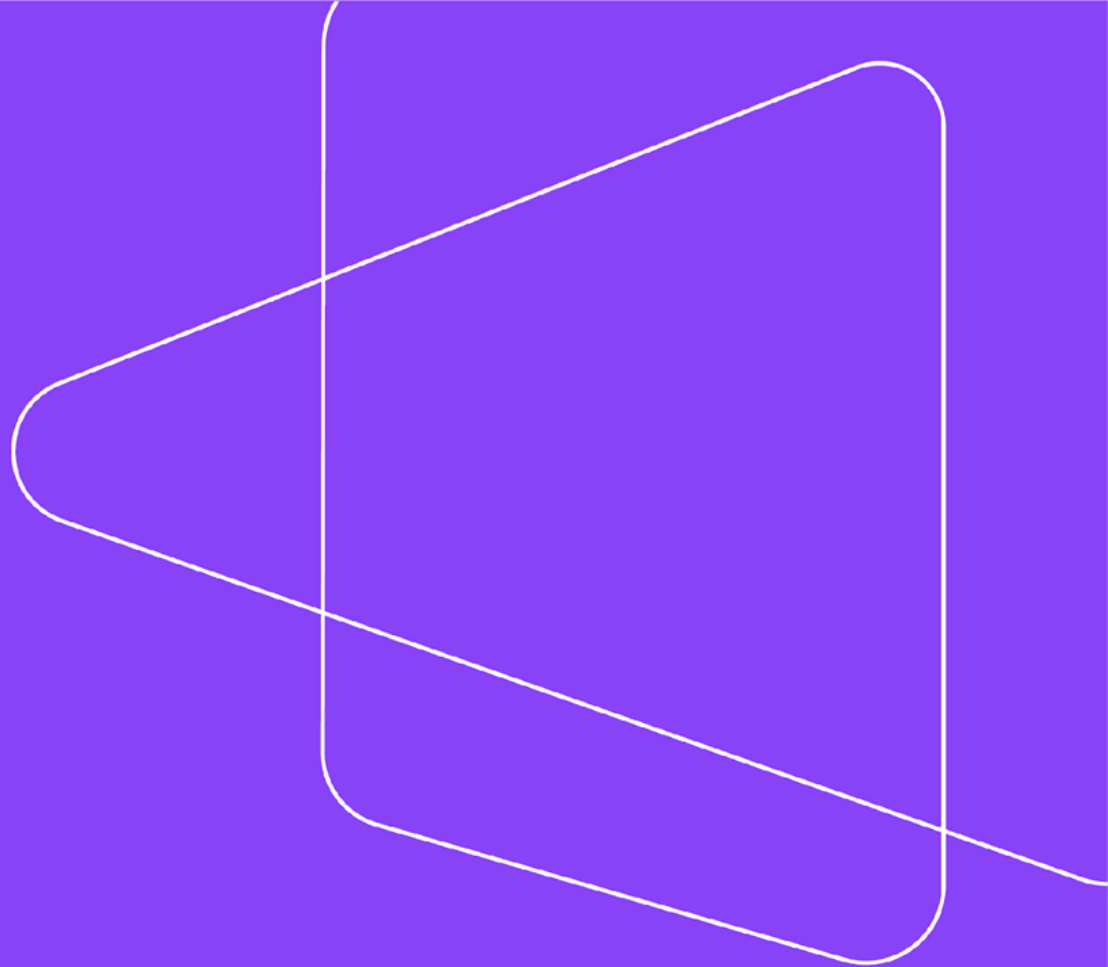




Stream  
Media  
Corporation



# Stream Media Corporation (4772) **Business Plan and Growth Potential**

This document has been translated from the original version in Japanese.  
In the event of any discrepancy between this document and the Japanese original, the latter shall prevail.

## Stream Media Corporation (SMC) - Business Plan and Growth Potential Overview

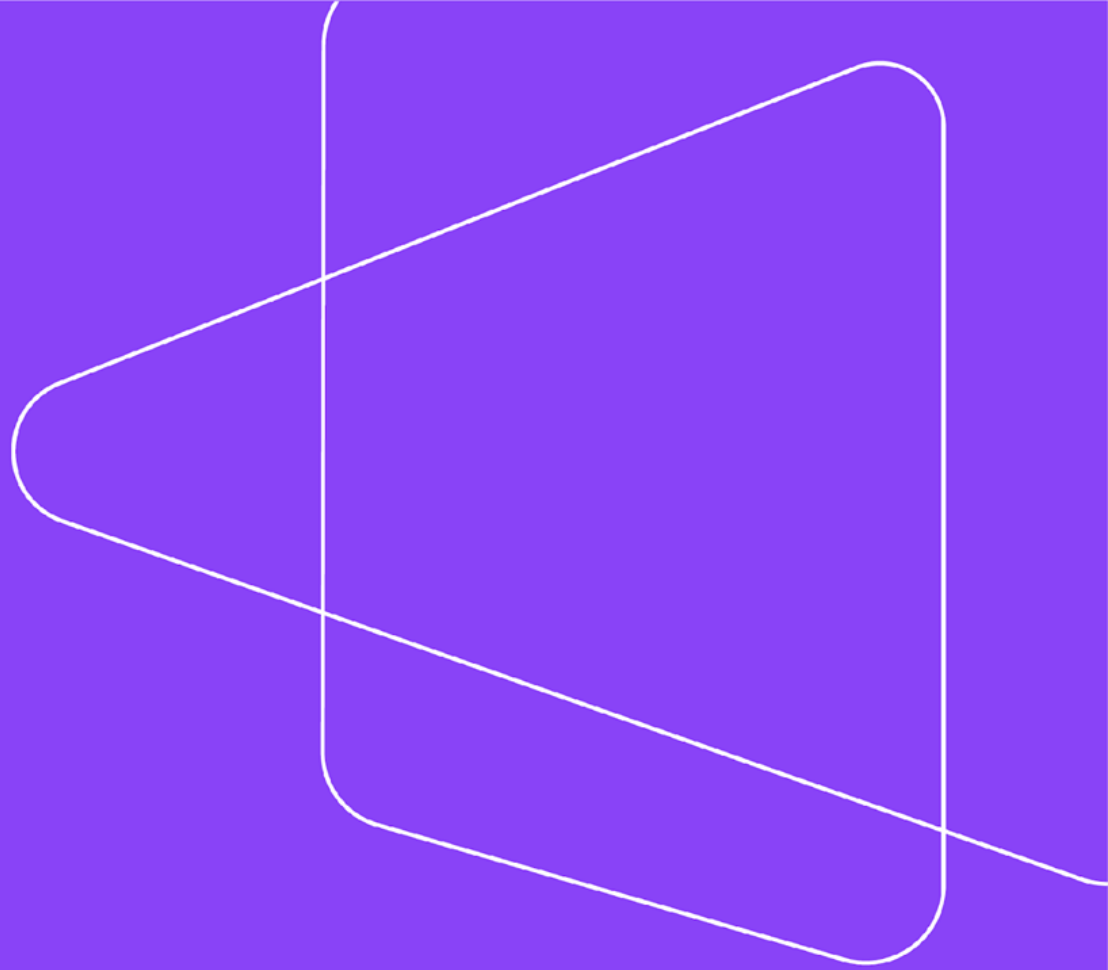
|  |      |
|--|------|
| <b>1. Company Overview</b>                       | P.3  |
| <b>2. Business Overview</b>                      | P.6  |
| <b>3. Market Environment and Countermeasures</b> | P.12 |
| <b>4. Business Plan &amp; KPIs</b>               | P.20 |
| <b>5. Reporting Matters</b>                      | P.25 |
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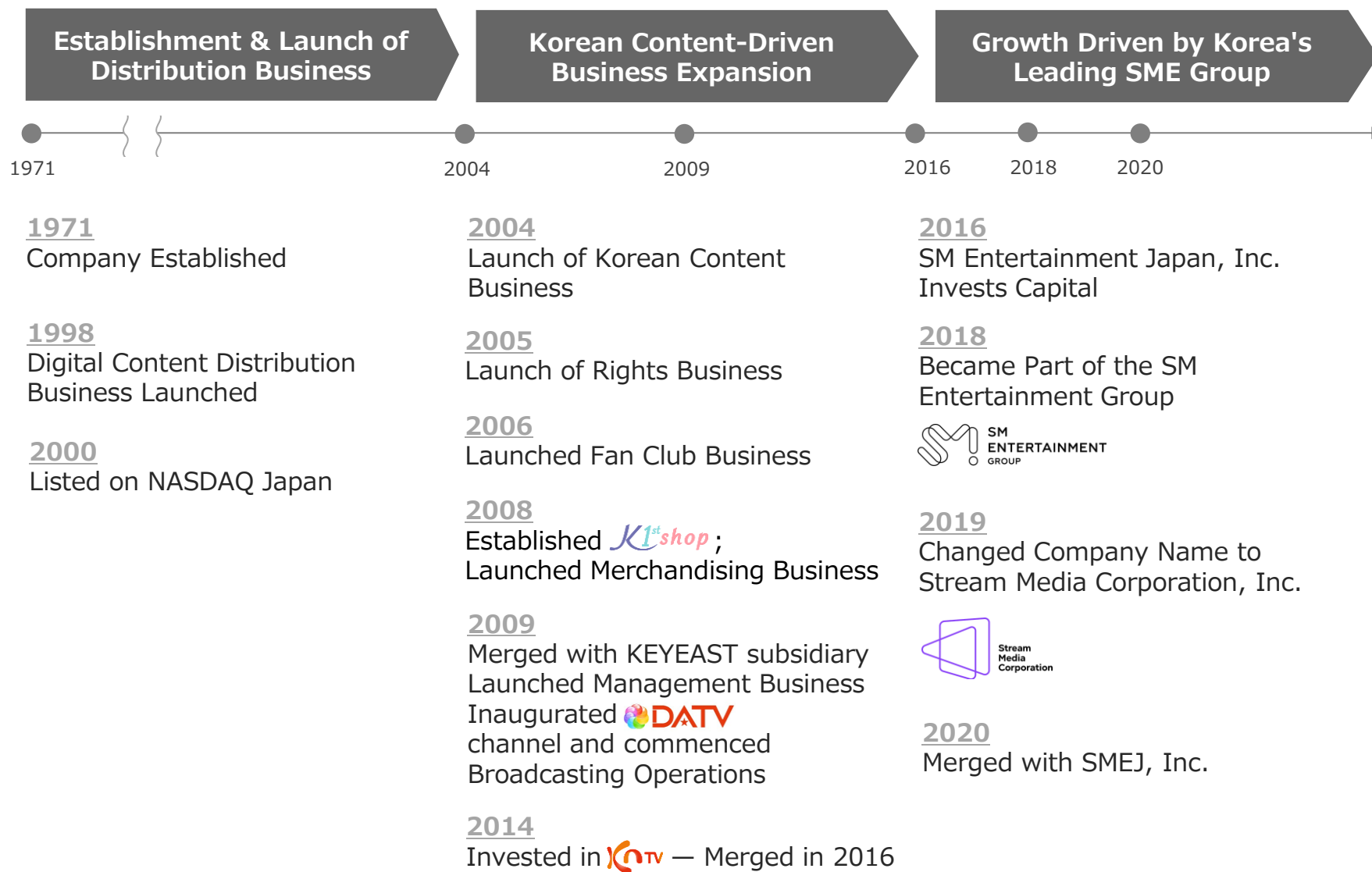
Stream  
Media  
Corporation

# Company Overview

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|                          |  |
|--------------------------|--|
| Company Name             | Stream Media Corporation, Inc.   |
| Headquarters             | 21F, Roppongi Grand Tower, 3-2-1 Roppongi, Minato-ku, Tokyo 106-6221, Japan          |
| Capital                  | 50M yen (as of DEC 2024)   |
| Core Business Activities | Concert business, merchandising, music business, media business, rights business     |
| Operations Commenced     | APR 1998 (Established DEC 1971)  |
| Number of Employees      | 91 (as of DEC 2024)  |
| Listing                  | Tokyo Stock Exchange Growth Market (Listed on JUL 27, 2000)<br>Securities Code: 4772 |

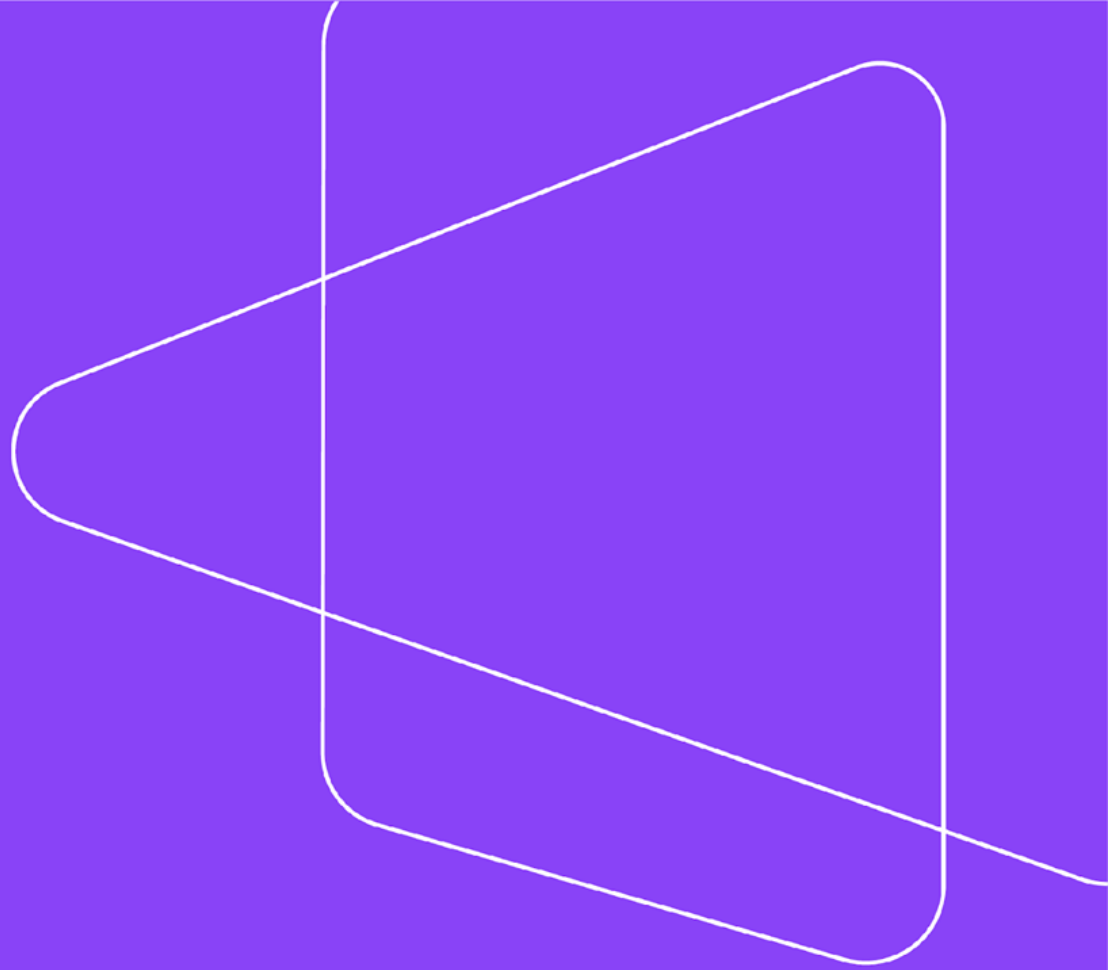




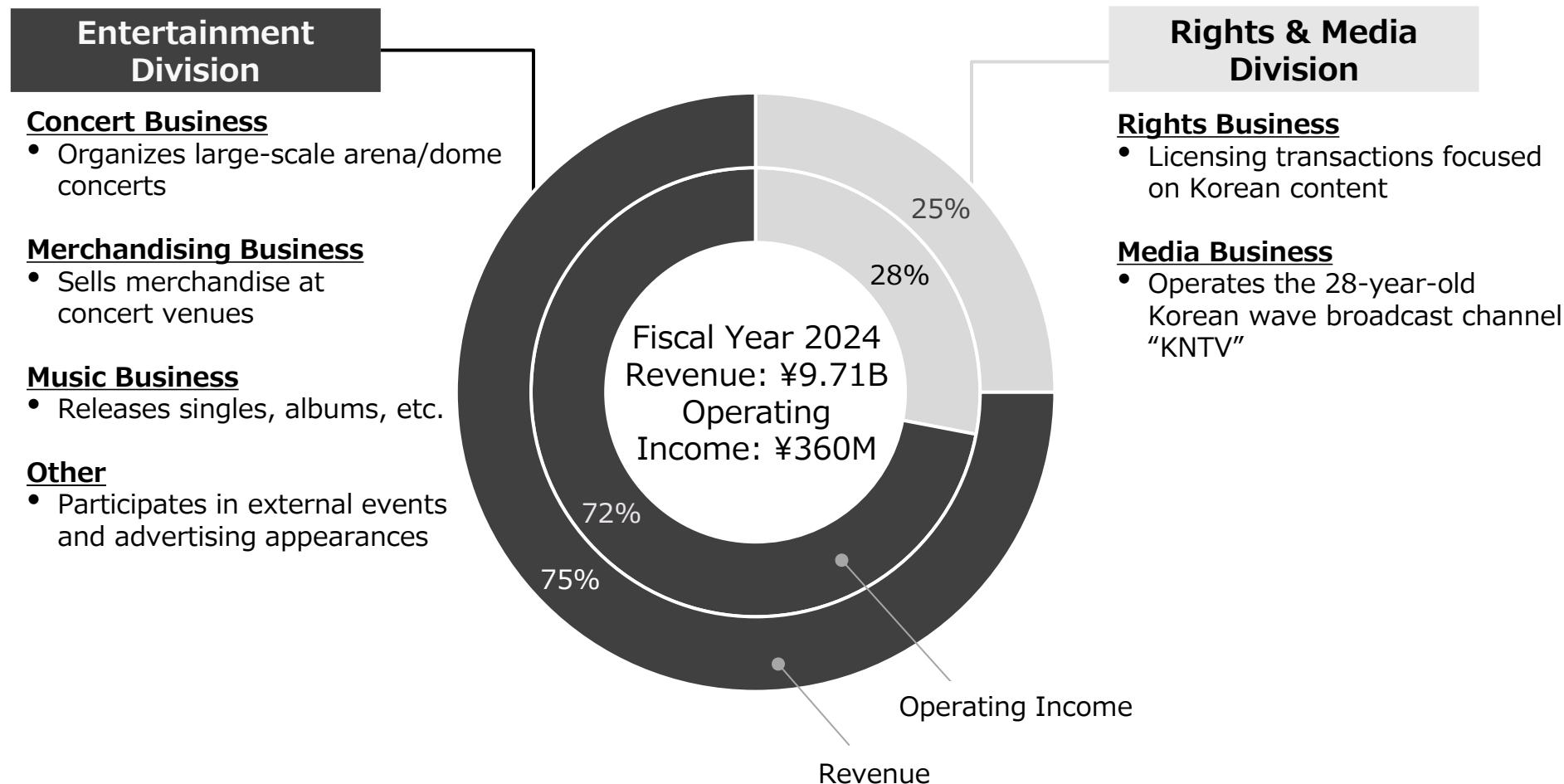
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# Business Overview

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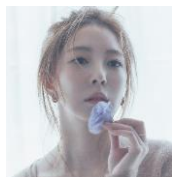


We operate two divisions: an Entertainment Business with exclusive domestic management rights for SM Entertainment artists, leveraging their IP, and a Rights & Media Business that handles Korean content licensing and runs a Korean broadcast channel.



We hold exclusive domestic management rights for globally popular SM Entertainment artists and for actors affiliated with other companies. By leveraging these artist IPs, we are broadening our business across various sectors.

## [SM Affiliated Artists]



BoA



TVXQ!



SUPER JUNIOR



Girls' Generation



SHINee



EXO



Red Velvet



NCT 127



NCT DREAM



WayV



aespa



RIIZE



NCT WISH



Hearts2Hearts

## [Other Company Actors & Artists]



Lee Byung-hun



Lee Min-ho



tripleS

## Entertainment Business Leveraging Powerful IP

### Concert Business

- Hosting large-scale concerts in arena/dome venues
- Drawing over 1.5M attendees annually
- Online streaming to audiences worldwide
- **Discovering and developing new IP**

### Merchandising Business

- Selling merchandise at concert venues
- Expanding sales via e-commerce
- Planning collaborative product lines
- Operating limited-time pop-up stores and cafés

### Music Business

- Releasing singles and albums
- Producing live concert DVDs
- Achieving high rankings on various charts

### Other

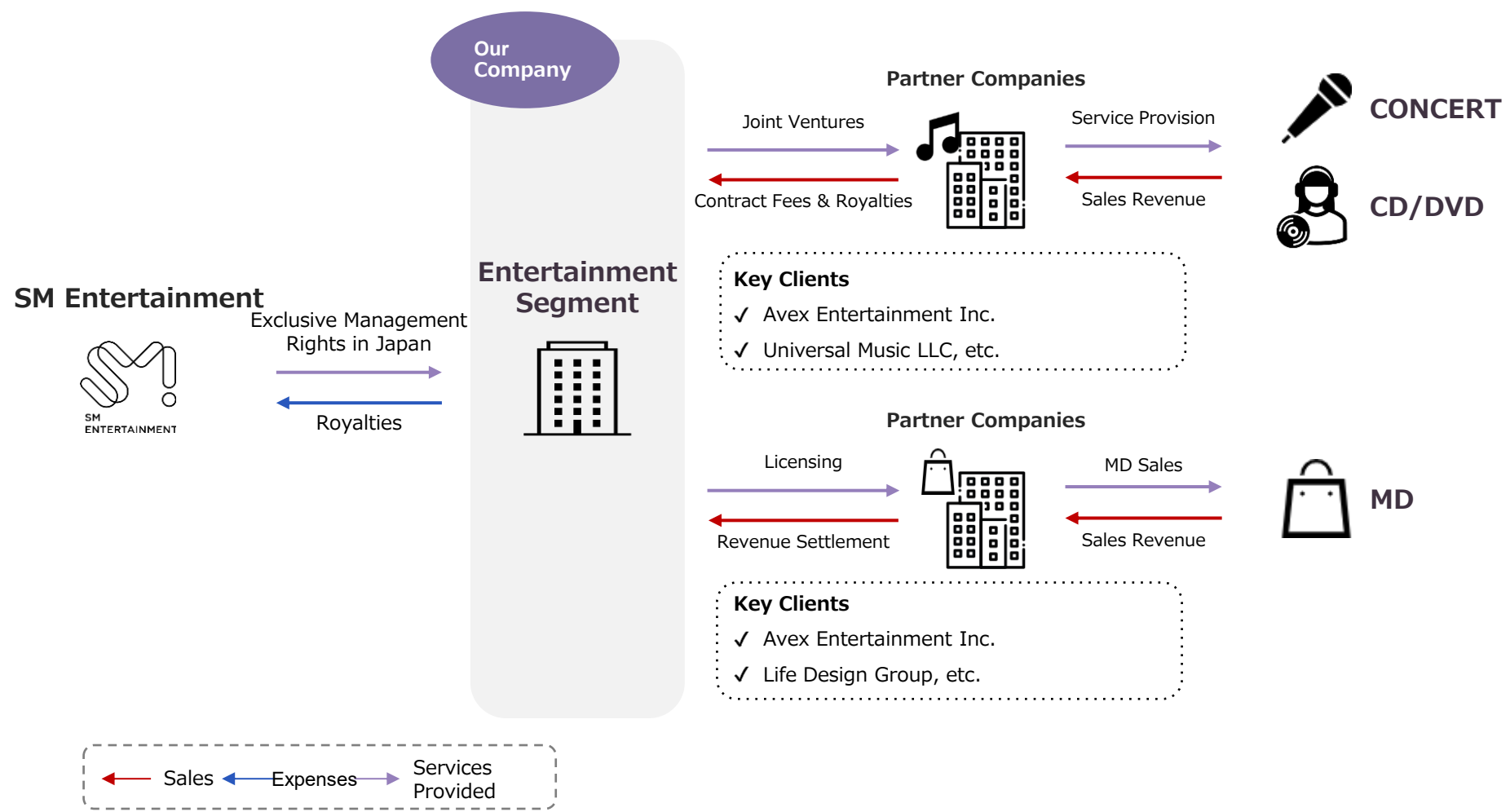
- Advertising contracts
- Appearances in films and dramas
- Fan club management business\*
- Planning and producing original content

\*Our fan club business mainly targets Korean actors and artists from other companies.



# Entertainment Segment: Revenue Structure

In our Entertainment segment, we obtain rights from Korean companies for their artists' activities in Japan and, using artist IP, offer a range of services and products with domestic partners.



In addition to importing popular Korean dramas, music, and other content for domestic sales, we also broadcast them via our self-operated channel KNTV, now celebrating its 28th anniversary.

## Rights Business

We purchase popular content such as Korean dramas and variety shows, and sell them to broadcasters—including our own channel KNTV—as well as BS/CS channels and OTT providers.

### South Korea & China/Taiwan

- Content Production Companies
- Korean Terrestrial & CATV
- SM Group Companies



### Japan

- Terrestrial, BS, CS
- OTT Services
- DVD Retailers

### ■ Drama



(Left) "Korea-Khitan War" (Original Title)  
(Right) "Missing Crown Prince" (Original Title)

### ■ Variety



(Left) "April Snow"  
(Right) "TVXQ's 72 Hours"

## Media Business

KNTV, which airs K-POP premium content and popular Korean dramas, is delivered via a CS service that reaches 30 million households nationwide in Japan.

### ■ K-POP Premium Content



[Live]  
SMTOWN LIVE 2024 : SMCU  
PALACE@TOKYO



[Live]  
2025 WayV CONCERT  
[ON THE Way] FINAL IN SEOUL

### ■ Drama and Variety



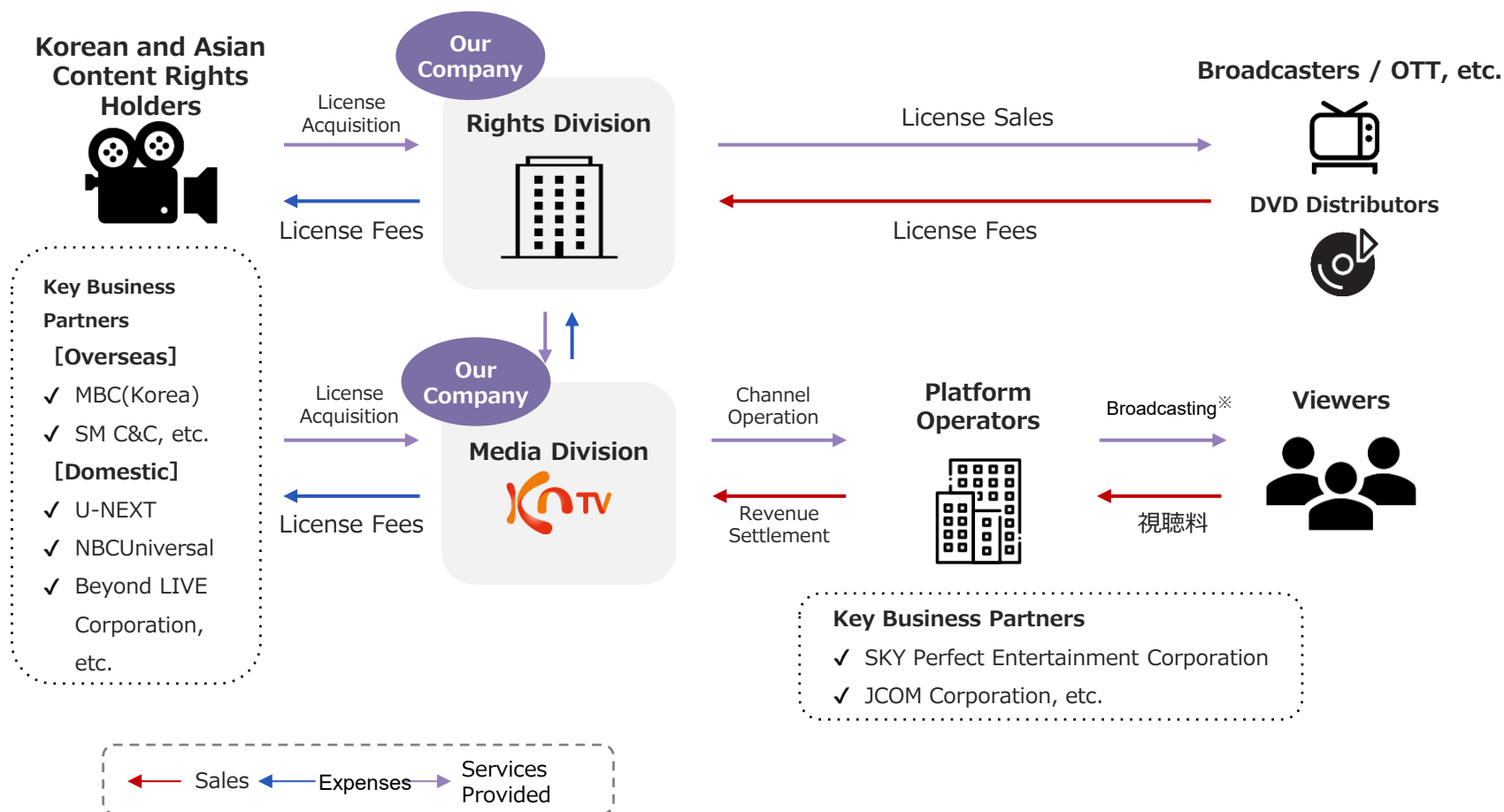
KBS Taiga Drama  
"Korea-Khitan War" (Original Title)



"Doubt" (Original Title)

# Rights & Media Segment: Revenue Structure

In the Rights & Media business, we acquire licenses from content rights holders and develop services—such as channel operations and content distribution—based on those licenses.



KNTV is distributed through the broadcasting services of CS, CA, and IPTV providers, with viewing fees collected by each provider and settled with our company.



Stream  
Media  
Corporation

# Market Environment and Countermeasures

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We will **strengthen the revenue structure of our concert business** to secure stable earnings while **strategically expanding non-concert operations** to achieve **sustainable growth**.

1

## Enhancing Existing Business

Secure stable revenue through continuous concert hosting.

2

## Business Expansion

Broaden artist IP and bolster non-concert businesses.

3

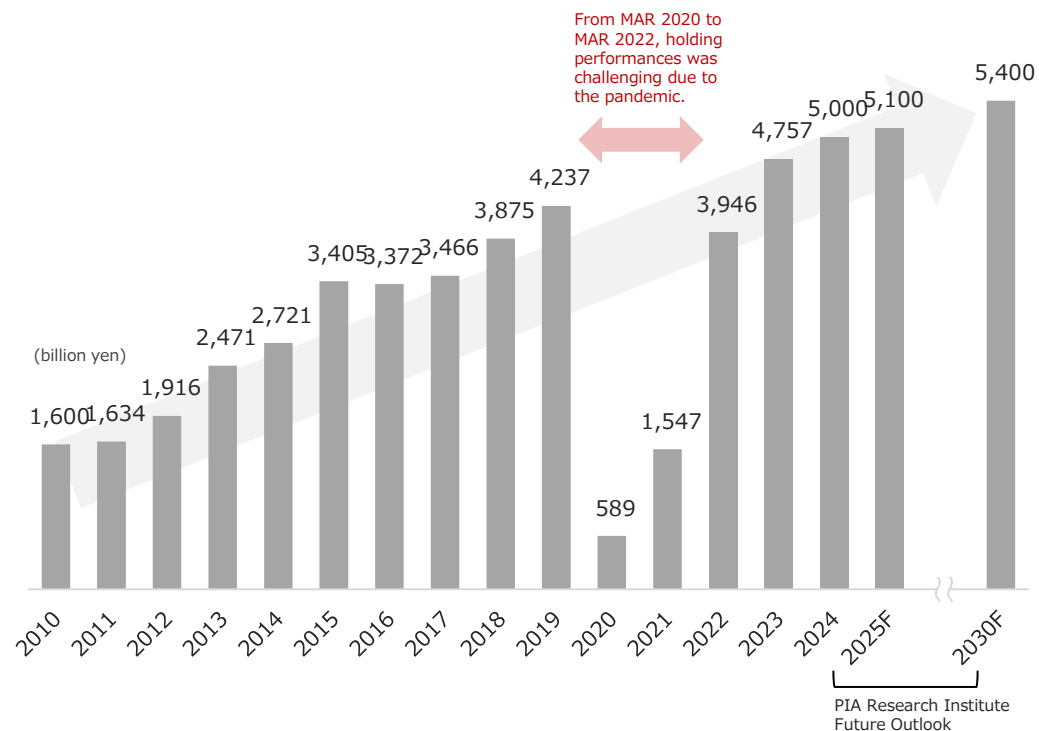
## Expanding Synergies

Enhance KNTV's competitive edge through K-POP content broadcasting.

# 1. Enhancing Existing Business: Concert Market Outlook

After suffering during COVID-19, the live music market exceeded pre-pandemic levels by 2023.  
**Continued growth in large events**, more venues, and higher ticket prices is expected to **drive stability**.

## ■ Concert Market Size Forecast



※ Aggregated genres: pop, classical, enka, kayōkyoku, jazz, ethnic music, and others

※ Online live performances are not included.

Source: Pia Research Institute Estimate, "Live Entertainment White Paper 2024"

※1 From the Sports Agency's "New Construction/Reconstruction of Stadiums and Arenas and Formation of Advanced Case Studies," as prepared by our company

## ■ Increase in Concert Venues※1

After 2025, six or more arena-class venues are planned to be built across Japan.



GLION ARENA KOBE  
(Spring '25 forecast,  
10K)



TOKYO A-ARENA  
(Autumn '25 forecast,  
10K)



Osaka Expo Memorial Park  
Station Front Arena  
(Forecast '27, 18K)



Aichi International Arena  
(Summer '25 forecast,  
18K)



SeaHorse Mikawa New  
Arena  
(Forecast '26, 5K)

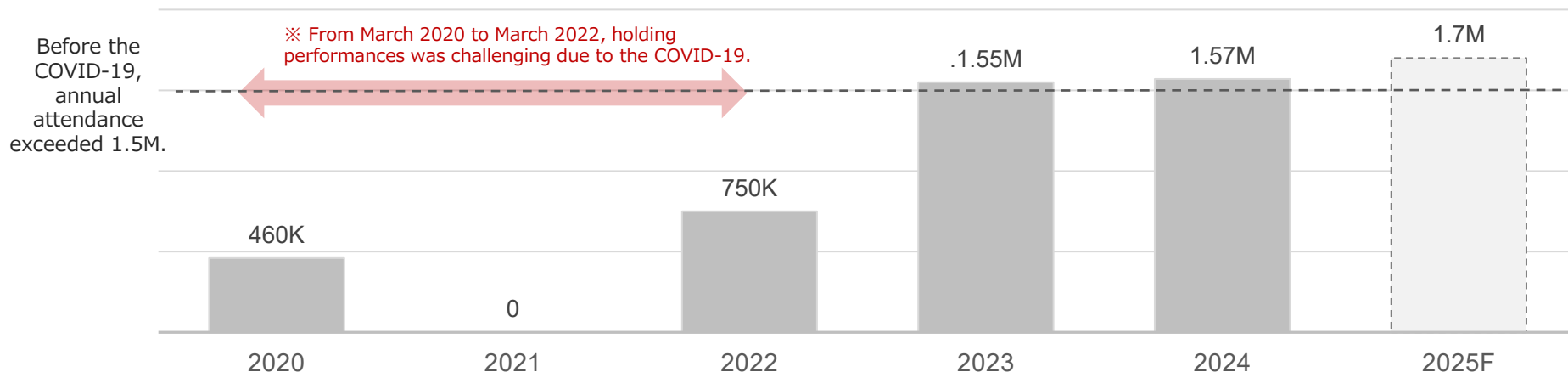


New Chichibunomiya  
Rugby Stadium  
(Winter '27 forecast, 20K)

# 1. Enhancing Existing Business: Concert Attendance Trends

Our company consistently boasts a **robust artist lineup** that attracts **over 1.5 million concert attendees annually**. We leverage this passionate fandom to expand our business portfolio.

## ■ Annual Concert Attendance



### 2022

MAY-JUN: TVXQ Fan Club Event Tour  
Attendance: ~140K (21 shows)

MAY-JUN: NCT 127 2nd World Tour  
Attendance: ~220K (5 shows)

AUG: SMTOWN LIVE  
Attendance: ~150K (3 shows)

### 2023

FEB-JUN: TVXQ Concert Tour  
Attendance: ~300K (20 shows)

FEB: NCT DREAM First Dome Concert  
Attendance: ~120K (3 shows)

MAR-AUG: aespa Japan Debut Concert Tour  
Attendance: ~200K (12 shows)

SEP: NCT Stadium Concert  
Attendance: ~220K (4 shows)

### 2024

JAN-MAR: NCT 127 Tōmei-Hanshin Concert Tour  
Attendance: ~260K (6 shows)

FEB: SMTOWN LIVE  
Attendance: ~100K (6 shows)

FEB: SHINee Tokyo Dome Concert  
Attendance: ~100K (2 shows)

MAY-JUN: NCT DREAM Dome Concert  
Attendance: ~230K (5 shows)

JUL-AUG: aespa Live Tour  
Attendance: ~200K (11 shows)

### 2025

NOV '24-APR '25: TVXQ! 20th Anniversary Tour  
Attendance: ~350K (22 shows)

JAN: RIIZE: The Secret LIEZ  
Attendance: ~30K (3 shows)

MAR-APR: NCT 127 Tour  
Attendance: ~100K (6 shows)

AUG: SMTOWN LIVE  
Attendance: ~100K (2 shows)

## 2. Business Expansion: Market Size of IP Utilization

By leveraging artist IP in diverse ways, we will expand our business portfolio and increase our market share in a domestic market exceeding 13 trillion yen.

Total Market: **¥13.8614 Trillion**

Expanding the Business Portfolio  
with Derivative Artist IP

**¥7.2145 Trillion**※3

Expanding the  
Reach of Artist IP

**¥4.8594 Trillion**※2

Music-Centric, Artist-  
Direct Businesses

**¥1.7875 Trillion**※1

- Music Software
- Live Performances
- Merchandise

- Film
- Drama
- Broadcast Content
- TV & Video Advertising,  
etc.

- Games
- Publishing (Physical &  
Digital)
- Advertising, etc.

Primary Market:  
**Direct Consumption by  
Artist Fans**

Secondary Market:  
**Consumption of Video  
Content**

Tertiary Market:  
**Overall Content Consumption Market**

Market  
Size

### Sources:

※1 Combined figures from:

- The 2023 forecast for the character market by the Content Industry Division, Commercial Information Production Bureau, Ministry of Economy, Trade and Industry;
- The 2021 Japanese phonograph (physical & digital) market scale from “Statistics Trends: Japan's Record Industry 2022” by the Recording Industry Association of Japan; and
- The music live market scale estimated in the “Live Entertainment White Paper 2022” by PIA Research Institute.

※2,3 Compiled by our company based on the 2023 forecast data from the Content Industry Division, Commercial Information Production Bureau, Ministry of Economy, Trade and Industry. Calculated at an exchange rate of 1 USD = 137.59 JPY.



## 2. Business Expansion & Strengthening Non-Concert Ventures

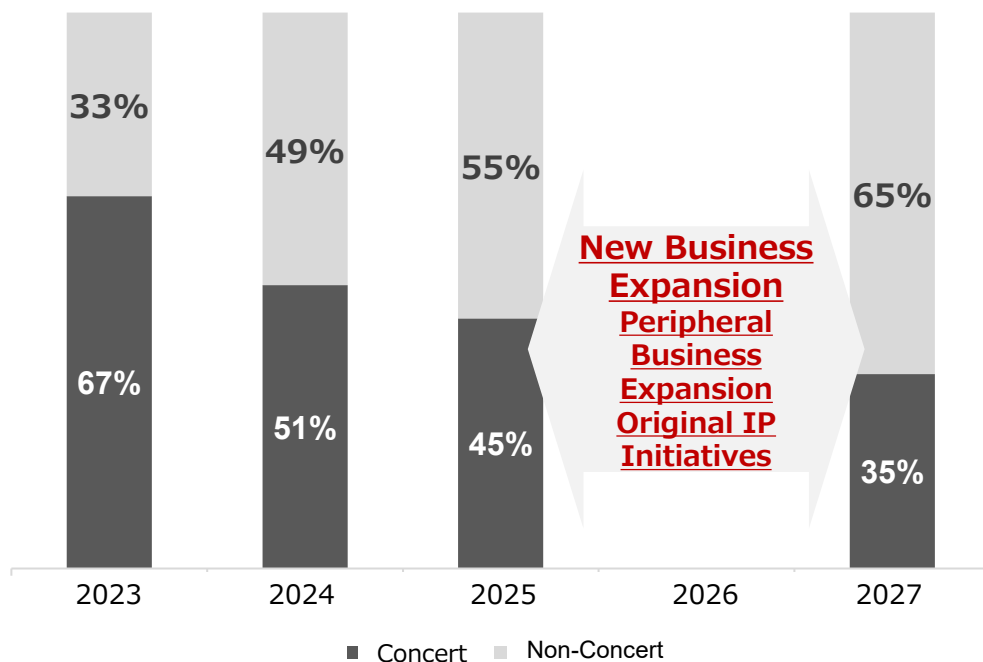
Along with boosting our artist lineup, we will focus on developing original Japanese IP.

**By leveraging artist IP, we aim to broaden our business portfolio and increase our revenue potential.**

### ■ New Business Strategy

- **Objective:** Increase the share of non-concert revenue to over 65%

※Based on total Entertainment Business revenue



### ■ What Is Non-Concert Business?

Our entertainment operations consist of the following areas:

- Concert Business
- MD Business
- Music Business (CDs, DVDs, etc.)
- Appearance Business (Advertising appearances in films, dramas, etc.)
- Artist IP
- New Businesses (Music, etc.)

Non-Concert  
Business

### ■ Why Strengthen Non-Concert Business?

#### Limitations of the Concert Business

- Artist schedules
- Venue availability
- Numerous physical constraints

#### Points to Consider for Further Revenue Growth

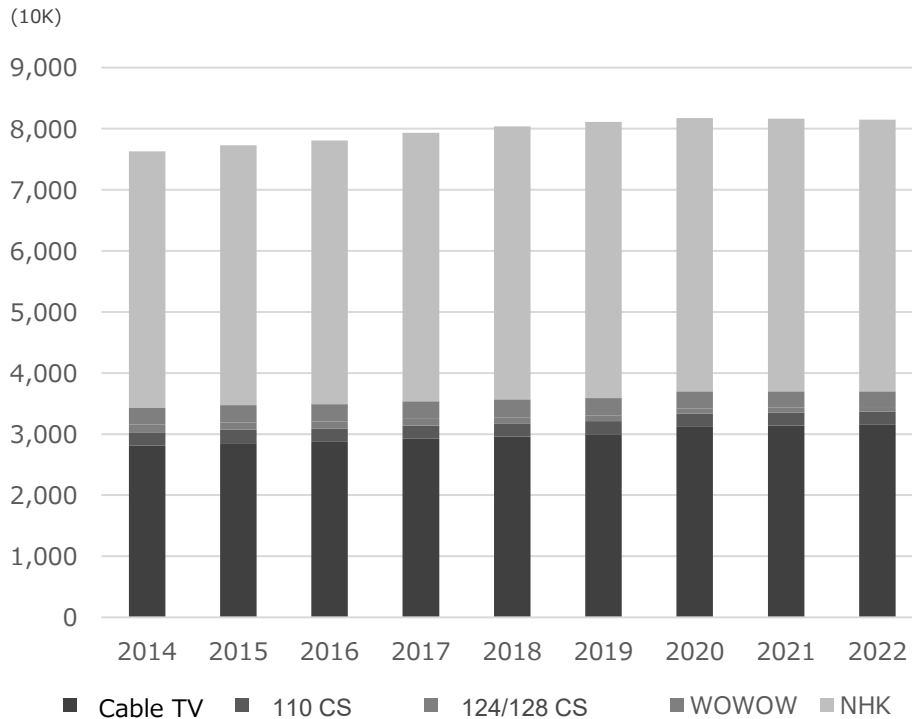
- Risks in businesses reliant on SM artists
- Additional revenue through leveraging artist IP
- Creating new businesses tied to existing royalty-generating operations (prioritizing new businesses that do not incur royalties)

### 3. Synergy Expansion: Market Trends for KNTV

Despite the diversification of content-viewing devices, the number of broadcasting service subscribers remains stable. Furthermore, demand for Korean content remains high, and export volumes continue to increase.

#### ■ Number of Broadcasting Service Subscribers

Shows a slight upward trend, maintaining 80M.



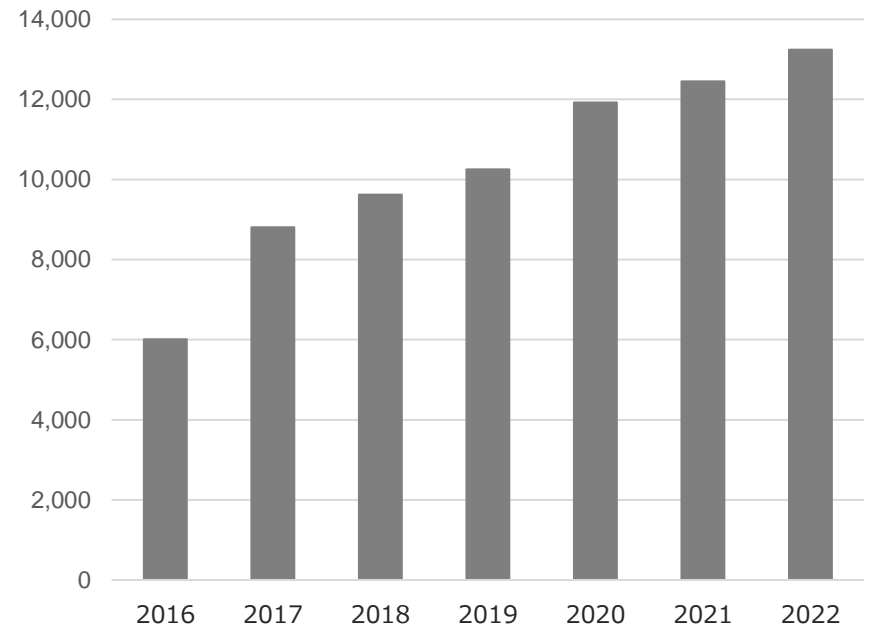
Source: Ministry of Internal Affairs and Communications' "Reiwa 6 Information and Communications White Paper"

#### ■ Overseas Exports of Korean Content

The export value of Korean content is growing rapidly, with Japan accounting for 15% of the total.

※ Includes publishing, manga, music, film, games, anime, broadcasting, advertising, characters, knowledge information, and content solutions.

(Million US dollars)



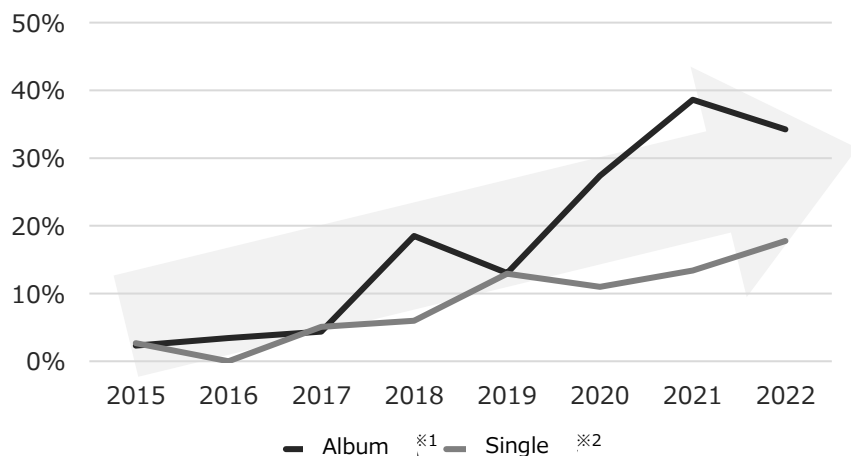
Source: Ministry of Culture, Sports and Tourism of Korea "Content Industry Survey" (2023)

**KNTV airs Japan-premiere dramas and premium K-POP content via group synergies, further leveraging these assets for marketing and audience engagement.**

## ■ Market Demand for K-POP Content

Amid intensifying competition for drama and film licensing, **we will capitalize on our strength in premium K-POP content to meet market needs.**

### • The Influence of K-POP in Japan's Music Market



※1 Proportion of K-POP albums among albums that sold over 100,000 copies in the Oricon annual ranking

※2 Proportion of K-POP singles among singles that sold over 150,000 copies in the Oricon annual ranking

Source: HI INVESTMENT & SECURITIES, "K-POP Outside Korea That Koreans Don't Know"

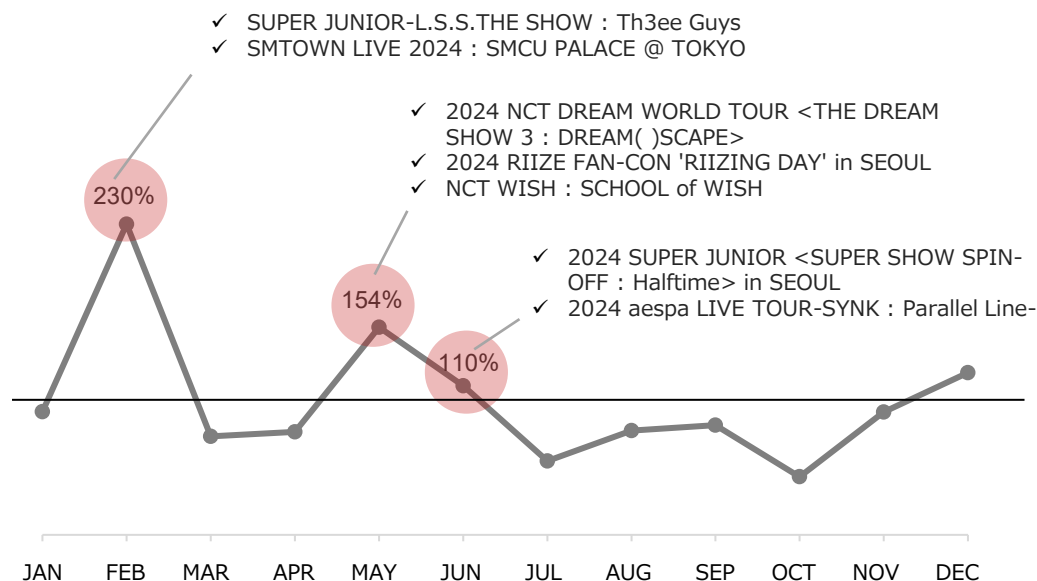
Source: Compiled from the Ministry of Internal Affairs and Communications' "Reiwa 6 Information and Communications White Paper"

## ■ Enhancing Business Synergies by Strengthening K-POP Content Programming

- In 2024, we will broadcast 15 premium content titles.  
※ A live broadcast of premium content was canceled in December 2024 due to an airplane accident.
- Notably, two live broadcasts of SM TOWN LIVE significantly exceeded the annual average attendance.

### • Monthly New Subscriber Trends for KNTV in 2024

※ Percentages are calculated based on the 2024 monthly average of new subscribers.

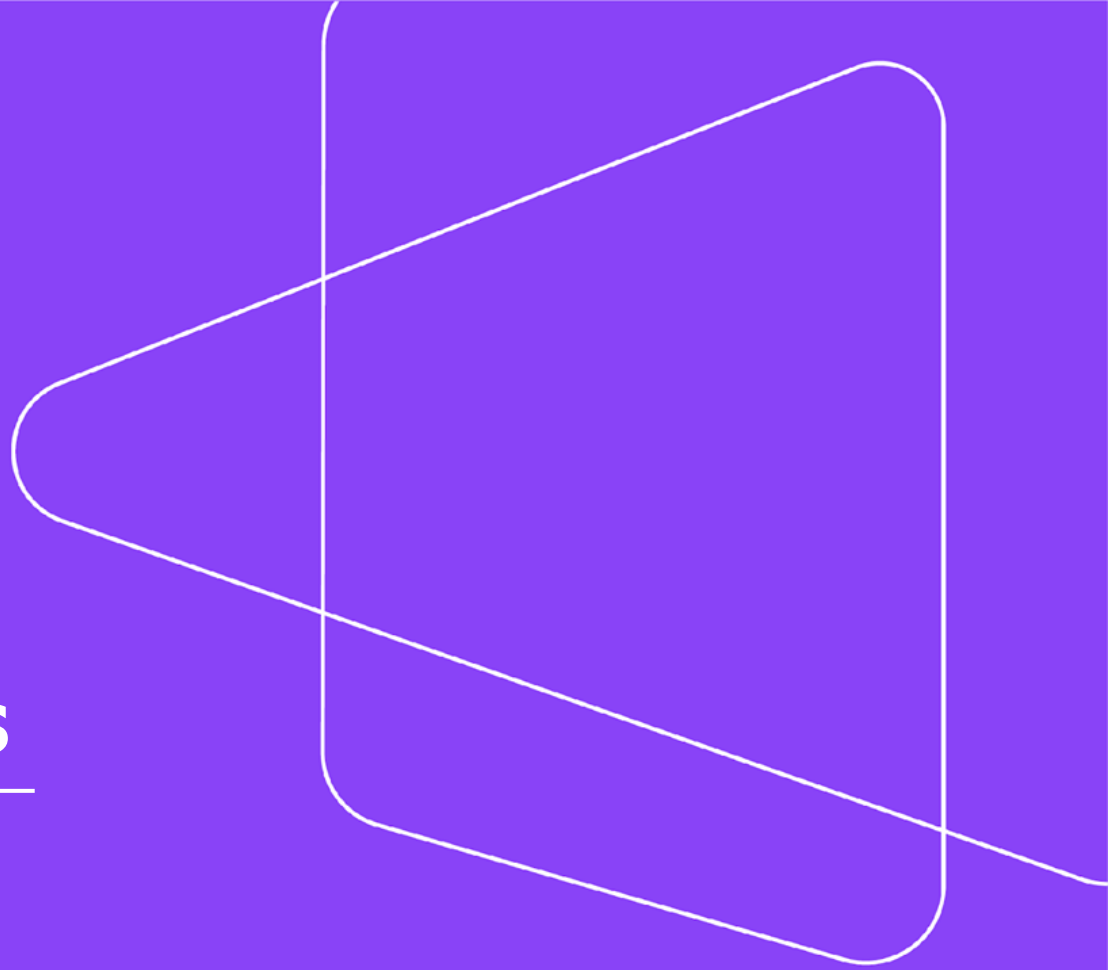




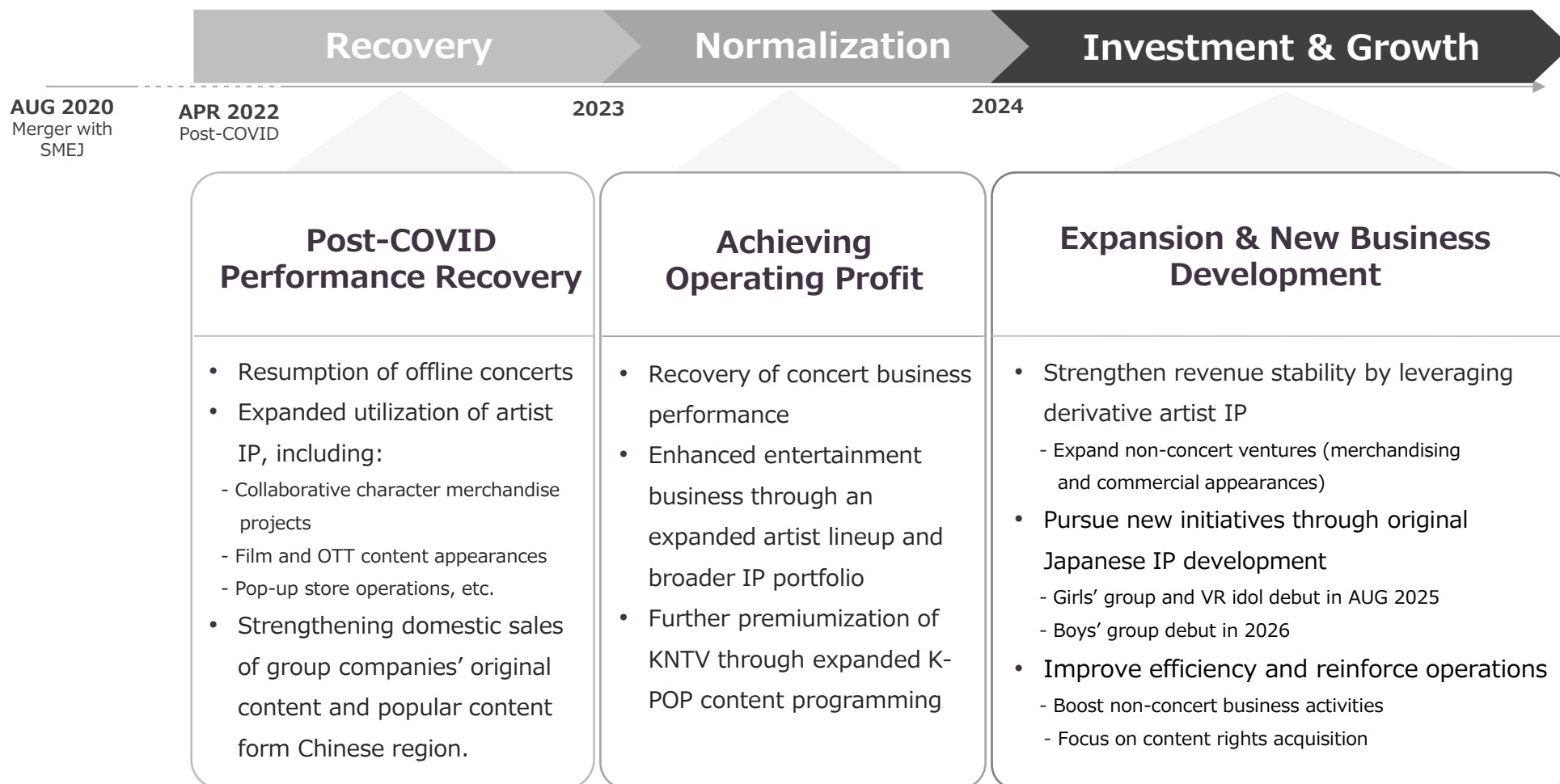
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Corporation

# Business Plan & KPIs

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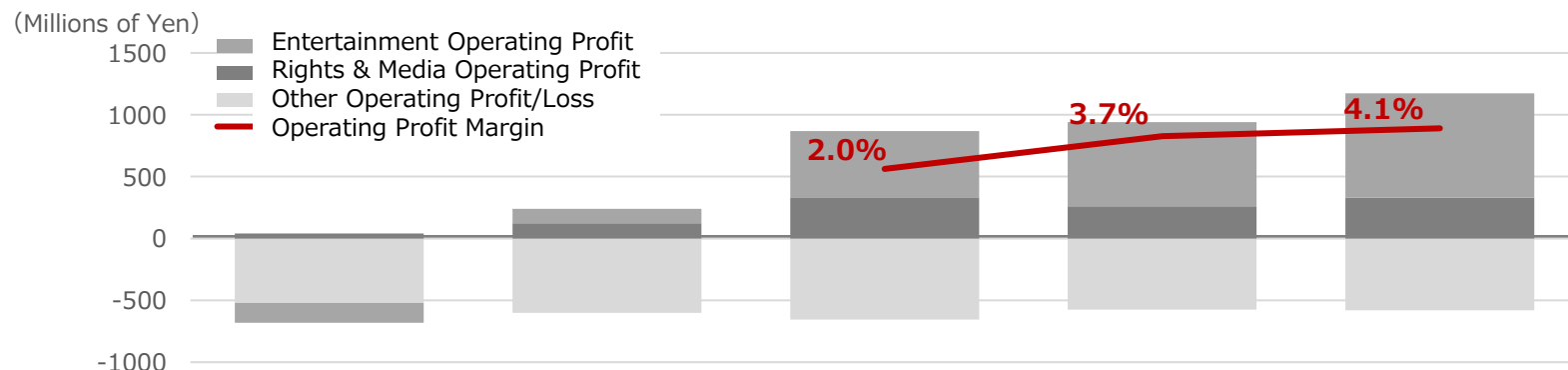


In 2023, we will normalize concert operations impacted by COVID-19. From 2024 onward, we will strengthen and expand our existing business. **In 2025, we will pursue new business opportunities to achieve stable long-term growth.**



Following our Entertainment Business recovery, we expect profitability in 2023 and record post-merger revenue and operating profit in 2024, with further growth projected for 2025.

## ■ Operating Profit and Operating Profit Margin

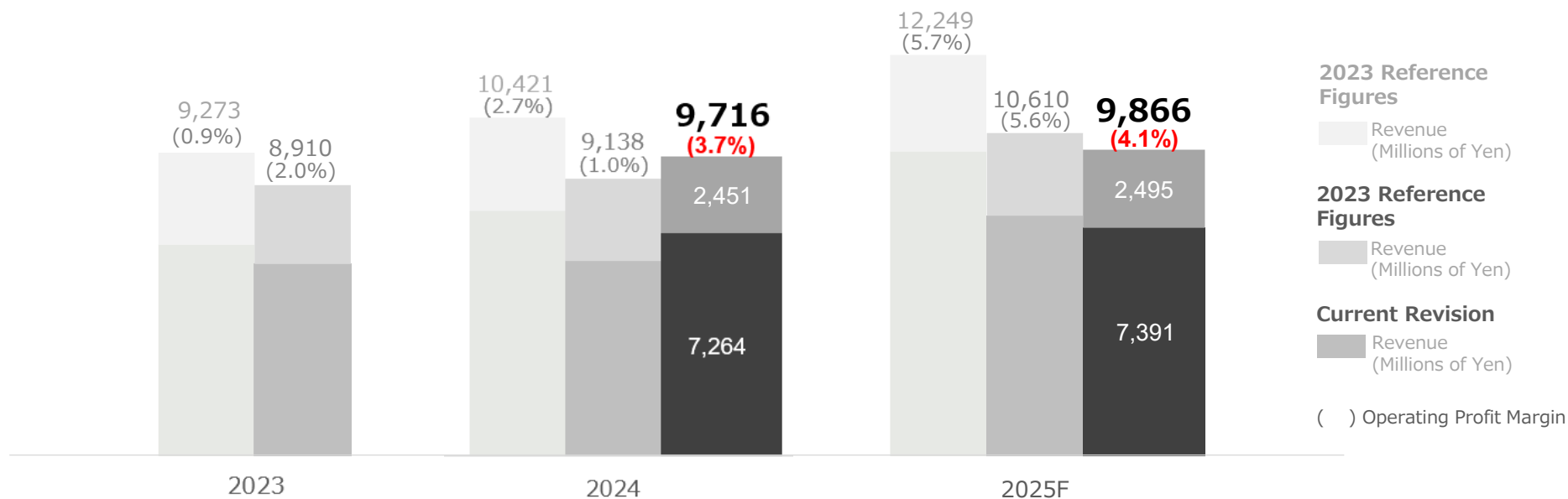


| Fiscal Year    | 2021  | 2022  | 2023  | 2024  | 2025F |
|----------------|-------|-------|-------|-------|-------|
| Revenue        | 5,631 | 7,078 | 8,910 | 9,716 | 9,866 |
| Entertainment  | 2,124 | 3,714 | 6,330 | 7,264 | 7,391 |
| Rights & Media | 3,498 | 3,205 | 2,682 | 2,451 | 2,495 |
| Profit/Loss    | -641  | -381  | 181   | 364   | 405   |
| Profit Margin  | -     | -     | 2.0%  | 3.7%  | 4.1%  |

- In addition to continuing our concert business, we will drive revenue growth by expanding non-concert segments.
- With our original Japanese IP launching full-scale domestic activities in 2025, profit margins are expected to improve.

※ The difference between total revenue and the sum of each division's revenue represents the performance of the "Other" segment.

**We have revised our forecast for the Entertainment Business due to concert production costs rising beyond expectations.**



[2024]

- Entertainment: Non-concert segments are driving performance; notably, the MD business has increased average customer spend through key merchandise renewals.
- Rights & Media: Along with continued strong performance in archive titles from the Rights business, the Media segment has cut fixed costs by streamlining office operations.

[2025]

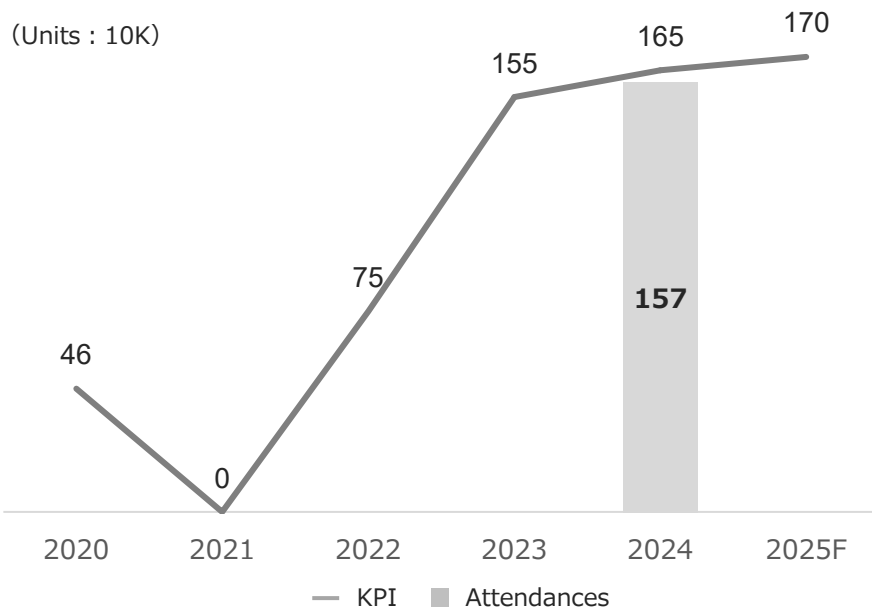
- Entertainment: We have revised our plans due to slower-than-expected growth in the live music market and concert production costs not falling as anticipated.
- Rights & Media: Despite a persistently challenging market, revenue and profit margins remain steady.

※ The difference between total revenue and the sum of each division's revenue represents the performance of the "Other" segment.

By setting concert attendance as a KPI, we can manage the size and loyalty of the fandom that forms the basis of our IP business.

Meanwhile, KNTV will actively schedule premium content to attract new subscribers.

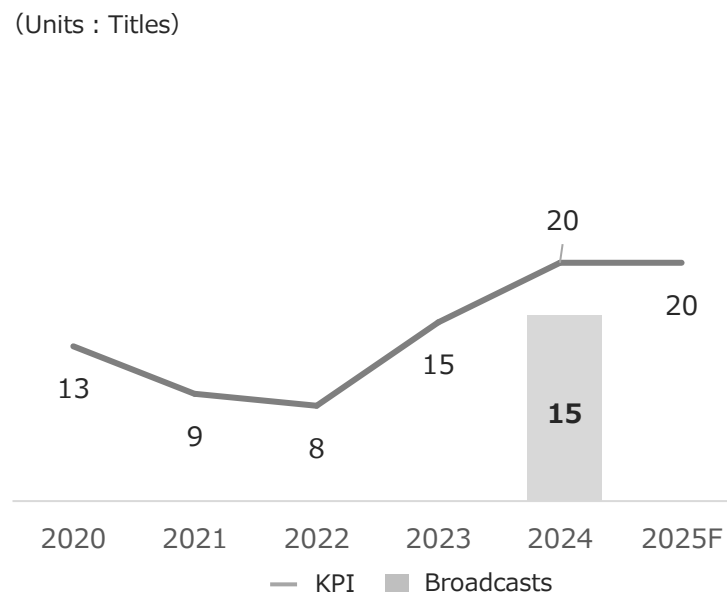
## ■ Entertainment Segment : Offline Concert Attendances



※ Until July 2020, performance was based on the track record of SM Entertainment Japan or SMEJ.

- In 2024, we held concerts as planned and largely met our KPIs.
- For 2025, due to slower-than-expected growth in the live music market and concert production costs not declining as anticipated, we have revised our plans.

## ■ Rights & Media Segment : K-POP Premium Content Titles Broadcast on KNTV



- In 2024, our regular, strategic scheduling of premium content not only attracted new subscribers but also helped prevent churn after the first month.
- However, due to continued live broadcast cancellations following a Korean airplane accident in December 2024, the number of premium content titles fell short.
- In light of these circumstances, we have revised our 2025 plans.

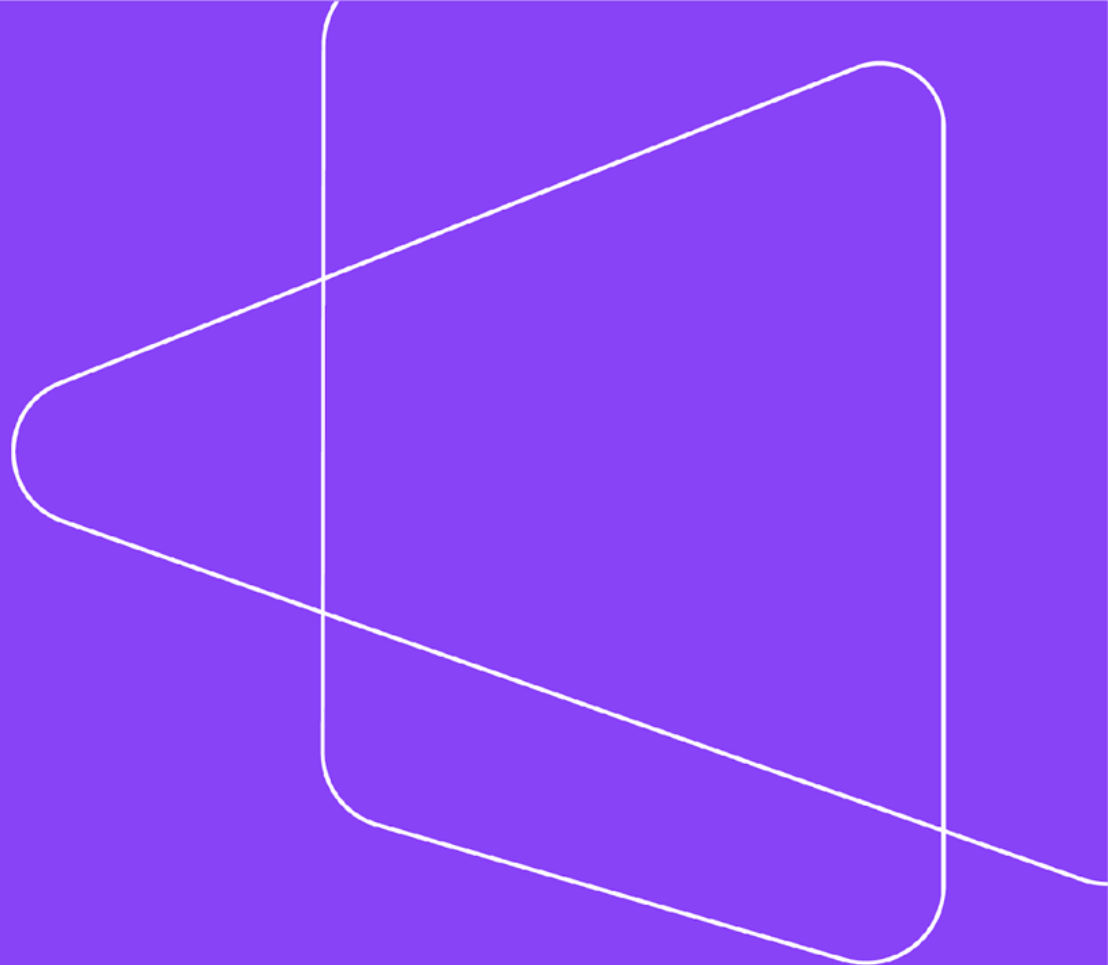




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# Reporting Matters

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## ■ Measures to Secure a 25% Public Float Ratio

- Since the stock market reorganization in April 2022, our company has opted for the Growth Market. However, our public float ratio does not meet listing maintenance standards.

| Public Float Ratio<br>as of DEC 31, 2022 | Public Float Ratio<br>as of DEC 31, 2023 | Public Float Ratio<br>as of DEC 31, 2024 | Listing Standard<br>Public Float Ratio | Prime Market<br>Public Float Ratio |
|--|--|--|--|------------------------------------|
| 23.1%                                    | 9.1%                                     | 17.9%                                    | <b>25%</b>                             | 35%                                |

## ■ Current Situation

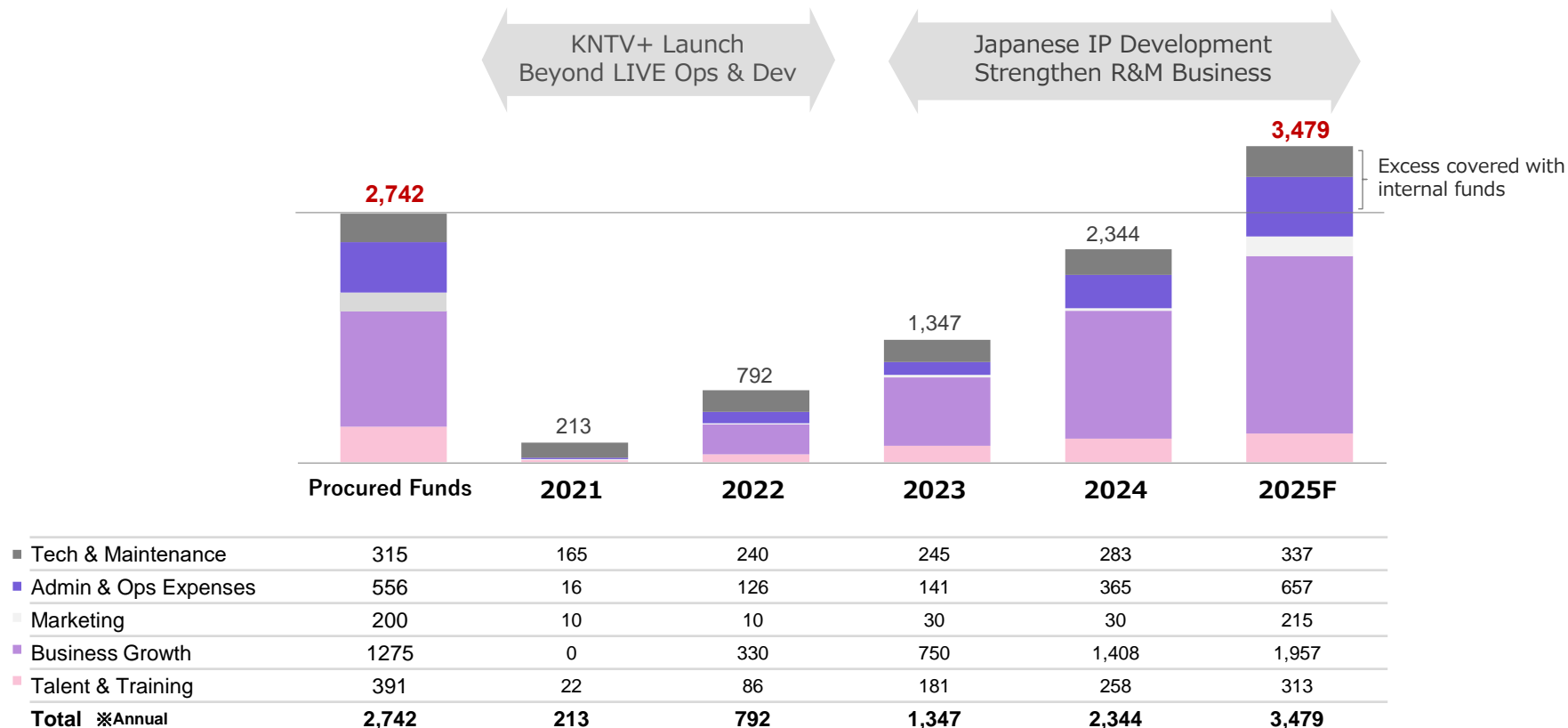
- At the end of 2023, the emergence of a major shareholder holding over 10% led to a decline in the public float ratio.
- In 2024, our parent company completed two share sales, raising the public float ratio to 17.9%.

## ■ Future Initiatives to Meet the Listing Standards

- Request that major shareholders partially divest and cooperate to improve the public float ratio.
- Additionally, we will work to secure the public float ratio by:
  - Expanding investor outreach through enhanced IR.
  - Exploring financing methods that protect non-controlling shareholders.

In 2025, all funds from NAVER Korea will be invested in new businesses, core operations, and talent acquisition.

## ■ Investment Status and Plan for Funds Raised from NAVER



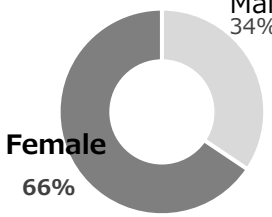
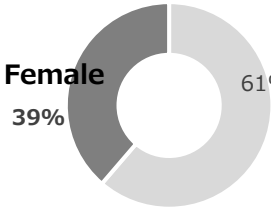
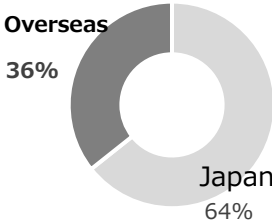
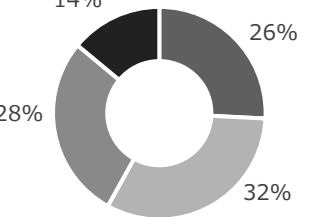

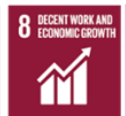





- The initial ¥1.7 billion plan for platform development, including Beyond LIVE, has been revised. Fund allocation and timing will be adjusted.
- Remaining funds will focus on KNTV content acquisition, original Japanese IP development, and talent recruitment.

※1 Net of issuance costs (¥7M) from ¥2.76B proceeds

※2 Existing business enhancement continues with separate funds

# Initiatives Toward Achieving the SDGs

We promote a diverse, inclusive workplace and remain committed to advancing the SDGs through multifaceted efforts.

| SDG Contribution Areas                                       | Current Initiatives and Future Plans   |
|--|--|
| <b>Workplace Diversity and Labor Environment Improvement</b> | <ul style="list-style-type: none"> <li>Internal Employee DEI <ul style="list-style-type: none"> <li>Female Employee Ratio  </li> <li>Female Manager Ratio  </li> <li>Multinational Hiring  </li> <li>Age Diversity  </li> </ul> </li> <li>Health checkups &amp; stress tests (2024: 78.3%, 2025 goal: 80%)</li> <li>Occupational health consultations</li> <li>Refresh leave for long service</li> <li>Free e-learning access</li> <li>Skill and welfare enhancement</li> </ul>    |
| <b>Environmental Protection and Climate Action</b>           | <ul style="list-style-type: none"> <li>Smart work environment</li> <li>KNTV brochure digitalization</li> </ul>     |
| <b>Partner Co-Growth and Social Justice</b>                  | <ul style="list-style-type: none"> <li>Data and info security systems</li> <li>Sustainable management framework</li> <li>Ethics and human rights training</li> <li>Strengthening partnerships</li> </ul>     |

※ HR data as of December 2022

**We mitigate risks through stronger internal controls and diversified revenue sources.**

**\*For other risks, see “Business Risks” in the Securities Report.**

| Overview                | Risk  | Division   | Probability | Impact | Risk Response   |
|-------------------------|---|------------|-------------|--------|---|
| <b>Concerts</b>         | Rising production costs may reduce concert sales and profits                      | ENT        | Medium      | Medium | Although production cost increases persist, the share of non-concert business is being raised, and outsourced operations are gradually reduced. |
| <b>Artists</b>          | Artist inactivity due to contract end or suspension may lower related revenue     | ENT        | Low         | small  | Expanding the artist lineup, including original Japanese IPs, to reduce dependence on any single artist.  |
| <b>Content</b>          | Competition for content rights intensifies with OTT growth, raising license costs | R&M        | Medium      | Medium | Acquiring a broad range of content including Chinese and variety shows, not limited to Korean dramas; also reusing group-produced content.      |
| <b>Talent Retention</b> | Talent loss may hinder operations or delay business                               | ENT<br>R&M | Low         | Medium | Improve work conditions and retention incentives.   |
| <b>Legal</b>            | Copyright or attribution issues may halt content delivery                         | ENT<br>R&M | Low         | small  | Engage in dialogue with copyright associations and raise internal awareness.  |
| <b>Exchange Rates</b>   | Yen depreciation (vs. KRW, USD) may raise licensing and production costs          | ENT<br>R&M | Medium      | Medium | Share currency risk in joint productions; select optimal payment and settlement methods.  |

\*1 ENT: Entertainment / R&M: Rights & Media

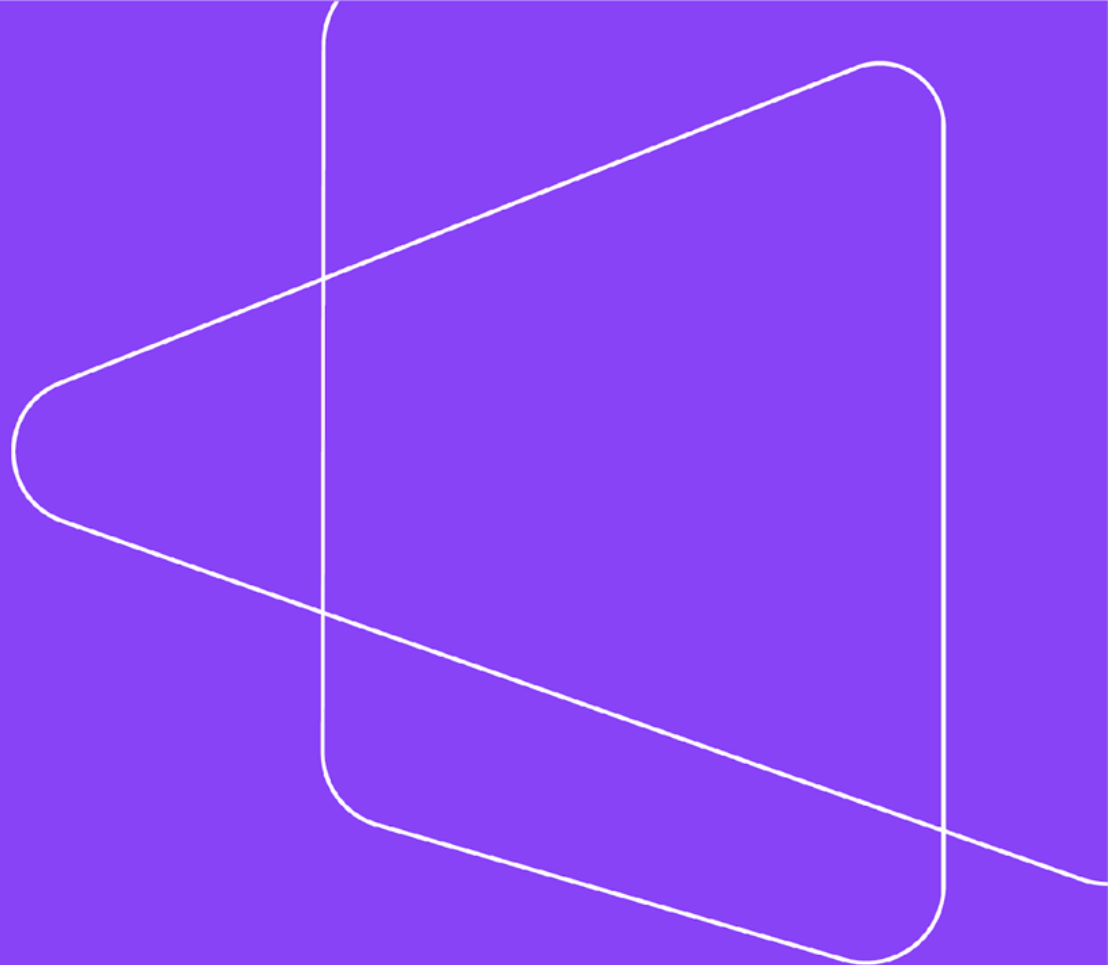
\*2 COVID-19 excluded as it was reclassified to Category 5 in May 2023



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# Appendix

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# FY2024 Financial Highlights: Segment Performance

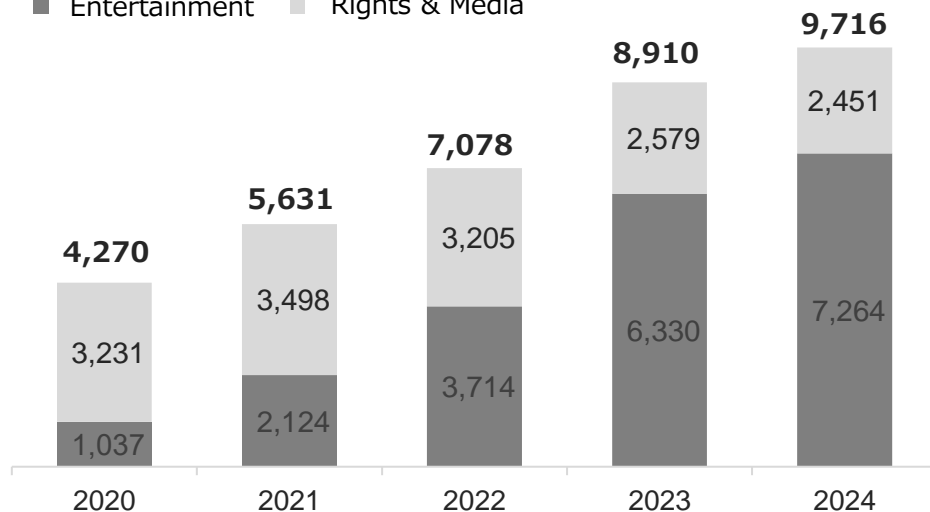
**Concerts proceeded as planned, but higher production costs led to a sales gap.  
We continue selling archive content while pursuing new titles.**

## ■ Revenue

(Millions of Yen)

■ Entertainment

■ Rights & Media



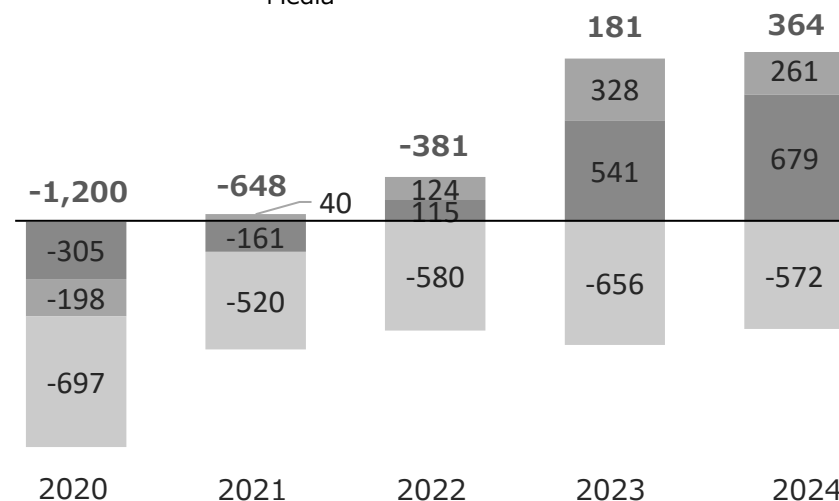
## ■ Profit

(Millions of Yen)

■ Entertainment

■ Rights & Media

■ Other



- Entertainment sales grew year-on-year, supported by major concerts and strong non-concert business.\*
- Rights & Media worked to sustain sales through archive content despite a tough market.\*

- The Media Business stayed profitable through licensing and subtitle sales, despite declining viewership.
- Tight SG&A control supported year-on-year profit growth.

\*Concert revenue = Ticket sales – Production costs

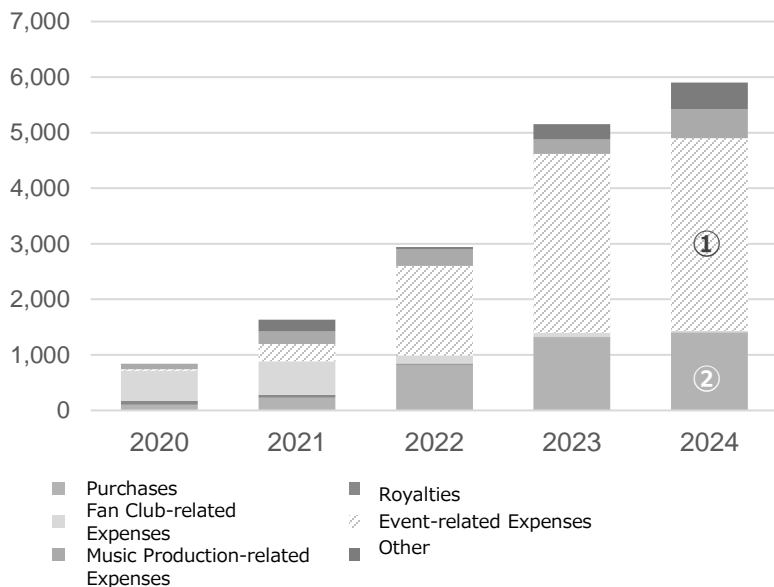
\*Archive content = Works already owned by the company

# FY2024 Financial Highlights: Cost Trends by Segment

In 2024, the Entertainment segment's increased number of concerts led to higher associated costs. Meanwhile, in the Rights & Media segment, strengthened sales of archive titles and strategic use of group synergies resulted in lower expenses.

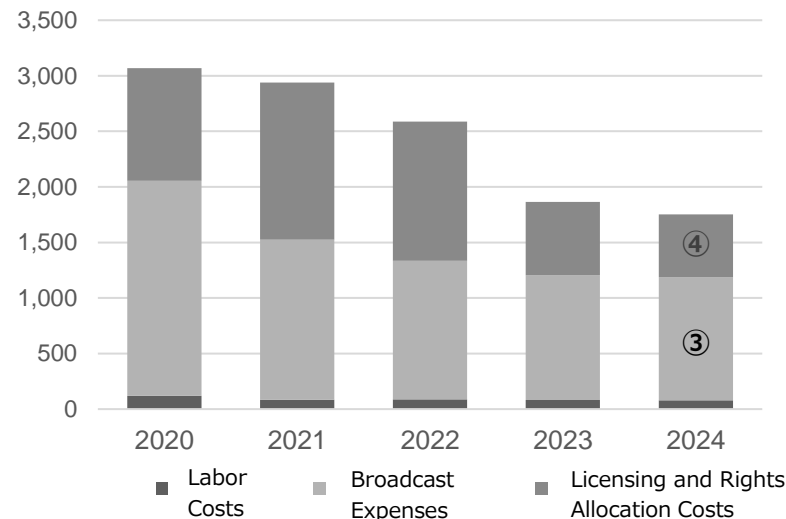
## ■ Entertainment of Segment

(Millions of yen)



## ■ Rights & Media Segment

(Millions of yen)



※ Merged with SMEJ Inc. in August 2020

※ Rights & Media Division costs exclude Beyond LIVE Corporation



- ✓ This document has been prepared solely for informational purposes and does not constitute an invitation to subscribe for or offer for sale any of our company's securities.
- ✓ This document contains forward-looking statements, which are based solely on the information available at the time of their preparation. These statements do not guarantee future results and involve risks and uncertainties. Please note that actual results may differ significantly due to changes in the environment and other factors.
- ✓ Factors that may affect actual results include, but are not limited to, domestic and international economic conditions and trends in our relevant industries.
- ✓ Furthermore, any information concerning entities other than our company has been sourced from publicly available materials, and we have not verified or warranted the accuracy or appropriateness of such information.

**This document is scheduled to be updated in March 2026.**