieve greater efficiency through vertical expansion and process innovation, focusing on the core biz

Greater Market Dominance

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



C New Business Opportunity

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

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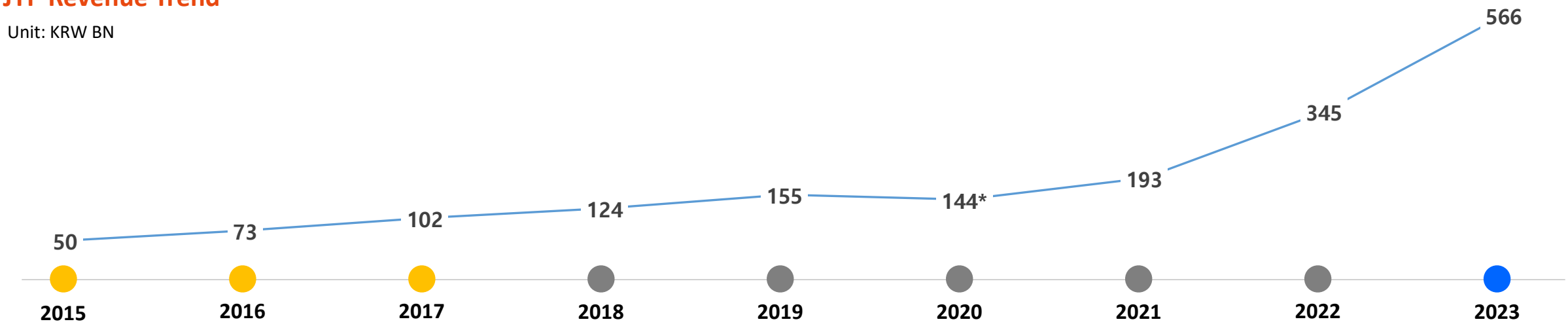
Key Milestone

"JYP continues its fast & sustainable growth through organic expansion of multi-label, by optimizing structure & production system and enhancing global partnership."

JYP Revenue Trend

Unit: KRW BN



Re-structuring & Systemization

- TWICE Debut (2015)
- DAY6 Debut (2015)
- Changed Group Structure into 4 Labels (2016)
- Established HK Office (2017)
- TWICE Debut in Japan (2017)

K-POP Global Penetration & Artist Expansion

- Stray Kids Debut (2018)
- Boy Story Debut – China Localization (2018)
- ITZY Debut (2019)
- NiziU Debut – Japan Localization (2020)
- Established JYP360 (2021)
- Xdinary Heroes Debut (2021)
- NMIXX Debut (2022)

Glocalization & Partnership Enhancement

- Strategic Partnership with Republic Records (2023)
- Strategic Partnership with Live Nation (2023)
- Established JYP Partners (2023)
- VCHA Debut – USA Localization (2024)
- NEXZ - Japan Localization (2024)
- Project C – China Localization (2024E)
- LOUD Project (2024E)

* COVID19 outbreak

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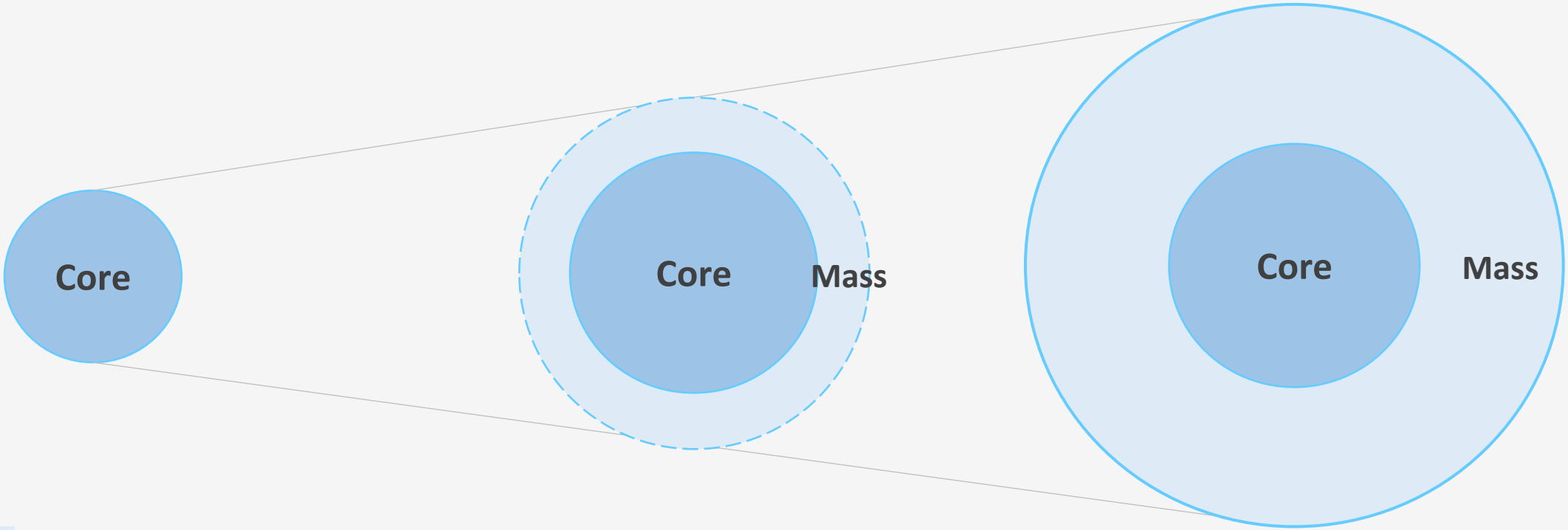
Artist Growth Cycle

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



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

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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)

- Albums sold over 20 million copies since 2016
- 13th Mini Album “With YOUTH” ranked No. 1 on <Billboard 200>
- The first K-Pop female artist to perform and sell out SoFi and MetLife Stadium in the US and Nissan Stadium in Japan
- Successfully hosted the 5th World Tour, 51 concerts in 27 regions



DAY6

Debut in 2015 (Sep)

- ‘Sing a Song Writer and Composer’
- Sold out dome concerts in Seoul (3 times), and announced a 3rd world tour ‘FOREVER YOUNG’ in ’24 H2
- Recently released 8th Mini Album “FOUREVER,” all songs ranked in domestic streaming charts

Main Artists







STRAY KIDS

Debut in 2018 (Mar)

- Albums Sold over 23 million copies since 2018
- Mini Album 'ATE,' ranked #1 on 'Billboard 200' five times in a row, #49 on 'Billboard Hot 100'
- Announced a 3rd World Tour <dominATE>, in Asia, NA, Europe, LATAM
- Multiple headliners at global festivals

ITZY

Debut in 2019 (Feb)

- Album "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
- Recently released "BORN TO BE" in Jan 2024
- Successfully hosted the 2nd World Tour, 32 concerts in 28 cities

Xdinary Heroes

Debut in 2021 (Dec)

- JYP Entertainment's 2nd Boy Band debut following DAY6's success, all members specialized in musical instrument
- Recently released the first regular album <Troubleshooting>
- Successfully hosted the first NA showcase tour
- Currently hosting domestic concerts <Closed beta> for 5 months from April

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Main Artists



NMIXX

Debut in 2022 (Feb)

- 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)
- Currently hosted "MIXX UNIVERSITY" fan concert in Hong Kong, Taiwan, and Macau
- Recently released "Fe3O4: BREAK" in Jan 2024
- Plan to release the 3rd mini Album "FE3O4: STICK OUT" in August 2024

ARTISTs (Localization)

Local Artists



BOY STORY (JV)

Debut in 2018 (Sep)

- JYP's First Local Artist under JV with TENCENT
- 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
- Successfully hosted showcase tours in China – 8 times in 8 cities



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)
- Recently released EP 'RISE UP' in July 2024



VCHA

Debut in 2024 (Jan)

- The first all American female group trained and produced under JYP system, namely "A2K Project," reaching 58M YouTube views
- 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
- Recognized as Grammy's 25 Artists to Watch in 2024

Hot Prospects – Local Artists



NEXZ

Debut in 2024 (May)

- NEXZ co-produced by JYP Ent. & SONY Music Japan after success of NiziU
- Audition show ‘Nizi Project 2’ ranked #1 in Japanese OTT HULU variety shows, drawing local attention
- Made a global debut in May 2024, Japan Debut in August 2024
- Released their first global debut single “Ride the Vibe”
- Planned to appear in a Japanese variety show from September 2024

Artist Line-up Expansion (by year)

Artists	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2PM	*CR*			*CR*						*CR*
DAY6	*Debut*							*CR*		
TWICE	*Debut*							*CR*		
Stray Kids				*Debut*						
ITZY					*Debut*					
NiziU (Japan)						*Debut*				
Xdinary Heroes							*Debut*			
NMIXX								*Debut*		
VCHA (USA)										*Debut*
NEXZ (Japan)										*Debut*
LOUD Project										*Debut (H2)*
Project C (China)										*Debut (H2)*

CR: Contract Renewed
Orange font: Global localization project

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Company Overview

COMPANY OVERVIEW

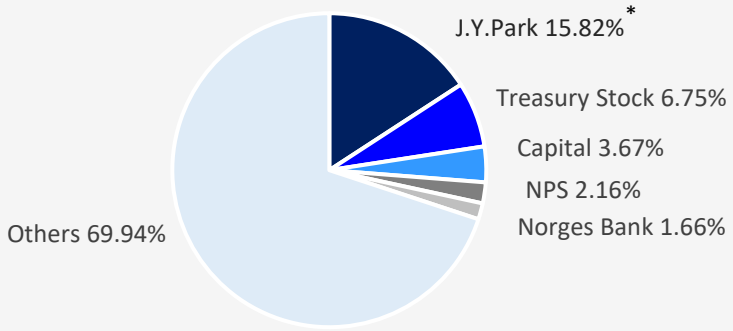
- COMPANY: JYP ENTERTAINMENT Co. Ltd
- Establishment: 25 APR. 1996
- Equity: KRW 17.9BN
- Market Cap.: KRW 2.0TN (As of 1st Aug. 2024)
- CEO: WOOK JEONG
- IPO: 30 AUG. 2001
- No. of Employees: 399 (As of 1st Aug. 2024)
- Business Field: Music Production & Recording, Artist Management (Agency), Contents Production

SHAREHOLDERS

(As of 30th Jun. 2024)

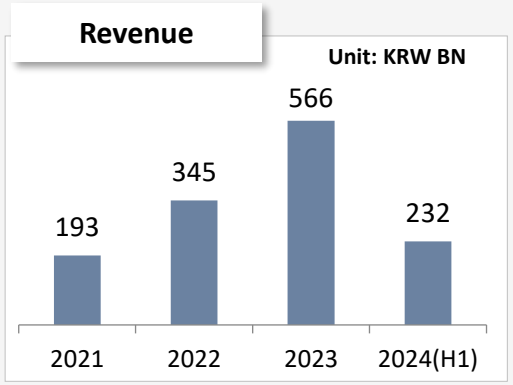
- Jin Young Park (Founder): 15.37%
- Treasury Stock: 6.75%
- Capital : 3.67%
- NPS: 2.16%
- Norges Bank : 1.66%

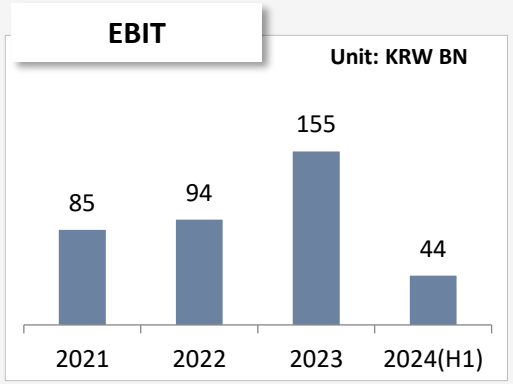
[Total Stock Issued: 35,532,492]

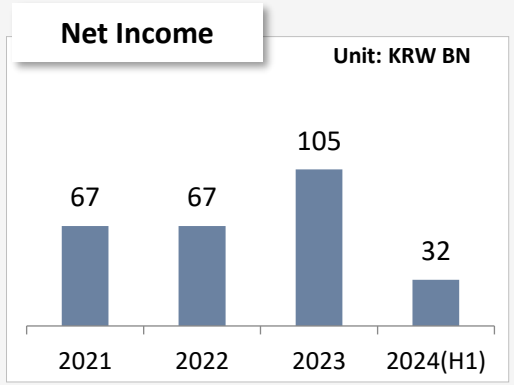


*Incl. key management

KEY FINANCIALS







* COVID19 breakout (2020, Feb)

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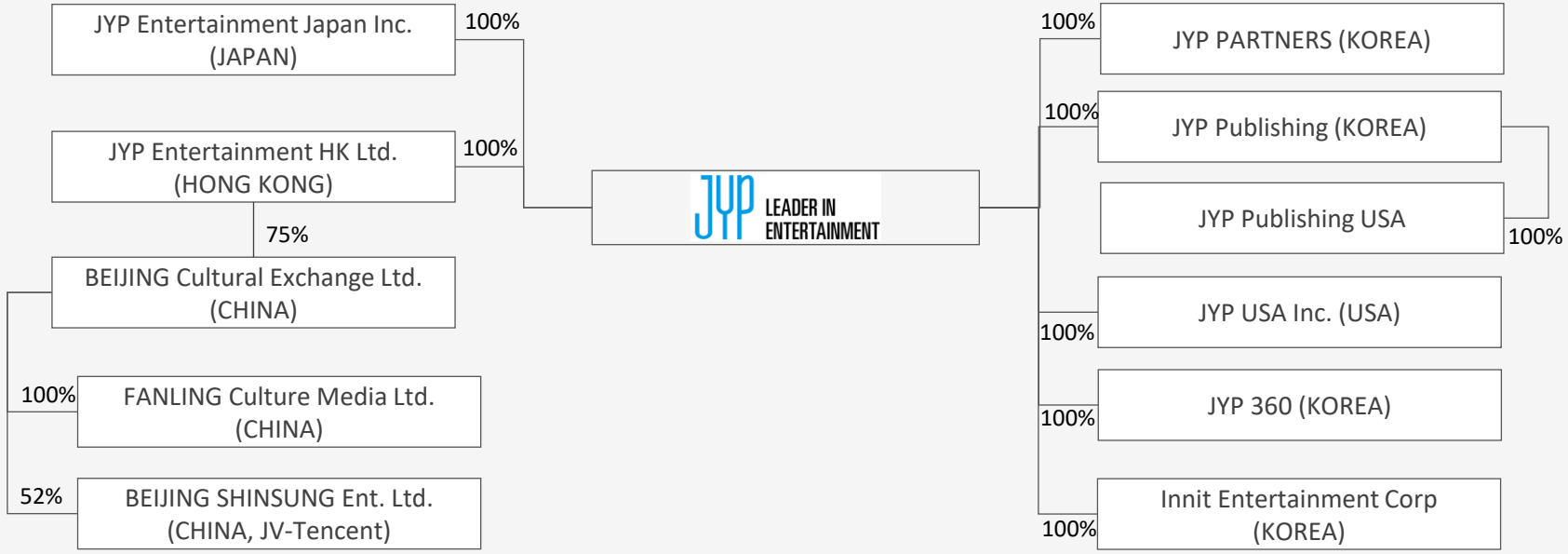
Company Overview

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/Merchandise
- Platform

Financial Statements

Statement of Financial Position - Consolidated (B/S)

(Unit: KRW BN)

	2024 (Q2)	2023	2022
Current Assets	337.0	368.7	237.1
Non-current Assets	212.4	202.7	174.0
Total Assets	549.4	571.5	411.1
Current Liabilities	118.2	154.3	101.3
Non-current Liabilities	18.2	19.1	5.2
Total Liabilities	136.5	173.4	106.6
Capital	17.9	17.9	17.9
Capital Surplus	79.1	78.1	76.9
Treasury Stock	-10.8	-10.5	-9.5
Retained Earnings	324.9	310.8	217.5
Equity attributable to the owners of the Parent Company	409.1	394.0	300.5
Total Equity	412.9	398.0	304.5

Statement of Comprehensive Income - Consolidated (P/L)

(Unit: KRW BN)

	2024 (H1)	2023	2022
Revenue	232.2	566.5	345.8
Cost of Sales	138.2	298.2	189.3
Gross Profit	93.9	268.2	156.5
Selling and Administrative Expenses	50.9	98.8	59.9
Operating Income (Loss)	42.9	169.4	96.6
Other Non-operating Income	0.0	0.8	0.3
Other Non-operating Expenses	3.0	6.7	2.1
Financial Income	5.2	6.0	5.8
Financial Expenses	2.8	17.7	7.3
Share of Profit(Loss) of Associates and JVs	2.4	3.8	0.6
Profit Before Income Tax	44.7	155.6	94.1
Income Tax Expense	12.0	50.6	26.6
Net Profit (Loss)	32.7	105.0	67.5

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