

# Shinhan Corporate Day (2025.03) FAQs

## Q1. 2025 Lineup Guidance

- A1. – The number of lineups may recover to 25+ titles with the reinstatement of the tvN mid-week schedule and the expansion of OTT originals
- A strong slate featuring high-profile projects led by top-tier creators and stars, including writer Kim Eun-Sook

## Q2. Target OPM and Action Plans

- A2. – OPM has recently declined due to sluggish media industry and weak viewership performance of each content
- But the contents with the highest views – such as *Queen of Tears*, *Marry my Husband*, etc. – continued to show strong profitability
  - SD aims to ensure profitability by enhancing hit-ratio of each title and by diversifying global distribution channels, targeting 10% of OPM in the mid-to-short term
  - The long-term goal is to reach 20%, by stabilizing SD's new business models

## Q3. SD's Strength amid the Rapid Growth of Korean Content

- A3. – SD has maintained its originality as a production studio although the global media industry has changed rapidly since the company's establishment
- With producers, which the company prioritizes, SD strives for top-tier creators and operate its portfolio strategically
  - The opportunities that SD may exclusively provide to creators are significant strength: Global reference based on SD's networks, participation in local projects such as Japan, and the U.S.

## Q4. Production Cost Efficiency

- A4. – SD will roll out its cost efficiency strategies for almost every project in 2025, expanding from 8 projects in 2024
- Detailed action plans are as follows; Production cost guideline based on database, bidding process, cost reimbursement system, etc.

#### Q5. Talent Discovery Initiatives

- A5. – Actors fee for the lead roles has steeply increased as TV channels prefer popular actors to prevent viewership loss
- SD aims to cast and nurture new talents with CJ ENM, by leveraging tvN mid-week lineups from 2H25
  - Furthermore, the company will co-work with the actors discovered, and expand its revenue stream such as IP merchandising

#### Q6. Plans on Short-form Content

- A6. – SD is considering entering the short-form video market while maintaining the company's own identity as a premium storyteller
- The company will co-work with CJ ENM and Tving while any specific business model is yet to be structured in domestic market

#### Q7. Global Projects

- A7. – Japan: Likely to release 2 local titles within 2025, including the remake of *Marry My Husband*, while SD has focused on building local infrastructure and expanding production
- Hollywood: Co-developing local projects with subsidiaries and the partners in the U.S.

#### Q8. Contract Renewal with Netflix

- A8. – Specific terms and conditions are under discussion with Netflix, maintaining a mutually beneficial partnership between two companies
- The balance between platforms should be considered; Demands from other global OTT platforms and local channels are strong as well
  - SD targets to diversify overseas distribution portfolio, reflecting on characteristics of each content and platform

#### Q9. China Mainland

- A9. – SD engages more actively with local platforms compared to the past, although nothing has been decided yet
- If there is any change in restrictions, SD may expect additional revenue from old libraries, which were already sold but yet to be released, and additional profit from new titles, when simultaneously premiered in China mainland

#### Q10. Cannibalization with CJ ENM Studios

A10. – 2 Studios – SD and CJ ENM Studios – are likely to maintain a similar share as they do currently

- SD will expand the number of lineups by exploring global market such as Japan and Hollywood

#### Q11. Shareholder Return Policy

A11. – Shareholder return policy may be discussed when SD achieves target FCF, OPM, and CAPEX

- Although CAPEX and FCF have stabilized, the weak media industry has resulted in falling short of the OPM target
- SD aims to establish milestones for Shareholder return policy, by rebuilding SD's fundamental and securing a new driving force