Daishin Securities NDR (2025.11) FAQs

Q1. Key drivers of 3Q25 Turnaround

A1. - Recovery in aired episodes, increased OTT pre-sales, and improved hit ratio drove revenue growth.
- In particular, higher contribution from overseas sales, including pre-sales and originals, supported margin improvement and a return to profitability.

Q2. Reasons for 3Q25 Results Coming in Slightly Below Consensus

A2. - Slight miss vs. market expectations due to the delivery schedule delay for TVING original *Dear X* and the net revenue recognition structure applied to certain originals.
  · (Note) For originals, revenue and costs are recognized based on the number of delivered episodes at the time of delivery, not at broadcast.

Q3. 4Q25 and 2026 Outlook

A3. - 4Q25: Expect a V-shaped rebound and further profitability improvement driven by a higher mix of pre-sales and increased library sales of existing titles.
  · Lineup: *Shin's Project, Typhoon Family, Nice to Not Meet You, Dear X, etc.*
- 2026: Full-year lineup will be shared upon finalization, with growth expected to continue, supported by higher non-captive exposure, including terrestrial broadcasters.

Q4. Progress of Global Projects

A4. - Japan: *Soulmate* scheduled for delivery to Netflix in 4Q25 and following the success of Amazon Prime Video's *Marry My Husband: Japan,* collaboration with local partners expanding into joint development and co-production.
- US: Multiple projects are under development with global studios such as Skydance and rising inquiries from new partners alongside increasing interest in K-culture.

Q5. Expectations for Resuming Business in China

A5. - A generally conservative stance is being maintained, but the more favorable tone following APEC is viewed positively.

- If the ban is lifted, remaining balances previously from unaired in China could be recognized.
- Additional upside opportunities include: ① incremental sales of existing titles, ② simultaneous releases of new titles, and ③ various local co-productions.

Q6. Production Cost Efficiency Strategy

A6. - With production cost pressures mounting amid a sluggish TV advertising market and a slowdown in OTT growth, cost structure improvements are being pursued through production cost efficiency measures and the build-out of internal databases.

Q7. Global OTT expansion strategy

A7. - Leveraging TVING's brand channels as it accelerates global expansion, library sales are being diversified to platforms such as Disney+ Japan and HBO Max in Asia, reducing reliance on a single platform and improving profitability.

- As title-by-title hit ratio improves, negotiating power is expected to strengthen for both new and library titles.

Q8. New Business Roadmap

A8. - As of 3Q25 IP-related business accounts for around 2% of revenue, and various new initiatives are being accelerated to strengthen leverage as an IP holder.

- Strategies for new businesses such as commerce, YouTube, and AI are being refined, with a focus on securing mid- to long-term growth engines.