

---

## NetEase Cloud Music Inc. Fiscal Year 2025 Earnings Conference Call

*7:00 PM Hong Kong Time, February 11, 2026*

Hello everyone, and welcome to our 2025 full-year earnings conference call.

Throughout 2025, we remained focused on strengthening our core music ecosystem, driving steady growth in our online music business. By continuously enhancing the premium music experience, we expanded our appeal across a broad base of music lovers and deepened user recognition and affinity for our platform. At the same time, we enriched our differentiated content offerings and made further progress in developing original Chinese music. With user experience as our top priority, we continued to diversify the content ecosystem and refine personalized recommendations, innovate product features and enhance aesthetic experience, as well as further boost community engagement. Together with enhanced membership benefits, these initiatives brought our music community closer and supported continued growth in subscription-based monetization, reinforcing our platform's sustainable development and long-term value.

During this period, we continued to expand and strengthen our music-focused community ecosystem. In 2025, we delivered steady year-over-year growth in both our active user base and overall engagement by improving user experience and enhancing brand awareness. Our DAU/MAU ratio increased year over year and stayed above 30%, while average daily mobile music listening time also continued to rise. In particular, our focus on high-quality content and experiences, together with the platform's trendsetting aesthetics and design, continued to attract and convert more young music enthusiasts into loyal users. Through distinctive content and immersive experiences, we fostered word-of-mouth promotion and strengthened users' sense of belonging and platform loyalty. For example, the recent launch of the NetEase Cloud Music Annual Listening Report has been well received by users, who describe it as "emotionally resonant" and "well-crafted."

**From a product perspective**, we continued to prioritize user needs and remained committed to innovation and excellence in music discovery and the listening experience. During 2025, the NetEase Cloud Music App underwent a series of updates, including the launch of "Heartbeat Mode" (心动模式) homepage layout to better accommodate the diverse music discovery preferences of our users. We also introduced our Self-developed AI-powered generative recommendation model, Climber, which significantly enhanced the music discovery experience. Our innovative features, such as Automix, Magic Light Player (神光播放器) and landscape mode, delivered a more immersive audio-visual experience. On the community front, we introduced more features to encourage more active user participation and interactions.

**Within our content ecosystem**, we built a rich and differentiated music library by introducing copyrighted music content, supporting independent artists and strengthening our in-house music production capabilities. In 2025, we continued to introduce content from Korean labels, supplement our Chinese copyright library, add OST and variety

---

show content and further enrich our signature genres such as hip-hop and Western music. We also deepened our collaboration with copyright holders and artists, to strengthen content distribution and support mutual value creation. We remained dedicated to promoting original Chinese music, with recent in-house releases such as "Liang Nan (《两难》)" and "What Ifs (《如果呢》)" gaining broad recognition both on and off the platform.

**We remained focused on our music-centric monetization capabilities.** In 2025, membership subscription revenue grew by 13% year over year, driven by growth in the subscriber base. Throughout the year, we refined our membership-exclusive benefits built around content, features and dress-up privileges, which increased users' willingness to pay for premium experiences and also enhanced core engagement metrics for subscribers, such as retention and activity rates. In 2025, our operating profit increased year over year, driven by platform growth, stronger online music monetization, disciplined cost management and operating leverage.

Looking ahead, we remain committed to our long-term vision for sustainable growth with user experience at the center of everything we do. We will continue to build a differentiated content ecosystem and develop curated original music, while exploring cutting-edge technologies and AI empowerment to deliver an unparalleled music experience. We believe that cultivating high-quality users is critical to the platform's future growth, and place special emphasis on engaging and connecting with the younger generation. Through tailored content development, targeted brand initiatives and membership benefits designed for younger users, we aim to ignite their passion for music while nurturing their musical taste and consumption habits. Younger music lovers have already demonstrated strong engagement and loyalty on our platform. We believe these initiatives will continue to provide a solid foundation for our long-term, sustainable growth.

**With that overview, I'll now walk you through our content ecosystem, product innovation, brand building and commercialisation efforts in more detail.**

Starting with our **rich and differentiated content ecosystem.**

1. Looking first at our **relationships with copyright holders**, we maintained our disciplined and collaborative approach with copyright holders, further growing our partnerships and deepening our collaborations with them in ways that support our mutual interests.
  - 1) In 2025, we **further grew our copyright music library** with new content from K-Pop labels, including RBW, StarShip and Shofar Music. We also supplemented our catalogue of popular tracks from Chinese artists such as Chen Chusheng (陈楚生), Li Jian (李健), Yuxin Liu (刘雨昕), Miriam Yeung (杨千嬅), Jackson Yee (易烱千玺), and Lay Zhang (张艺兴). Additionally, we enriched our OST library with content from TVB, featuring Hong Kong drama soundtracks, and added popular OSTs such as Shui Long Yin (《水龙吟》).
  - 2) Meanwhile, we **further enriched our music library with high-quality content in our signature genres such as hip-hop and Western music.** This included the latest releases from hip-hop artists such

---

as KeyNG (杨和苏), MaSiWei (马思唯) and MC Hotdog (热狗), as well as tracks from rock bands such as New Pants (新裤子) and Reflector (反光镜). We also partnered with Japanese labels such as Kadokawa and U/M/A/A and worked closely with Deco\*27 to bring more high-quality Japanese music and ACG soundtracks to our platform. Additionally, we expanded our licensing partnerships with Western artists, achieving outstanding results that further validate our platform's influence among Western music enthusiasts. As an example, the new single by Western indie artist Demxntia generated more than 10 million plays just 20 days after release. We also facilitated the cross-border collaboration single between popular Indonesian independent singer-songwriter Stephanie Poetri and domestic artist, effectively reaching young listeners across multiple regions.

- 3) In terms of content distribution and commercialization, we **deepened our cooperation with music labels**.
  - We played an important role in the launch of Mariah Carey's new album, "Here For It All," in China. Within 14 days of release, the album generated a play count 5.2 times higher than her previous album over the same period, setting a new personal record for her in China. For Taylor Swift's new album, our tailored campaign helped drive play count to close to 160 million, setting a leading standard within the industry. We also supported Jackson Wang's new album by creating a dedicated page and customized in-app Easter eggs on NetEase Cloud Music, helping it generate over 35 million plays.
  - In terms of digital and physical albums, new digital albums from Hua Chenyu, David Tao, Allen Ren and Eason Chan, as well as physical albums from artists such as Shi Kai (石凯) and Jiang Yunsheng (姜云升), all generated good sales on NetEase Cloud Music. For JENNIE's digital album, we executed a refined campaign featuring exclusive virtual and physical music cards, effectively driving sales performance.
- 4) We work closely with labels and artists to deliver **artist-centric campaigns across both online and offline channels**, effectively engaging younger audiences. For example, for Hua Chenyu's 12th debut anniversary, we organized a dedicated online retrospective project alongside a large-scale offline campaign, which was well received. For BLACKPINK's 9th anniversary, we hosted pop-up events in Shanghai, Shenzhen, Wuhan and Chengdu, and launched a dedicated program online that attracted millions of fans. In addition, we executed a series of online initiatives, including the i-dle's 7th anniversary celebration, special campaigns supporting copyright collaboration with Jackson Yee and Jay Zhang, as well as an anniversary program for Mayday.

- 
2. Beyond licensed content, we continued to strengthen our **independent artist ecosystem**. By the end of 2025, more than one million independent artists had contributed over 5.6 million tracks to our platform, reflecting the creativity and vitality of our community.
- 1) In terms of **music creation**, we remained committed to helping creators unlock their full potential.
    - In May 2025, our NetEase Musician Platform introduced two new roles—AI Musician and Trainee Musician—offering creators fresh pathways for growth. In December, we launched the "AI Song Incentive" 「AI歌曲激励金」 project, encouraging the creation of original, high-quality AI music.
    - We continued to introduce more high-quality songwriting camps to support original content production, such as the “Voice of Life · Chasing Light and Sea” 「生声不息·追光山海」 music camp.
    - In addition, we co-developed online fan-made music submission programs with "Where Winds Meet." By combining "music + game", we built a cross-platform content co-creation ecosystem that amplifies user reach and strengthens overall ecosystem value.
  - 2) Meanwhile, we continue to invest in **discovering and promoting artists**.
    - We launched the "Original Sound Promoters" 「原创声推官」 campus ambassador program, establishing a "discovery-appreciation-dissemination" mechanism to promote original content and build a music discovery and promotion network from college students' perspective. Through word-of-mouth on campus, we expanded the reach of high-quality original music among our core audiences.
  - 3) Furthermore, we partnered with multiple brands and IPs to promote musicians, **broaden their commercial reach**.
    - We provided brands such as Audi, Chanel and Honor with access to artists' songwriting capabilities.
    - We organized offline events with brands to increase commercial exposure for artists, including Honor Music and Chanel's limited-edition perfume space, among others.
    - Further, we collaborated with artists to supply customized songs or original tracks to games, including “Fantasy Westward Journey,” “Where Winds Meet,” “Identity V” and “Eggy Party,” covering a total of 31 collaborative projects across 13 popular games.
3. Turning to **our in-house production capabilities**. In 2025, our multiple studios produced and promoted a series of hit songs. We continued to build on our signature genres and drove strong traction for our in-house hip-hop releases, including “Liang Nan” (《两难》), “Mo Chou Xiang” (《莫愁乡》), “Xi Mie” (《熄灭》), “An

Liu” (《暗流》) and “Xi Pai” (《洗牌》). At the same time, we remained dedicated to developing high-quality, well-crafted music content. Earlier in-house tracks, such as “Shi Hao” (《嗜好》), “You” (《你》) and “What Ifs” (《如果呢》), gradually expanded their audience and gained broader recognition. We also collaborated closely with emerging artists to co-create well-received tracks, including “Big City, Small Love” (《大城小爱》), “Tui Hei Su” (《褪黑素》), among others. Additionally, our original collaboration project “Glow Up,” featuring MIYEON and Jike Juyi, garnered widespread international attention and sparked global discussion, showcasing our strength in planning and promoting cross-border music collaborations.

4. In addition to music, we expanded **our audio offerings** to better serve our users’ diverse interests and listening needs. In 2025, we achieved a steady increase in average audio listening time per user.

- 1) Our podcast offerings focused on music-inspired audio content and cultural podcast IPs. Through the new “Music Neighbour Program” 《音乐友邻计划》, we collaborated with 105 musicians and influencers and released 230 episodes of podcasts. We invited renowned guests, such as author Da Bing (大冰), artists Tayu Lo (罗大佑) and Terry Lin (林志炫), as well as well-known label Modern Sky, to share their personal playlists. Artists such as Sophia Huang (黄绮珊) and Fan Fan (范玮琪) were also invited to talk about the stories behind their songs. In addition, we launched the “Podcast Bookstore Plan 《播客书店计划》,” featuring podcast episodes hosted by prominent cultural figures and organized around curated thematic reading lists, forming the foundation of our cultural podcast IP. To date, we rolled out seven major themes featuring 72 guests, including Liang Yong’an (梁永安), Feng Tang (冯唐), Su Tong (苏童) and Xu Zhiyuan (许知远).
- 2) We continued to build our podcast host ecosystem. In 2025, we introduced eight prominent hosts, including Fan Deng (樊登), founder of the Fan Deng Reading APP (帆书APP), former CCTV host Li Lei (李蕾) and crosstalk performer Guo Degang (郭德纲). Among them, Guo Degang’s supernatural-themed podcast series “Zi Bu Yu Wo Yu” (《子不语我语》) became a breakout hit on our platform, generating nearly 10 million listens.
- 3) At the same time, we continued to enrich our audiobook offerings. In 2025, our in-house produced audiobooks such as “Lao Shi Ren” (《捞尸人》) and “Hei Xiang Shu” (《黑相术》) gained broad popularity. In addition, we co-developed an original audio drama based on 《Eggy Party》 and introduced a card-draw gameplay feature, tapping into gamers’ nostalgia and expanding the audience for suspense and fantasy audio content.

**Now, let us move to product innovation and community development.**

---

In 2025, we continued to drive product innovation and feature upgrades, deepening user engagement and keeping our community vibrant.

1. We improved **music discovery and the listening experience**, strengthening user engagement and enhancing the overall value of the platform.
  - 1) We are committed to providing users with a personalized **music discovery** journey. During the year, we continued to enhance our recommendation capabilities and overall efficiency. Through ongoing upgrades to the NetEase Cloud Music App, we introduced a new "Heartbeat Mode" (心动模式) homepage layout and a new "Search" tab with categorized browsing, better supporting users' diverse music discovery preferences. We also improved the song discovery experience by continuously refining the recommendation page. We launched the "Heart Collection Playlist Classification" [红心歌单分类] feature, enabling users to filter liked songs by genre, era, artist, language and more, supported by AI-driven discovery of niche categories. In addition, we enhanced the "New Songs and New Albums" channel by streamlining content delivery and refining the presentation of editorial information. To further advance music discovery capabilities, we launched our self-developed AI-powered generative recommendation model, Climber. Powered by self-attention mechanisms, Climber captures users' listening preferences with greater accuracy, similar to LLM-based models, enhancing the personalized recommendation experience.
  - 2) We continued to enhance the **music consumption** experience and address a wider range of audio-visual needs through innovative features. First, we launched the "Magic Light Player" (神光播放器) to recreate the feel of live concerts and the "Lustrous Light Wave" [琉璃光波] player, which syncs music spectra with dynamic visual effects for a more immersive experience. Second, our new Automix feature enables intelligent, seamless playback with smooth transitions between songs. Third, we introduced a horizontal mode for the vinyl player interface, expanding listening scenarios and significantly increasing users' screen-on time. Lastly, we rolled out a range of AI-powered features, including "AI Singing Assistant 2.0" for one-click MV creation, "AI Magic Player" for personalized player backgrounds and "AI Song-writing" to instantly turn ideas into songs, further enriching users' music experience with greater creativity and convenience.
2. Next, we focused on strengthening our **distinctive and evolving community** by deepening music-inspired connection and engagement. In 2025, we expanded interactive use cases and integrated new formats, including music-inspired graphics and text content. These efforts improved user participation in both creating and engaging with community content. In 2025, both UGC creation and community interaction saw increased adoption across diverse community scenarios on the NetEase Cloud Music platform.
3. We are committed to building an **all-scenario music consumption ecosystem**, making it a part of everyday life. In 2025, we continued to strengthen multi-device functionality to improve user engagement. For in-vehicle use

---

cases, we added features such as "In-Car Radio" (车载场景电台), "Magic Light Mode" (神光模式), "Sing at Will" (随心唱) and Audio Vivid sound quality. For TV terminals, we introduced the new "Heartbeat" homepage interface and enhanced large-screen viewing aesthetics with features such as "Record Wall" (唱片墙), "Full Screen Cover" (全屏封面) and "Sing at Will" (随心唱). For PCs, we enhanced immersive playback on the main screen and introduced new desktop use cases for the secondary screen.

### **Turning to our brand-building efforts.**

Leveraging NetEase Cloud Music's unique music ecosystem, we promoted both content and platform experiences. Through a wide range of channels and strategies, we continued to expand our reach, strengthen user awareness and steadily convert users, especially younger music enthusiasts, into loyal advocates of our platform.

1. **Content promotion:** Our content-oriented efforts continued to broaden visibility of our premium in-house music offerings. Meanwhile, we deepened user awareness of NetEase Cloud Music's high-quality music playlists. We further expanded our collection of high-quality playlists by curating themed collections such as relaxation, exam prep and musicals, encouraging more saves and plays.
2. **Experience promotion:** We promoted many **standout product experiences** that drove word-of-mouth advocacy. These included our Annual Listening Report (网易云音乐年度听歌报告) that earned widespread user praise, reinforcing the perception that "NetEase Cloud Music is a warm music community." We complemented this with a range of game collaborations and creative campaigns, as well as distinctive product-led promotions that kept our platform top-of-mind for users.
3. We also further deepened **collaborations across NetEase's gaming ecosystem**, integrating music more naturally into key gameplay moments. These initiatives enhanced the in-game experience and reinforced our brand positioning. We partnered with popular titles, including *Identity V*, *Where Winds Meet*, *Minecraft* and *Eggy Party*. In *Where Winds Meet*, we integrated NetEase Cloud Music tracks as background music in key scenes to enhance immersion. Players could also create personal tags and curate their own playlists through the in-game music player, supporting self-expression and helping them connect with others. These joint campaigns targeting younger users enhanced NetEase Cloud Music's recognition and affinity, while strengthening its connection with the younger generation, positioning the brand as their companion.

### **Finally, let's look at our progress in commercialisation.**

In 2025, we further strengthened our music monetization, with subscription-based memberships maintaining solid growth momentum. This reflects the strength of our platform and the value of our user base. We continued to build a highly engaged community of young users with a strong willingness to pay, reinforcing the foundation for long-term monetization.

---

For our **subscription-based membership**, we continued to expand our premium content library and improve music distribution efficiency, deliver higher-quality audio with more accurate recommendations to the target audience, roll out new innovative features and enhance membership benefits, thereby converting more listeners into loyal paying users.

1. In 2025, we rolled out a wide range of **member-exclusive benefits** spanning music functionality, interactive features and customization options.
  - 1) On **music-focused features**, we upgraded our immersive surround sound system and launched member-exclusive audio effects, including the "AI Tuning Master Audio Effect" (AI 调音大师音效), which uses AI to tailor audio effect settings based on a song's characteristics, and "8D Surround Audio Effect" (8D 环绕音效), which delivers a more immersive spatial listening experience. Other member-only features, such as "AI Singing Assistant 2.0" and the "AI Magic Player," were also well received by our premium users.
  - 2) In addition, we launched a series of member-exclusive **avatar customization features**, including IP-themed player designs and skins covering leading games, films, TV shows, cultural IPs and NetEase Cloud Music's original IP "Ruan Miao Miao," offering more ways for users to personalize their experience. We recently introduced the "Miao Miao Family Decoration Blind Box" (喵喵家族装扮盲盒), which combines blind-box gameplay with a customization exchange feature and has gained strong traction among our younger users. We also launched the "Decoration Collection Hall" (装扮收藏馆), which allows users to collect and permanently keep personalized items. This feature supports users' interest in collecting, encourages social sharing and drives ongoing consumption of customization options.
2. Through special offers for student members, we expanded the reach of our membership benefits among young users, raised their awareness and appreciation of our vinyl membership and strengthened users' willingness to pay. Importantly, we continued to focus on growing our young user base to build long-term engagement and consumption habits, driving high-quality growth in both active users and subscribers over time.

Overall, our **commercialization strategy** remains firmly user-centric, with high-quality content and product experiences serving as the core driver, supporting healthy and sustainable growth. We believe this will continue to lay a solid foundation for achieving long-term monetization and steadily unlocking greater platform value over time.

---

## Q&A

**Q1:** What are the Company's growth priorities for 2026? Are there specific business opportunities or potential challenges you see ahead? How do you view competition from Soda Music?

**William Ding:** We will continue to place user experience at the forefront of our priorities. This means focusing on high-quality, emotionally resonant and popular content. In 2026, we will continue to make sustained investments in premium content to ensure users can enjoy more engaging music on our platform. We will also continue to iterate on our recommendation algorithms so that our AI can better understand user preferences.

We view the diverse competition in the market as a positive development, as it fosters continued innovation across product and user experience in the industry. We believe NetEase Cloud Music benefits from a highly loyal user base and differentiated content offerings, which set us apart from other platforms. As such, we do not see emerging platforms posing a significant challenge to our business.

From a financial perspective, we will continue to drive revenue growth and profitability improvement through ongoing innovation.

**Q2:** How does management view the impact and opportunities AI brings to the music industry? Could management provide an overview of the Company's AI music capabilities and potential application scenarios?

**William Ding:** The advancement of AI is lowering the barriers to music creation, enabling more people, including those without formal music training, to participate in the creative process. This is leading to a much more vibrant and diverse content ecosystem. Much like how digital cameras made photography accessible to all, everyone can now take photos, even not every photo is of professional quality, but the total content volume expanded significantly. NetEase Cloud Music's "Tianyin" AI music platform has attracted numerous users and creators since December last year, many of whom have used it to produce high-quality music content.

---

Beyond content creation, AI is also helping us further enhance our content recommendation algorithms. Going forward, it will also support the development of more visual and multimedia content experiences.

Overall, we believe we will see a surge in AI adoption in 2026, enabling more creators to actively participate and leverage AI to produce high-quality content.

**Q3:** What are your user growth strategies and targets for 2026? How do you view the long-term value of 88VIP memberships and student memberships?

**William Ding:** We have always been highly focused on younger music enthusiasts, building a high-quality music platform that resonates with them. Our collaboration with 88VIP has been highly successful, delivering significant mutual benefits. We look forward to continuing this partnership over the long term.

Younger users remain a core strategic priority for us. In 2026, we will further increase our marketing investments to expand our reach and enable more users to enjoy compelling music on our platform.

**Q4:** What are the strategic priorities for the membership business in 2026? How do they differ from 2025? If there are any adjustments, what are the considerations behind them? How do you prioritize key metrics such as membership scale, ARPPU and retention?

**William Ding:** Membership subscription remains our primary source of revenue, and our pricing is positioned at a competitive level within the industry. One of our key priorities for 2026 is to further expand our subscriber base so that more users can enjoy high-quality music content on our platform. To support this goal, we will increase investments in both marketing and original content production.

**Q5:** How are you planning your music content investment in 2026? How will you allocate the budget between licensed music and original content production?

**William Ding:** Our music content strategy is built around two core pillars. On one hand, we work with licensed content from copyright holders, such as Hong Kong's TVB. On the other hand, we continue to develop in-house music production. Both are indispensable to our content ecosystem.

---

In terms of content development, our priority remains the creation of more high-quality Chinese music with strong cultural resonance. We are committed to supporting and empowering more independent artists and AI musicians by fostering a healthy and diverse creative ecosystem on our platform.

In 2025, our collaborations with Mariah Carey and Taylor Swift both achieved the highest streaming volume in the industry.

**Q6:** Given the steady development of the business and your strong cash position, do you have plans to optimize capital allocation through share buybacks or similar measures?

**William Ding:** We place a high priority on shareholder returns. With a cash balance of over 13 billion RMB, we will execute share repurchase at an appropriate time.

**Q7:** How do you view the outlook for GPM and OPM in 2026? How will increased investment in high-quality content impact profitability?

**William Ding:** Increased investment in high-quality content will not reduce profit margins. Rather, we believe it will support margin improvement.

**Q8:** How do you view the growth outlook for membership revenue in 2026? How should we think about the relative contribution of volume vs pricing?

**William Ding:** Both subscriber base and ARPPU are expected to grow. ARPPU improvement will not be driven by increases in base subscription prices. Rather, we currently offer relatively high discounts in certain channels, which we plan to gradually reduce. This adjustment is also expected to contribute to an improvement in our gross margin.

**Q9:** How do you view the impact of AI on your future revenue and profitability?

**William Ding:** AI has a highly positive impact on both content creation and our future business development. It has lowered the barriers to content creation, significantly improving content quality while increasing production volume by 10-20 times.

Currently, the focus has shifted to content marketing and promotion, which AI is not yet able to fully address. We have extensive experience in music content promotion, and AI can meaningfully support our efforts in creating marketing visual assets.

Therefore, we believe 2026 will be an important year for advancing both AI-driven content production and AI-enabled content promotion.