

'Illegality, Tax Evasion' HYBE with Soo-man Lee,

Please stop the hostile M&A against SM.

<Statement of SM ENTERTAINMENT Employees Council>

Soo-man Lee, the former Executive Producer of SM, has sold his shares to a competitor he had disparaged and then ran away, as his illegal and tax evasion activities were on the verge of being exposed.

We, the employees of SM, have been used for Soo-man Lee's illegal activities, such as illegal profit-taking, tax evasion, etc. We cannot keep being used for such illegal and expedient activities of HYBE again, before the new start of 'SM 3.0' project.

Therefore, we, the 208 employees of SM ENTERTAINMENT felt furious at this illegal collusion between Soo-man Lee and HYBE, hereby announce this Statement as follows.

We will be going to protect the unique identity of SM and diversity of K-Pop. The culture of SM cannot be subordinated to the HYBE's assets.

We support and stand for the co-CEO' self-reflection, Sung-su Lee and Young Jun Tak, and the multi-producing strategy of 'SM 3.0'. Further, we demand much stronger protection from any harms to our fans and artists.

We hereby oppose the hostile M&A of HYBE and expedient attempts of entering into SM's board of directors. We will fight against this abnormal action from HYBE to occupy SM.

Although Soo-man Lee had ran away and left SM and Pink Blood,

We will stay here in Seoul Forest and protect SM and Pink Blood.

February 17, 2023.

All members of SM ENTERTAINMENT Employees Council

(208 employees below the head of each team)