

2024 National Assembly Audit: Culture, Sports, and Tourism Committee

October 24, 2024, National Assembly, Yeouido

"Does the National Assembly seem that easy to you?"

- **Jeon Jae-soo** (Democratic Party of Korea, Chairman of the Culture, Sports, and Tourism Committee)
- **Min Hyung-bae** (Democratic Party of Korea)
- **Yoo In-chon** (Minister of Culture, Sports, and Tourism)
- **Park Jeong-ha** (People Power Party)
- Witness: **Kim Tae-ho** (HYBE Chief Operating Officer, CEO of Belift Lab, born in 1974)

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English translation: Itokki

[01. Internal Industry Report from HYBE](#)

[02. HYBE's Album "Pushing" Practices](#)

[03. Plagiarizing the NewJeans Planning Proposal](#)

[04. Second Questioning: The Clockwork by Kim Tae-ho](#)

[05. Additional Details on the 'Industry Trend Report'](#)

[06. Position Regarding the "Industry Trend Report" Dated May 17 and "Pushing Albums"](#)

[07. HYBE Official Warning](#)

[08. News of the Threat Letter Delivered at the Parliamentary Audit](#)

[09. Apology by Kim Tae-ho, HYBE's Chief Operating Officer](#)

[Reference Material: Act on Testimony, Appraisal, etc. Before the National Assembly](#)



01. Internal Industry Report from HYBE

Min Hyung-bae: Yes, CEO Kim Tae-ho, you've come here as a witness, right? Please step forward. Thank you for taking the time to appear. You're aware of the Popular Culture Industry Act, aren't you? Do you know it includes a duty of good faith and sincerity?

현장영상
대중문화예술산업진흥법

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Kim Tae-ho: Yes, I'm aware.

Min Hyung-bae: HYBE is obligated to this duty of good faith and sincerity, correct? Are you upholding it?

Kim Tae-ho: We are doing our utmost to uphold it.

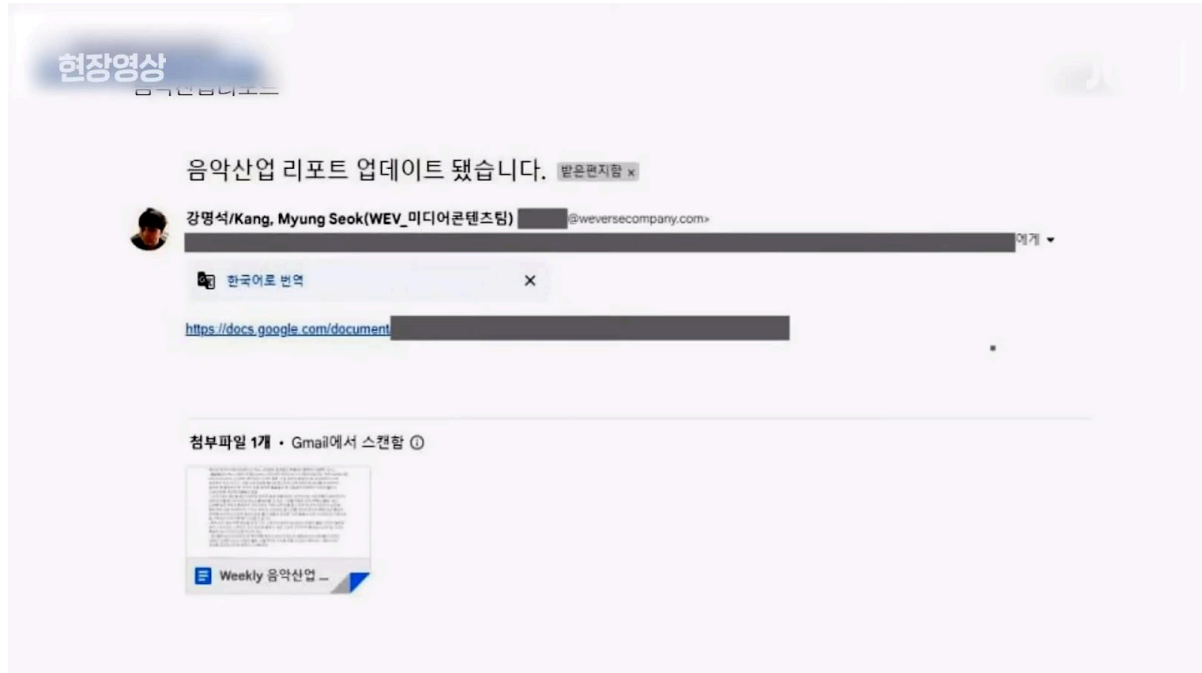
Min Hyung-bae: I see in HYBE's sustainability report that you've declared a commitment to human rights management. Are you following through on that as well?

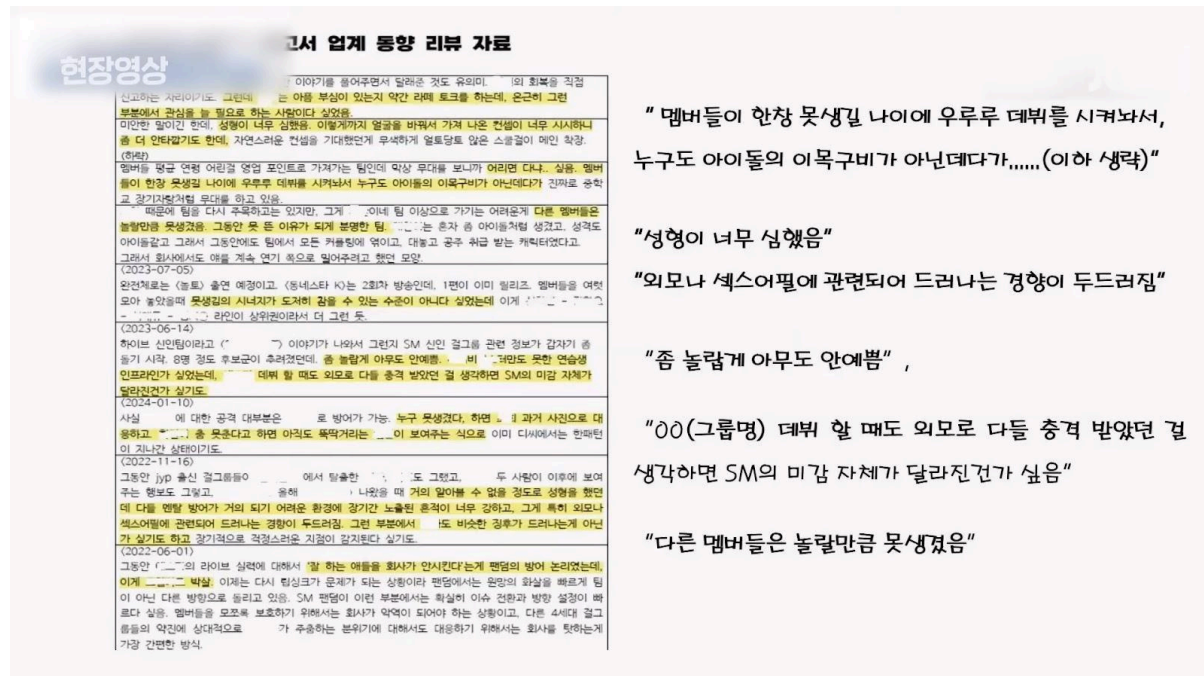
Kim Tae-ho: Yes, I'm aware of that.

Min Hyung-bae: No, I'm asking if you're actually doing it.

Kim Tae-ho: We are putting in considerable internal effort to ensure we adhere to the messages we've made public.

Min Hyung-bae: Please take a look. Can we display the PPT we obtained?





Min Hyung-bae: This is a Weekly Music Industry Report. This is an official document used by your company, right? A report?

Kim Tae-ho: Yes, it's from our company.

Min Hyung-bae: Take a look. You're seeing it, right? Why do you review this document weekly and discuss it?

Kim Tae-ho: As a company in the K-pop industry, we carefully monitor public opinion about our artists, HYBE, and the industry overall, as well as our fan base. We track this closely each week. The document you're showing is one such piece of monitoring material.

Min Hyung-bae: I've compiled several documents. There's a lot of crude and explicit criticism, appearance evaluations, and more in these reports. For instance: "They debuted the members when they were at their ugliest age. None of them look like idols. Their looks or sex appeal are overwhelmingly bad. Surprisingly, none of them are pretty. People were shocked by the group's debut, especially by how ugly the other members are." You've seen this before, right?

Kim Tae-ho: I don't recall that specific content in the document.

Min Hyung-bae: But this is an internal report, correct?

Kim Tae-ho: We produce and review a lot of monitoring materials like this.

Min Hyung-bae: Are you aware that this report contains content related to a group made up of minors?

Kim Tae-ho: As I mentioned earlier, these are not HYBE's opinions or official judgments. They are collected from various online sources as part of our monitoring.

Min Hyung-bae: No, no. You collect this information and create a 'Weekly Music Industry Report' at the company, don't you?

Kim Tae-ho: Yes, in our company—

Min Hyung-bae: Then why are you saying it's someone else's? It's something you gather and report internally.

Kim Tae-ho: The content you're showing—

Min Hyung-bae: I'm reading from the report you created. It contains appearance evaluations and crude expressions. And the issue is that this is about minors. This report is filled with dehumanizing views and attitudes towards idols. That's the problem I'm raising here. Is HYBE the only company doing this?

Kim Tae-ho: I'm not sure about other companies.

Min Hyung-bae: This is a violation of the Popular Culture Industry Act's duty of good faith and sincerity. Are you aware of that?

Kim Tae-ho: I don't see it that way.

Min Hyung-bae: Really? Let's look at the next PPT.



Min Hyung-bae: Minister, Minister of Culture, Sports and Tourism.

Minister Yoo In-chon: Yes, yes.

Min Hyung-bae: In March, you issued guidelines on the protection of the rights and interests of children and adolescents in content production, correct?

Minister Yoo In-chon: Yes, that's right.

Min Hyung-bae: It clearly states that verbal abuse, insults, corporal punishment, and appearance-based remarks should not be made towards children or adolescents, right?

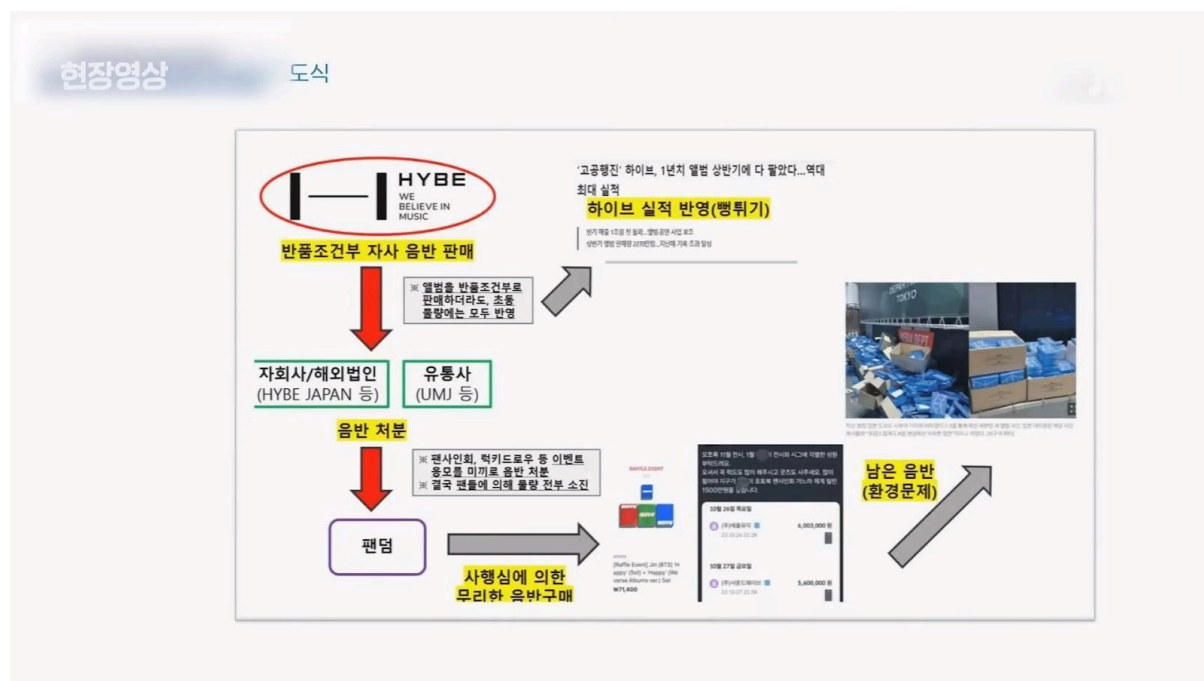
Minister Yoo In-chon: Yes, that's correct.

Min Hyung-bae: But this report I'm showing you doesn't align with those guidelines. Why is that?

Minister Yoo In-chon: Well, based on what you're saying, it seems that the report consists of content gathered from external sources, but I—

Min Hyung-bae: It's their own internal report.

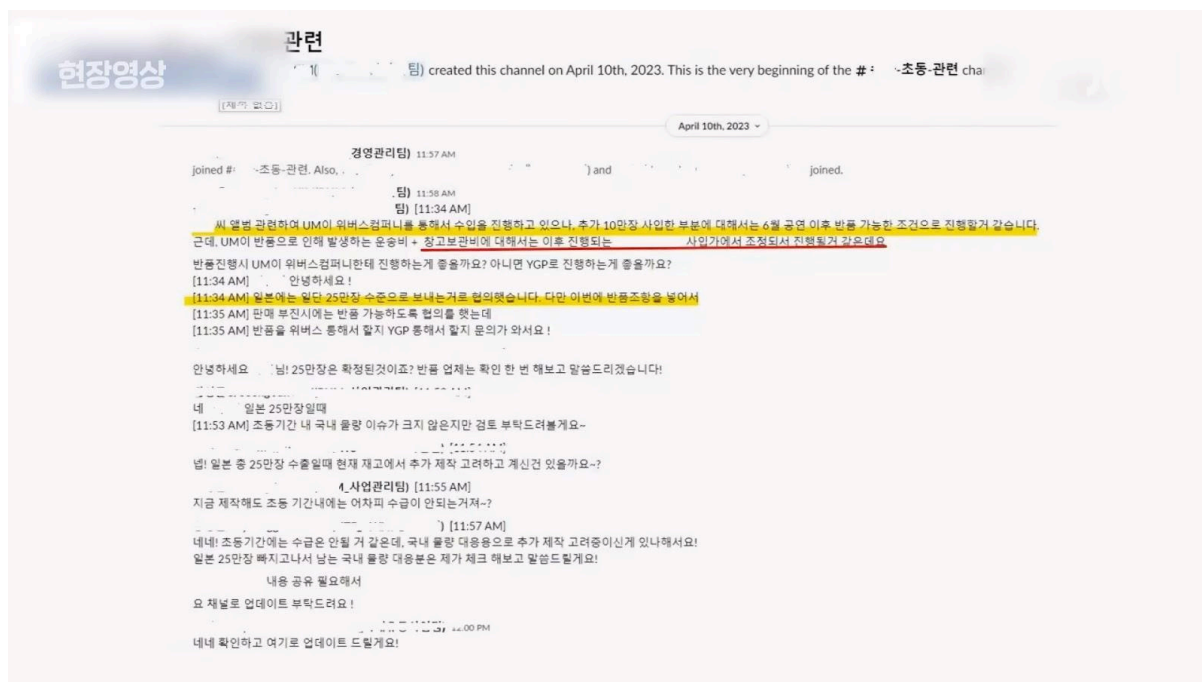
Minister Yoo In-chon: The language is excessive. This kind of expression—



Min Hyung-bae: HYBE has been pushing albums to increase first-week sales in two ways. One is selling albums with the option to return them, and the other is selling albums as part of fan events like fan signings or lucky draws. You're doing this, correct?

Kim Tae-ho: We've never pushed albums with a return option. At the start of the year, there were some concerns raised about this issue, so we conducted an internal audit. We found that for the albums we sold in 2023, only a small percentage, 0. something percent, were sold under returnable terms. So, we've never sold albums with a return condition.

Min Hyung-bae: Let me show you another internal document. Please display it.



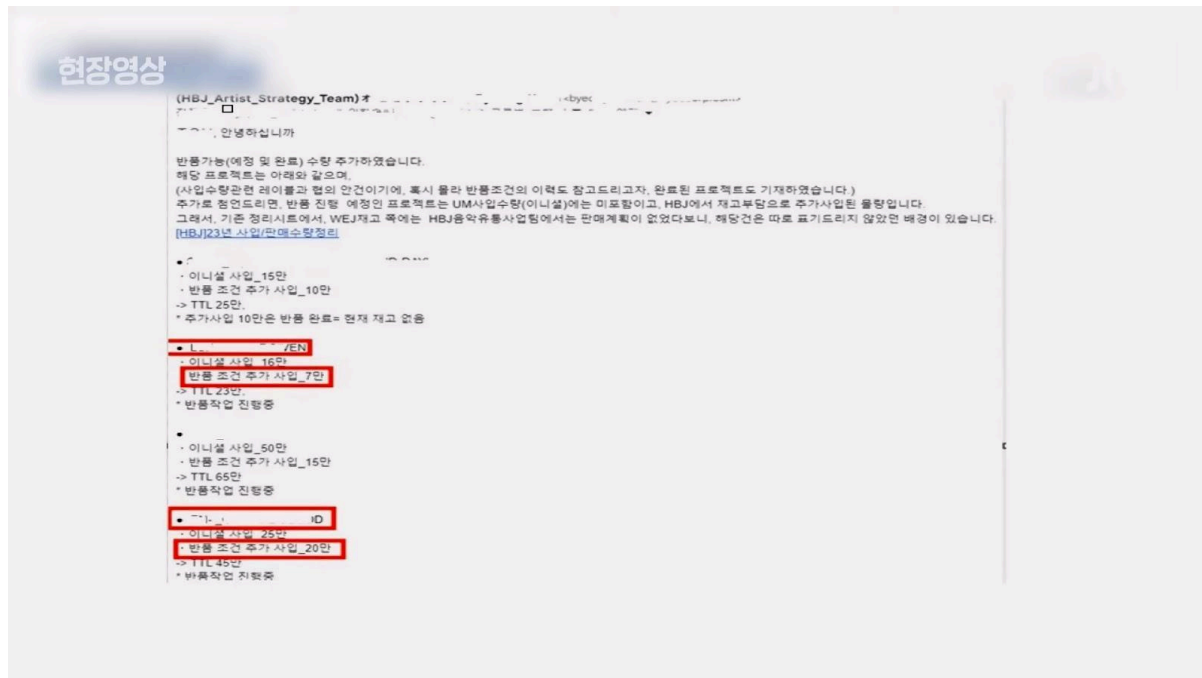
Min Hyung-bae: This is an email dated January 4, 2024. It clearly mentions a "project for proceeding with returns."

Kim Tae-ho: The content you mentioned aligns with what I said earlier. We—

Min Hyung-bae: But you said this was in 2023?

Kim Tae-ho: Yes, there were two cases. The albums sold in 2023 were returned at the beginning of 2024. We've since reviewed this practice and ensured that we won't conduct sales this way anymore.

Min Hyung-bae: Let me show you one more thing. Bring up the next slide.



Min Hyung-bae: This shows additional quantities for returnable albums, ranging from a minimum of 70,000 to a maximum of 200,000 units. What is this?

Kim Tae-ho: After confirming such discussions were taking place, we realized this should not happen. The content you're referring to—

Min Hyung-bae: Are you saying you did it before but are no longer doing it?

Kim Tae-ho: As I mentioned earlier, these returns were carried out based on decisions made by some staff, not as part of company policy. We've verified this and are establishing guidelines to ensure such sales practices don't occur again.

Min Hyung-bae: So, you're saying this won't happen at all in the future?

Kim Tae-ho: Yes, it won't.

Min Hyung-bae: This doesn't quite align with your sustainability and human rights management efforts, does it? I've presented two examples.

Kim Tae-ho: I understand your concerns, and we acknowledge that if there were any shortcomings, we will address them to prevent future issues.

Min Hyung-bae: This kind of practice disrupts the market, doesn't it?

Kim Tae-ho: Since there hasn't been actual "pushing," we haven't disrupted the market.

Min Hyung-bae: How can you say it didn't happen when I'm showing you evidence that it did?

Kim Tae-ho: The volume of albums sold with return conditions wasn't enough to disrupt the market or affect our overall sales.

Min Hyung-bae: Minister.

Minister Yoo In-chon: Yes, yes.

Min Hyung-bae: Inflating first-week sales and using them to promote chart rankings—is that fair distribution?

Minister Yoo In-chon: No, it isn't.

Min Hyung-bae: During the audit on the 7th, you mentioned that if you received tips about album pushing, you would investigate.

Minister Yoo In-chon: Yes, that's correct.

Min Hyung-bae: Do you think this is acceptable?

Minister Yoo In-chon: Well, from what I see, a company like HYBE can no longer be considered just a domestic company.

Min Hyung-bae: Exactly.

Minister Yoo In-chon: It's an international company, one that essentially represents Korea.

Min Hyung-bae: That's why it's even more concerning.

Minister Yoo In-chon: A company like HYBE shouldn't be doing this. I agree.

Min Hyung-bae: I believe the Ministry of Culture, Sports, and Tourism should carefully examine this issue.

Minister Yoo In-chon: Yes, we will.

Min Hyung-bae: If these kinds of manipulative practices emerge, it could severely damage the international competitiveness of K-content.

Minister Yoo In-chon: Yes.

Min Hyung-bae: This isn't just HYBE's problem, but an issue for all of K-pop and K-content. The Ministry needs to address it properly.

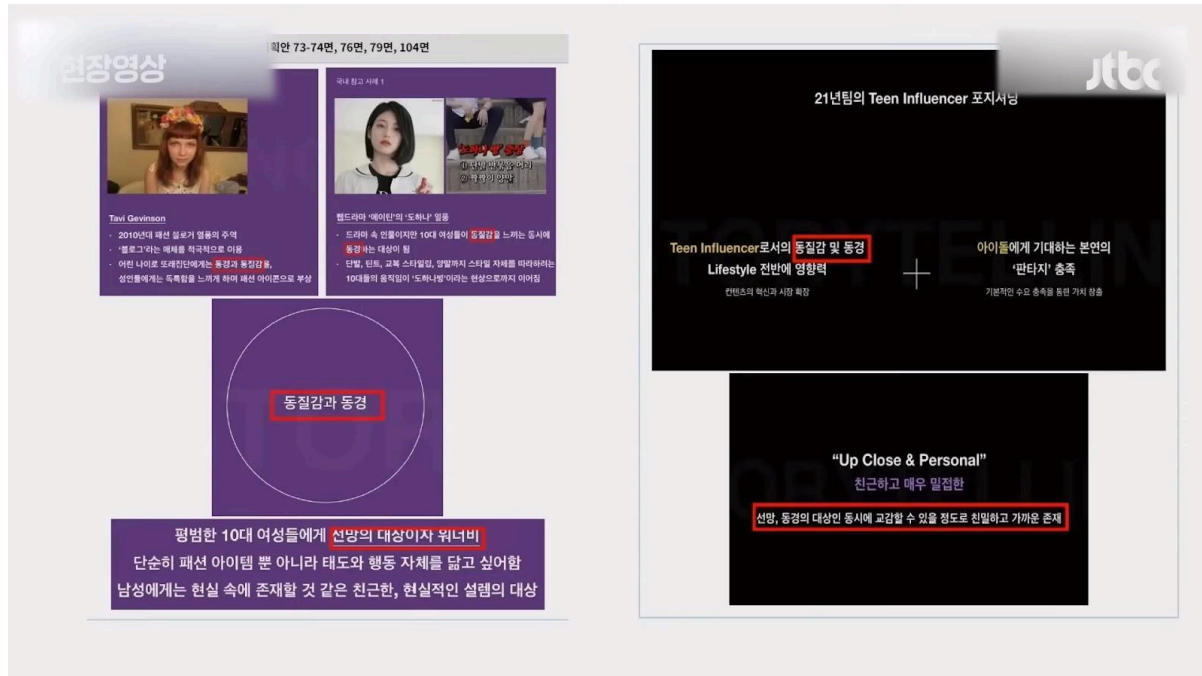
Minister Yoo In-chon: We will thoroughly check the issue raised by the assemblyman.

03. Plagiarizing the NewJeans Planning Proposal

Min Hyung-bae: Representative Kim Tae-ho, just one more thing. Although we generally avoid getting involved in matters like this, what are your thoughts on the allegations that Belift Lab plagiarized NewJeans?

Kim Tae-ho: That's not true.

Min Hyung-bae: Look at this. There are many people presenting evidence for it.



Kim Tae-ho: As the representative of Belift Lab, I would like to clarify this. We have already filed civil and criminal lawsuits against Min Hee-jin, the former representative who raised these allegations. We are awaiting the court's decision, and we intend to provide the necessary evidence through legal procedures to prove that the claims are false. We ask for your understanding in this matter.

Min Hyung-bae: Regardless of the outcome, isn't it undesirable for such debates and controversies to become societal issues?

Kim Tae-ho: Yes, I deeply regret that such issues have caused so much fatigue to many people throughout the year. I understand the concerns, and we will strive to resolve these issues so that they do not recur in the future.

Min Hyung-bae: I've raised three concerns today. Do you have anything to say to the fans or the public regarding these matters?

Kim Tae-ho: As I mentioned earlier, I sincerely apologize for causing such fatigue. Our fundamental mission as an entertainment company is to bring joy to our fans and the public. It's true that we have had some shortcomings this year, and we will do our best to prevent such issues from arising again.

04. Second Questioning: The Clockwork by Kim Tae-ho

Chairman Jeon Jae-soo: Next, Rep. Min Hyung-bae, please proceed with your questioning.

Min Hyung-bae: Witness Kim Tae-ho, I would like to ask you something. Could you step forward? This is a parliamentary audit, and you've taken an oath as a witness, so you must not lie.

Kim Tae-ho: Yes, I understand.

Min Hyung-bae: Earlier, you made a statement, so I brought this with me. This is the report you mentioned. You said it was just a compilation and not an official internal document. But earlier this year, your company officially announced that it was an internal document containing suggestions. Should I make this public?

Kim Tae-ho: I haven't been able to check what communications were made while I've been here at the parliamentary audit, so...

Min Hyung-bae: Ah! This right here, I only copied part of it. Should I reveal the whole thing? Even after that, would you still say it has nothing to do with you and is just a collection of outside opinions?

Kim Tae-ho: I didn't say it wasn't an internal document.

Min Hyung-bae: It contains opinions!

Kim Tae-ho: While it is indeed an internal document that was written and shared, the purpose was to gather the opinions K-pop fans had about HYBE artists and the industry...

Min Hyung-bae: But why would you use such inappropriate language in it? That's the question I asked, but you're avoiding the point.

Kim Tae-ho: The contents of the document you referred to were not written by us internally. It reflects...

Min Hyung-bae: You just said it was an internal document, and now you're saying it isn't. The document is filled with opinions. Was this report written by Weverse Magazine?

Kim Tae-ho: I believe it was written by various contributors working for Weverse Magazine.

Min Hyung-bae: Wasn't this ordered by Chairman Bang Si-hyuk, who instructed the editor-in-chief to write it?

Kim Tae-ho: I'm not directly in charge of that, so I'm not sure.

Min Hyung-bae: That's why you came here instead of Bang Si-hyuk, right? But how can you respond like this? Let me ask again: This report contains inappropriate evaluations about teenagers, which is against the fundamental purpose of the Cultural Industry Promotion Act. Do you acknowledge that?

Kim Tae-ho: I'm sorry, but I haven't seen the document you are holding, so I can't comment on it right now.

Min Hyung-bae: But this is a report you receive regularly, isn't it? I've already shown you parts of it. Should I make it public? Should I reveal how HYBE evaluates and discusses K-pop content creators?

Kim Tae-ho: As I mentioned earlier, we review a lot of reports weekly. Since I'm the representative of Belift Lab, I mainly focus on our own internal monitoring documents. I don't know exactly which document you have, so I can't say whether it can be disclosed or not.

Min Hyung-bae: The report contains harsh evaluations of girl groups and artists. I'm holding back from revealing it because it's so concerning. But you keep claiming it's just collected outside opinions, when in fact, much of HYBE's own views are in there, and the language used is highly inappropriate. That's why I brought this issue up today.

Kim Tae-ho: I recall that the documents we reviewed included summaries of public opinions and fan feedback. However, I understand your concerns about the language used in expressing those opinions...

Min Hyung-bae: That's exactly what I'm pointing out — the language and approach were highly inappropriate. How will you address this issue going forward? K-pop is a global cultural product, and this kind of content could have a very negative impact on the cultural industry.

Kim Tae-ho: As I said earlier, I understand the concerns you raised today, and once this parliamentary audit is over, I will return to the company to review the problematic aspects you highlighted and ensure that they don't recur in the future.

Min Hyung-bae: Then why do you keep denying that this is your official document and your views?

Kim Tae-ho: I never said it wasn't our document. I clarified that it is indeed our internal document, but the specific views expressed in the document are not HYBE's official position.

Min Hyung-bae: Witness Kim Tae-ho, you're making this more difficult. I'm showing you an internal document from your company, yet you keep saying it's not your opinion. How can that be?

Kim Tae-ho: As I said before, it is indeed an internal document, and I acknowledged that from the start. However, the specific contents, such as evaluations of certain artists or opinions mentioned, do not reflect HYBE's official stance.

Min Hyung-bae: The inappropriate language used in that internal document is exactly what I showed you earlier.

Kim Tae-ho: Yes, but I must clarify that the opinions expressed about the artists or other details in that document are not our official views...

Min Hyung-bae: Then should I fully expose the evaluations HYBE has made about these numerous artists? Would you be fine with that?

Kim Tae-ho: Since I don't know which document you have, it's hard for me to comment on whether it should be revealed.

Min Hyung-bae: It's a HYBE document! I'm telling you this now. Ah... the 'Weekly Music Industry Report. Weekly Trend Report.' Keeping track of industry trends is something you can continue to do, but the language used, the approach, and the order of things in the report are very reckless. I'm asking if I should make it public.

Kim Tae-ho: I'd like to ask for your understanding, as it's difficult for me to comment on that.

Min Hyung-bae: The reason I'm not making it public is because it would be unwise to do so. But HYBE has been doing things like this, so why don't you just say you won't do it anymore, apologize, and promise to improve in the future? Why are you trying to avoid the issue?

Kim Tae-ho: I've made it clear, and after hearing the concerns you've raised today, if this really is a problem, then we, of course, have the responsibility to resolve it.

Min Hyung-bae: The same goes for the "*album push*" tactic. There are numerous such examples in this document alone, marked by underlines I've made. You keep saying you didn't do it, and that's why I've brought this document.

Kim Tae-ho: We have never engaged in "*album push*."

Min Hyung-bae: Yes, and right now the media is officially denying that "*album push*" took place. But if this turns out to be true later, what situation do you think HYBE will find itself in? Please answer clearly. I've already shown you the messages we exchanged earlier. How can you still deny it?

Kim Tae-ho: The document you showed earlier is an email where we were discussing the terms of returns...

Min Hyung-bae: That's exactly what "*album push*" is!

Kim Tae-ho: We had already confirmed the situation you mentioned. At the time, we made it clear to all members of our organization that such practices were not allowed, and we even clarified this publicly early this year. We were concerned that such activities could occur without our knowledge, so we conducted a full internal investigation. Of the more than 40 million albums we sold last year, less than 1% were found to have been traded under conditional return agreements. After this, we concluded that even this practice should not be allowed, and we officially banned it. Therefore, I can confidently say that we have not engaged in "*album push*."

Min Hyung-bae: So, was it really not 1%?

Kim Tae-ho: Even though 1% would have had a very limited impact on the overall market, we still felt it was wrong, so we clearly decided not to allow it going forward.

05. Additional Details on the 'Industry Trend Report'

Sports Kyunghyang Exclusive: "HYBE Executives' 'Weekly Report' Contains Multiple Criticisms of Other Idols."

<https://m.entertain.naver.com/article/144/0000996540>

06. Position Regarding the "Industry Trend Report" Dated May 17 and "Pushing Albums"

CEO Min Hee-jin

Sports Kyunghyang Exclusive: "Min Hee-jin's 'Whistleblowing' Exposes HYBE's 'Album Push' Practices."

<https://m.entertain.naver.com/article/144/0000962302>

Additionally, the "Industry Trend Review" document, circulated internally each week by Editor-in-Chief Kang Myung-seok of Weverse Magazine, has been consistently biased and subjective. ADOR has raised objections, requesting that facts like data and metrics be included to ensure at least a minimum level of objectivity. CEO Park Ji-won advised, "Don't read it," while CHRO Kim Joo-young suggested, "Think of it as an individual's opinion." It's unclear why this personal, unverified information lacking objectivity should be distributed as if it represents the company's official stance, raising concerns about whether the document was distributed for promotional or propaganda purposes due to its overt bias.

HYBE

Sports Chosun Official Statement: "HYBE Denies Album Push... Min Hee-jin's Accusations Are Unfounded."

<https://sports.chosun.com/entertainment/2024-05-17/202405170100113960016690>

The Industry Trend Report is an internal document that collects and analyzes subjective consumer responses and trends beyond quantitative metrics like chart performance, aiming to suggest areas for improvement. It is not a document representing HYBE's views or assessments of artists. The label teams are free to interpret and utilize this report as they see fit. This diversity allows the inclusion of candid improvement suggestions, which is the report's purpose. If only consistently favorable analyses are expected, it's worth asking how such a report would benefit ADOR's development. Despite this intent, CEO Min requested in early 2023 to stop including qualitative evaluations of NewJeans' content (music, performance, music videos). Following this, ADOR requested complete exclusion of NewJeans from trend collection and evaluations, which has since been implemented.

07. HYBE Official Warning

HYBE Statement:

Today (24th), during the National Assembly's Culture, Sports, and Tourism Committee audit, a monitoring report of ours was made public. This report aggregates various fandom and industry reactions and public opinion.

The document compiles reactions from communities and social media verbatim to provide insight into trends and issues and is intended solely for reference by a select few within the company; it does not represent HYBE's official stance.

This report includes positive evaluations from fans and important feedback we consider as an entertainment company. We will hold accountable those who selectively leaked only provocative excerpts, making it appear as though HYBE had produced a document criticizing artists.

하이브에서 알려드립니다.

2024.10.24

하이브에서 알려드립니다.

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이는 업계 동향과 이슈를 내부 소수 인원들에게 참고용으로 공유하기 위해 커뮤니티나 SNS 반응을 있는 그대로 발췌해 작성됐으며 하이브의 입장이 아닙니다.

해당 보고서에는 엔터테인먼트 회사로서 귀담아 들어야 할 내용들, 팬들의 긍정적인 평가도 포함되어있습니다. 보고서 중 일부 자극적인 내용들만 짜깁기해 마치 하이브가 아티스트를 비판한 자료를 만든 것처럼 보이도록 외부에 유출한 세력에 대해서는 끝까지 책임을 물을 것입니다.

08. News of the Threat Letter Delivered at the Parliamentary Audit

Min Hyung-bae: Chairman, right after I finished my question earlier, HYBE released this kind of statement. In the report, they go on and on, saying, “We will hold accountable those who leaked the report to make it seem as if HYBE created materials criticizing its artists.” This statement has just come out. I'd like to ask witness Kim Tae-ho what this means. Could you allow me to do that?

Chairman Jeon Jae-soo: Yes, please come forward. I was about to wrap up since witnesses and attendees have been sitting here for a long time in an uncomfortable situation, but you won't get another chance to ask once they leave. So, please proceed briefly, Assemblyman Min.

Min Hyung-bae: I'll ask again. The document I have here, it's an internal document from HYBE, right? It contains HYBE's opinions, along with other contents, correct? I read through it, and that seems to be the case, yes?

Kim Tae-ho: May I ask if the document you're referring to is the industry report you showed me earlier?

Min Hyung-bae: I told you already.

Kim Tae-ho: If it is that document, as I mentioned before, it's something related to the opinions of K-pop fans and HYBE artists—

Min Hyung-bae: I'll ask again. Is HYBE's opinion reflected in this report or not?

Kim Tae-ho: Of course, the document does—

Min Hyung-bae: It's in there, right?

Kim Tae-ho: It contains mentions of opinions that have been circulating or—

Min Hyung-bae: Not indirectly, not quoted, but directly evaluated by HYBE. Should I read it out loud?

Chairman Jeon Jae-soo: Assemblyman Min, please wrap up your question.

Min Hyung-bae: So, while we're in the middle of this audit, HYBE has issued a statement saying, "We will hold accountable those who leaked the report to make it seem as if HYBE created materials criticizing its artists." What does this mean?

Kim Tae-ho: I haven't communicated with the company during this parliamentary audit, so I'm not aware—

Min Hyung-bae: You don't know about this statement?

Kim Tae-ho: I didn't issue or direct the release of such a statement. I've been sitting here as a witness—

Min Hyung-bae: "The report contains content that entertainment companies should listen to, including positive evaluations from fans. However, only some provocative contents were stitched together." I did select some provocative content, but "stitched together"? "Made it look as though HYBE criticized its artists"? Did I ask this today? Did I claim HYBE criticized its artists? The internal document contains some very inappropriate descriptions about these artists. There are also many positive contents—

Chairman Jeon Jae-soo: Assemblyman Min, please hold on. This seems to be getting too lengthy, so I'll step in and summarize as the chairman. Representative, we are conducting a parliamentary audit as authorized by the Constitution and the law. You've been summoned here as a witness, and you've had ample opportunity to speak. Nevertheless, for HYBE to release a statement during an ongoing audit in response to a question raised by a member of the audit committee is highly inappropriate. Don't you think you should apologize? How could you issue such a statement during a parliamentary audit? This undermines the authority of this audit.

Kim Tae-ho: I sincerely apologize. I haven't seen the statement that Assemblyman Min mentioned.

Chairman Jeon Jae-soo: Assemblyman Min just read it aloud, didn't he?

Kim Tae-ho: I'm not sure if he read the entire statement or just excerpts.

Chairman Jeon Jae-soo: Regardless, this audit is in progress, and as a witness before the Culture Committee, you are here to respond to questions. For the company to issue a statement that undermines the significance of the audit or disrespects the authority of the National Assembly is unacceptable. Isn't HYBE one of the leading companies representing K-content in Korea? How could you respond so irresponsibly? Is the National Assembly that insignificant to you?

Kim Tae-ho: I don't think that at all.

Chairman Jeon Jae-soo: Then, investigate this statement and report back to Assemblyman Min and our committee with HYBE's official stance. If not, we may need to consider alternative measures.

Kim Tae-ho: Yes, understood.

Chairman Jeon Jae-soo: Please, members of both parties, confer briefly on how to proceed with the witness. For now, the witness may step down.

Kim Tae-ho: I'll quickly assess the situation and follow up—

Chairman Jeon Jae-soo: Check the news reports.

Kim Tae-ho: Yes, I'll do that.

Chairman Jeon Jae-soo: I apologize as the chairman. Please wait a moment. We'll notify you of the next steps after conferring with the committee.

Chairman Jeon Jae-soo: Let's summarize. After consulting with the committee, HYBE is requested to remain as a witness. During the break, please assess the situation and, once the audit resumes, report your position to the committee. That concludes the questioning of the witnesses and participants.

09. Apology by Kim Tae-ho, HYBE's Chief Operating Officer

Chairman Jeon Jae-soo: Please organize the seats. We will continue with the session. (gavel bangs) Before we begin the questioning, the witnesses and those providing references have all left, but the HYBE witness is still present, correct?

Kim Tae-ho: Yes, I'm here.

Chairman Jeon Jae-soo: Then, Mr. Kim Tae-ho, please come forward. How did you prepare your statement? Did you assess the situation?

Kim Tae-ho: Yes, I have assessed the situation.

Chairman Jeon Jae-soo: Please go ahead and present your statement.

Kim Tae-ho: Esteemed Chairman of the National Assembly's Committee on Culture, Sports, and Tourism, Jeon Jae-soo, and the distinguished members of the committee, especially Assemblyman Min Hyung-bae who gave various remarks today, I humbly accept the criticism that the statement posted on our company's website during the National Assembly audit was inappropriate, and I sincerely apologize.

The reason for posting the statement was that during today's National Assembly audit, there was an overwhelming number of media inquiries asking for our company's stance on the matters mentioned. It was difficult to respond to each inquiry individually due to the sheer volume. Furthermore, we noticed that information not covered in the audit, as well as material that was censored during the session, was being fully exposed and distorted online.

Thus, we quickly posted the statement to respond to the media inquiries and to prevent the further spread of misinformation. However, I have confirmed that this decision was made in haste. As I previously mentioned, there was absolutely no intention to disregard the National Assembly. It was clearly a mistake on our part to release the statement during the audit. We fully understand the importance of the audit and had no intention of undermining the authority of the National Assembly. Once again, I deeply apologize to Chairman Jeon, Assemblyman Min, and all the members of the Culture, Sports, and Tourism Committee.

Chairman Jeon Jae-soo: Yes.

Kim Tae-ho: Additionally, regarding the issue raised by Assemblyman Min about the music industry report, we will ensure to correct it moving forward. We pledge to respect the rights of our artists and everyone involved, and as a leading company in Korea's cultural arts sector, we will continue to strive for the healthy development of the industry. I once again extend my sincere apologies. Thank you.

Chairman Jeon Jae-soo: Mr. Kim Tae-ho, you are attending today's National Assembly audit as the Chief Operating Officer of HYBE, correct?

Kim Tae-ho: Yes, that's correct.

Chairman Jeon Jae-soo: As the COO of Korea's leading company driving the Hallyu (Korean wave), you are participating in an audit that is being conducted under Article 61 of the Constitution, Article 127 of the National Assembly Act, and the National Assembly Audit and Inspection Act. This audit is being held according to the Constitution and the law.

The fact that a statement was released during the audit, while members of the National Assembly were asking questions and discussing issues in an effort to ensure the continuity of Hallyu as a global phenomenon, is an action that could gravely undermine the authority of the National Assembly. A leading company representing Korea's Hallyu should not handle the situation in such a manner. This is the stance of both the committee and the committee members.

In the future, I hope HYBE will act more appropriately as Korea's top Hallyu company. Furthermore, I ask that you reflect the points raised by Assemblyman Min and other members in order to contribute to the continued global spread of Hallyu. Thank you.

Kim Tae-ho: I will make sure to keep that in mind.

Chairman Jeon Jae-soo: Assemblyman Lee Ki-heon, do you have any questions regarding HYBE? Then, Assemblyman Cho Gye-won, is your question related to HYBE?

Park Jeong-ha: While I understand that the witness has sufficiently clarified the situation, there is one part of the company's statement that concerns me. It says, "Some provocative content was pieced together, making it seem like HYBE had created a report criticizing the artists." The next sentence is critical: "We will hold those responsible for leaking it accountable to the fullest extent." This is a very threatening statement. It feels like it could suppress free discussion or internal criticism within the company.

The witness has not yet addressed this point. In my view, there should be measures to prevent this kind of thing from happening again. Chairman, could you ask the witness for a clear stance on this matter?

Kim Tae-ho: I agree that necessary measures should be taken. After today's session, I will review this matter carefully and take responsibility for making any necessary corrections. I will ensure that this is communicated properly.

Chairman Jeon Jae-soo: Yes.

Kim Tae-ho: To clarify further, the intention behind the statement was to address the rapid spread of false information online, not to target internal criticisms. Regardless, I humbly accept the criticism and will ensure that we revise the statement accordingly.

Park Jeong-ha: I think the witness misunderstood part of my question. What I am specifically asking about is the phrase, "We will hold those responsible for leaking it accountable to the fullest extent." The witness said they were not aware of the

statement being released while at the National Assembly, but can you investigate who approved this statement and take the necessary action?

Kim Tae-ho: I fully agree that constructive criticism and discussions within the company must be protected. I apologize if my previous explanation was unclear. We are committed to ensuring that our company becomes better, and we will work on this matter diligently.

Chairman Jeon Jae-soo: Mr. Kim Tae-ho, are you saying you will not pursue any actions to track down the leakers?

Kim Tae-ho: We have no intention of pursuing internal investigations or punishing anyone for leaks. You don't need to worry about that.

Chairman Jeon Jae-soo: Are there any more questions related to HYBE? If not, I'd like to thank Mr. Kim Tae-ho for attending on behalf of the committee. You are now excused. Thank you for your time.

Kim Tae-ho: Thank you.

Reference Material: Act on Testimony, Appraisal, etc. Before the National Assembly

Act on Testimony, Appraisal, etc. Before the National Assembly

[Effective as of April 17, 2018]

[Law No. 15621, April 17, 2018, Partial Amendment]

Article 14 (Crime of Perjury, etc.)

1. A witness or appraiser who has taken an oath under this Act and provides false testimony (including written answers) or appraisal shall be punished by imprisonment for not less than one year and not more than ten years. However, if they confess before the crime is discovered, the sentence may be reduced or exempted.
2. The confession under paragraph 1 must be made before the National Assembly concludes its deliberation on the agenda, audit, or investigation.