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Business Report

(The 30th period)

Fiscal Year	From January 1, 2024 to December 31, 2024

Financial Services Commission Messrs.
Korea Exchange

March 20, 2025

Type of Company subject to submission:	: Stock-listed corporation
Occurrence of reason for exemption:	: Not applicable
Company Name:	: Tokai Carbon Korea Co., Ltd.
Representative Director:	: Shin Hideo, Changmin Oh
Location of head office:	: 71, Gaejeongsaneopdanji-ro, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea, (Tel) 031-677-0277 (Website) http://www.tck.co.kr
Person in charge of preparation:	(Post) Head of Strategic Management Team (Name) Gwangjae Park (Tel) 031-677-0277

[Confirmation of the Representative Director, etc.]

[Confirmation/Signature of the Representative Director, etc.]

As the Representative Director and the person in charge of reporting tasks of the Company, we have directly confirmed and reviewed the contents of this official document with due diligence and have confirmed that there is no omission regarding the statements of important matters or designations, no false statements or designations, and no statements or designations that may stir up major misunderstandings in the ones who are using the statements and designations indicated in this official document.

In addition, the Company confirms that we have prepared and are operating the internal accounting control system under Article 8 of the "Act on External Audit of Stock Companies, Etc."

March 20, 2025
Tokai Carbon Korea Co., Ltd.

Representative Director, Changmin Oh (Signature)

Executive in Charge of Reporting Duties, Gwangjae Park (Signature)

I. Company Overview

1. Company Overview

A. Overview of Subsidiary Companies Subject to Consolidation

- Not applicable
- Status of subsidiary companies subject to consolidation

(Unit: Company)

Classification	Number of Companies Subject to Consolidation				Number of Major Subsidiary Companies
	Beginning of Period	Increase	Decrease	End of Period	
Listed	-	-	-	-	-
Non-listed	-	-	-	-	-
Total	-	-	-	-	-

※ For detailed status, refer to 'Detailed Table-1. Status of Subsidiary Companies Subject to Consolidation (Details)'

- Changes in Companies Subject to Consolidation

Classification	Subsidiary	Reason
New Consolidation	-	-
	-	-
Excluding Consolidation	-	-
	-	-

B. Legal and Commercial Names of the Company

The Company is referred to as [주식회사 티씨케이] in Korean, [韓國東海カ－ボン株式會社] in Japanese, and [TOKAI CARBON KOREA CO., LTD. (TCK)] in English.

C. Date of Establishment and Period of Existence

The Company was established on August 7, 1996, under the name 'KOREA Tokai Carbon Co., Ltd.' to manufacture, import, and sell high-purity graphite products. It manufactures and imports artificial graphite and carbon products and acts as a trading agent.
The Company has its headquarters, factory, and Business-Affiliated Research Institute located in Anseong-si, Gyeonggi-do. In August 2003, it listed its shares on the KRX KOSDAQ market, which was opened by the Korea Exchange.

D. Head Office Address, Tel. Number, Website Address

- Address: 71, Gaejeongsaneopdanji-ro, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea
- Tel.: 031-677-0277
- Website: http://www.tck.co.kr

E. Applicable as Small and Medium Enterprise, etc.

Applicable as Small and Medium Enterprise		Not applicable
	Applicable as a Venture Company	Not applicable
Applicable as a Middle Market Enterprise		Applicable

F. Key Business Contents

The Company specializes in semiconductors, solar cells, and LED parts. It is the first in Korea to produce semiconductor and solar cell grower equipment parts, such as high-purity graphite manufactured through processing, purification, and CVD SiC-Coating processes. It also successfully localized LED chip production susceptor, SiC-Ring, and SiC-Wafer for semiconductor equipment. Our main customers are semiconductor manufacturers, and sales from the Solid SiC division account for approximately 81% of total sales. A detailed breakdown of the Company's business sections and revenue composition can be found in the 'Business Contents' section of this disclosure document.

G. Credit Rating Information

- Rating Date: September 10, 2024
- Credit Rating Agency: Ecredible Co., Ltd.
- Credit Rating: A+ (Among a total of 23 grades, it is the fifth highest grade with a cumulative distribution of 0.5%)
- Definition of Assigned Credit Rating: Good debt repayment capacity but can be easily affected by the economic recession and environmental changes, as compared to the higher grades

H. Matters Regarding Whether the Company is Listed (or Registered/Designated) and Special Listing

Whether the Company is Listed (or Registered/Designated)	Date of Listing of the Company (or Registration/Designation)	Type of Special Listing
Listed on the KOSDAQ Market	August 18, 2003	Not applicable

2. Company History

August 1996:	Established as "Korea Tokai Carbon Co., Ltd." with an equity capital of KRW 3,000,000,000 12, Je 2 Gongdan 3-gil, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea
April 1997:	Filed for tax exemption (Ministry of Finance and Economy)
September 1997:	Completion of the factory construction
October 1998:	ISO 9001 certification (AC-01248)
February 2000:	Confirmation of a dedicated research department (Korea Industrial Technology Promotion Association)
April 2000:	Start of SiC Wafer production
March 2001:	Prime Minister Award (Commendation for Industrial and Commercial Development)
July 2001:	Selected as a promising small and medium-sized enterprise (Gyeonggi-do)
October 2001:	Name change (Tokai Carbon Korea Co., Ltd.)
December 2001:	Paid-in capital increase of KRW 1,670,000,000 (Equity capital: KRW 4,670,000,000)
October 2002:	Investment in CVD-SiC equipment
August 2003:	Listing on KOSDAQ - Paid-in capital increase of KRW 1,167,500,000 (Equity capital: KRW 5,837,500,000)
February 2004:	Awarded for New Technology and Management (Korea Herald)
October 2005:	Certification as a specialized parts and materials Company (Ministry of Commerce, Industry and Energy)
November 2005:	Export Tower Award - Exports reaching USD 1 million (Korea International Trade Association)
November 2006:	Export Tower Award - Exports reaching USD 3 million (Korea International Trade Association)
December 2006:	ISO 14001 certification
January 2007:	Digital Innovation Award (Minister of Commerce, Industry and Energy Award)
March 2008:	Excellent Green Energy Company Award 2008 (Solar Cell High-Purity Graphite Product Category)
April 2008:	Awarded as an Excellent Company in the "Carbon Material Industry" category
June 2008:	KOSDAQ Grand Prize - "Best Techno-Management Award"
November 2008:	Export Tower Award - Exports reaching USD 5 million (Korea International Trade Association)
March 2010:	Grand Prize at the Vibrant KOSDAQ Awards - Technology Category (IT Equipment Parts)
March 2010:	Prime Minister's Commendation as an Exemplary Business (Korea Chamber of Commerce and Industry)
March 2011:	Minister of Strategy and Finance Award (Exemplary Taxpayer)
April 2011:	Completion of the Factory 2 construction
March 2012:	Establishment of Business-Affiliated Research Institute

August 2012:	Registration of the Factory 2 branch
March 2015:	Registration of headquarters relocation (Before: 12 Je 2 Gongdan 3-gil, Miyang-myeon, Anseong-si, Gyeonggi-do) (After: 71 Gaejeongsaneopdanji-ro, Miyang-myeon, Anseong-si, Gyeonggi-do)
October 2015:	Excellence Award for Technological Cooperation between Large and Small Companies (Small and Medium Business Administration)
November 2015:	Commendation for Contributions to Venture Activation (Ministry of Trade, Industry and Energy)
December 2015:	Minister Award at the Korea Technology Awards (Ministry of Trade, Industry and Energy)
March 2016:	Prime Minister Award for Exemplary Taxpayer
December 2016:	Export Tower Award - Exports reaching USD 20 million (Korea International Trade Association)
December 2017:	Export Tower Award - Exports reaching USD 30 million (Korea International Trade Association)
December 2017:	Selected as a 2018 Youth-friendly Small and Medium-sized Enterprise
October 2018:	Export Merit National Assembly Award
November 2018:	KRW 100 Billion Business Venture Award
December 2018:	Export Tower Award - Exports reaching USD 70 million (Korea International Trade Association)
December 2018:	Selected as 2019 Youth-friendly Small and Medium-sized Enterprise
June 2019:	KOSDAQ Grand Prize - "Best Transparency Management Award"
October 2019:	"Minister of Ministry of Trade, Industry and Energy Award" at the Tech Inside Show
December 2019:	Selected as a Company recognized for contributions to the local community by the Ministry of Health and Welfare
June 2020:	Selected as a sincere taxpayer in Gyeonggi-do
December 2020:	SEMI INNOVATION Award
December 2020:	SK Siltron Best Partner Award
October 2021:	LAM Research 2020 Best Supplier Award
December 2021:	Export Tower Award - Exports reaching USD 100 million (Korea International Trade Association)
January 2022:	TEL Korea Contribution Award
February 2022:	AMEC 2019&2021 Excellent Cooperative Company Award
May 2022:	SEMES Excellent Cooperative Company Award in the Quality Category
October 2022:	SK Siltron Best Partner Award
November 2022:	Listing on the KOSDAQ Global Segment
June 2023:	AMEC 2022 Excellent Cooperative Company Award
November 2023:	KOTRA 2023 World Class Product of Korea
November 2022:	SK Siltron Best Partner Award

July 2024: Obtained the Ministry of Trade, Industry and Energy's Advanced Technology Product Certification
September 2024: Received the LAM Research Best Supplier Award
November 2024: Received the SK Siltron Appreciation Award
December 2024: Selected as a Good Job Company by Anseong City

A. Location of head office

71, Gaejeongsaneopdanji-ro, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea

B. Major Changes in Management and Auditor

Date of Change	Type of Stockholders' Meeting	Appointment		Expiration of Term or Dismissal
		New	Reappointment	
March 25, 2020	Regular general meeting of shareholders	Internal Director, Takahashi Hiroshi	Internal Director, Youngsoon Park External Director, Mori Takeshi	Internal Director, Murofushi Nobuyuki
March 25, 2020	-	-	Representative Director (CEO), Youngsoon Park	-
December 18, 2020	-	Representative Director (CEO), Takahashi Hiroshi	-	Internal Director, Youngsoon Park Representative Director (CEO), Youngsoon Park
March 31, 2021	Regular general meeting of shareholders	Executive Director, Younghee Kim	Internal Director, Tsuji Masahumi / Internal Director, Takahashi Hiroshi External Director, Mori Takeshi	-
March 31, 2021	-	Representative Director (CEO), Younghee Kim	Representative Director (Chairman), Takahashi Hiroshi	-
March 29, 2022	Regular general meeting of shareholders	Internal Director: Shin Hideo / External Director: Shiotsubo Aceke	Representative Director (Chairman), Takahashi Hiroshi / Representative Director (CEO), Younghee Kim Fulltime Auditor, Jeonghoon Lee	Internal Director, Tsuji Masahumi / External Director, Mori Takeshi
September 1, 2022	-	Representative Director (Chairman), Shin Hideo	-	Representative Director (Chairman), Takahashi Hiroshi
March 29, 2023	Regular general meeting of shareholders		Representative Director (Chairman), Shin Hideo / Representative Director (CEO), Younghee Kim Internal Director, Takahashi Hiroshi External Director, Shiotsubo Aceke	
March 29, 2024	Regular general meeting of shareholders	Internal Director Sato Akihiko	Representative Director (Chairman), Shin Hideo / Representative Director (CEO), Younghee Kim External Director, Shiotsubo Aceke	Internal Director, Takahashi Hiroshi
August 23, 2024	-	-	-	Representative Director (CEO), Younghee Kim
October 8, 2024	Extraordinary meeting of shareholders	Representative Director (Chairman) Changmin Oh	-	-

※ On August 23, 2024, Representative Director (CEO) Kim Young-hee resigned due to personal reasons.

※ At the 30th regular shareholders' meeting scheduled to be held on March 28, 2025, the agenda for the re-election of Representative Director (Chairman) Shin Hideo, Representative Director (CEO) Changmin Oh, inside director Sato Akihiko, and standing auditor Jeonghoon Lee, and the new appointment of outside director Atsushi Miyazaki due to the expiration of the term of office of outside director Shiotsubo Aceke, will be presented. In the event of rejection or amendment at the regular shareholders' meeting, the contents and reasons, etc., will be reflected in the correction report.

C. Changes in the Largest Shareholder

The largest shareholder of our Company is Tokai Carbon Co., Ltd. from Japan, and there have been no changes in the largest shareholder as of December 31, 2024.
Tokai Carbon Co., Ltd. holds 5,883,250 shares, which account for 50.39% of the total issued shares of 11,675,000.

D. Change in Names

Date of Change	Before Change	After Change	Reason for Change
2001.10	Korea Tokai Carbon Co., Ltd.	Tokai Carbon Korea Co., Ltd.	To transition from a foreign investment corporation's image and strengthen independent corporate activities

E. Merger, Division (Merger), Comprehensive Stock Exchange/Transfer, Acquisition of Major Business

(1) Asset (Land) Acquisition

We have purchased land for the construction of a new plant to proactively respond to the expansion of the CVD SiC Coating market, which includes semiconductors, solar power, and LED parts.

- Contract counterpart: Anseong-si, Gyeonggi-do
- Contract date: October 31, 2008
- Date of contract completion (registration date): May 20, 2010
- Contract amount: KRW 4 billion
- Purpose and details of the contract
  - ⓐ Purpose: Acquisition of land for the expansion of the new plant
  - ⓑ Location: 71, Gaejeongsaneopdanji-ro, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea
  - ⓒ Area: 21,528㎡

(2) Asset (Land) Transfer

- Contract counterpart: KC Co., Ltd.
- Contract date: September 1, 2015
- Contract amount: KRW 4.89 billion
- Location: 12, Je 2 Gongdan 3-gil, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea
- Area: 9,852.2㎡

(3) Asset (Land, Building) Acquisition

- Contract counterpart: KCENC Co., Ltd.
- Contract date: July 19, 2018
- Date of contract completion (registration date): July 19, 2018
- Contract amount: KRW 4.4 billion
- Purpose and details of the contract
    ⓐ Purpose: Acquisition of land and building for the expansion of the new plant
    ⓑ Location: 758, 759-1 Gaejeong-ri, Miyang-myeon, Anseong-si, Gyeonggi-do
    ⓒ Area: Land 10,728㎡, Building 2,140㎡

F. Other Details of Major Matters Related to Management Activities

(1) Expansion of New Factory

Since the second half of 2010, our Company has been expanding a new factory (Factory 2) in the Gaejeong Industrial Complex in Anseong City, Gyeonggi-do, and completed the expansion in April 2011. The total investment amount was KRW 34 billion (KRW 4 billion for land, KRW 30 billion for buildings and machinery), financed entirely through internal funds.

(2) Integration of Factory 1 and Factory 2

In 2014, Factory 1 (Gyereuk-ri, Miyang-myeon) and Factory 2 (Gyereuk-ri, Miyang-myeon) were integrated, and in September 2015, Factory 1 was sold.

(3) Investment in Machinery and Auxiliary Facilities for Increased Production

- From December 2014 to March 2016, investment in machinery and auxiliary equipment to increase product production was made and completed, and all investment funds were executed with internal funds.
- From April 2016 to March 2017, investment in machinery and auxiliary equipment to increase product production was made and completed, and all investment funds were executed with internal funds.
- From July 2018 to March 2020, investment in building a new factory and expanding machinery and auxiliary equipment was made and completed, and all investment amounts of KRW 36.3 billion were executed with internal funds.
- From April 2022 to July 2024, investment in expanding machinery and auxiliary equipment was made and completed, and all investment amounts of KRW 24.3 billion were executed with internal funds.

3. Change of Equity Capital

Trend of Equity Capital

(Unit: KRW, shares)

Type	Classification	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Common Share	Total number of issued shares	11,675,000	11,675,000	11,675,000
	Face value per share	500	500	500
	Equity capital	5,837,500,000	5,837,500,000	5,837,500,000
Preferred Share	Total number of issued shares	-	-	-
	Face value per share	-	-	-
	Equity capital	-	-	-
Others	Total number of issued shares	-	-	-
	Face value per share	-	-	-
	Equity capital	-	-	-
Total	Equity capital	5,837,500,000	5,837,500,000	5,837,500,000

4. Total Number of Shares, etc.

A. Total Number of Shares

As of December 31, 2024, the total authorized number of shares to be issued is 24,000,000, and the total number currently issued is 11,675,000 common shares. Our Company has not issued any shares other than common shares.

Status of Total Number of Shares

(Base Date: December 31, 2024) (Unit: shares)

Classification		Type of shares			Notes
		Common Share	-	Total	
Ⅰ. Total number of shares authorized for issuance		24,000,000	-	24,000,000	-
Ⅱ. Total number of issued shares as of now		11,675,000	-	11,675,000	-
Ⅲ. Total number of decreased shares as of now		-	-	-	-
	1. Capital reduction	-	-	-	-
	2. Profit retirement	-	-	-	-
	3. Repayment of redeemable shares	-	-	-	-
	4. Others	-	-	-	-
IV. Total number of issued shares (Ⅱ-Ⅲ)		11,675,000	-	11,675,000	-
Ⅴ. Treasury shares		-	-	-	-
VI. Number of outstanding shares (IV-Ⅴ)		11,675,000	-	11,675,000	-
VII. Treasury Share Holding Ratio		-	-	-	-

B. Acquisition/Disposition Status of Treasury Shares

As of December 31, 2024, the Company holds no treasury shares.

5. Matters Related to Articles of Incorporation

A. History of Changes Made to Articles of Incorporation

Date of Change Made to Articles of Incorporation	Name of Applicable Meeting of Shareholders	Major Changes	Reasons for Change
March 25, 2020	The 25th Regular General Meeting of Shareholders	Article 2 (Purpose)The purpose of this Company is to engage in the following businesses: ①~⑦ Remains the same ⑧ Manufacturing and sale of TaC products and coatings ⑨ Manufacturing and sale of materials, parts, and consumables related to energy storage devices ⑩ Manufacturing and sale of materials, parts, and consumables related to optical devices ⑪ Manufacturing and sale of materials, parts, and by-products associated with carbon ⑫ Import and export and agency business related to the above ⑬ Ancillary businesses associated with the above	- Amendment of the business purpose due to the expansion of the business scope
March 25, 2020	The 25th Regular General Meeting of Shareholders	Article 32 (Term of Directors) ① The term of directors is one year. However, if the term expires after the end of the final fiscal year and before the regular general meeting of shareholders regarding that fiscal year, it will be extended until the conclusion of that meeting.	- Change in the term of directors
March 31, 2021	The 26th Regular General Meeting of Shareholders	Article 17 (Closure and Base Date of Shareholder Registry) ① The Company may, through a resolution of the Board of Directors, determine a specific period or a specific day to suspend changes in the shareholder registry to determine the individuals, including shareholders and pledgees, who are entitled to exercise voting rights or receive dividends. ② If the Company determines a specific period or day as mentioned in Paragraph 1, it may suspend the registration changes in the shareholder registry concerning rights for a specific period not exceeding three months or consider the shareholders listed in the shareholder registry on the day specified within three months as the shareholders entitled to exercise such rights. ③ When determining a specific period or day as mentioned in Paragraph 1, it shall announce it two weeks prior to the period or date.	- The provisions were revised to ensure flexibility in the timing of regular general meetings of shareholders.
March 31, 2021	The 26th Regular General Meeting of Shareholders	Article 18 (Timing of Convening) The Company is required to convene regular general meetings of shareholders for each fiscal year and may also convene extraordinary general meetings as necessary.	- The provisions were revised to ensure flexibility in the timing of regular general meetings of shareholders.
March 31, 2021	The 26th Regular General Meeting of Shareholders	Article 45 (Appointment and Dismissal of Auditors) ① Auditors shall be appointed or dismissed at the general meeting of shareholders.	- Amendments regarding the appointment of auditors. - Incorporation of provisions related to easing the

Date of Change Made to Articles of Incorporation	Name of Applicable Meeting of Shareholders	Major Changes	Reasons for Change
		② A separate proposal for the appointment or dismissal of auditors shall be submitted and resolved separately from the proposal for the appointment or dismissal of directors. ③ The appointment of auditors requires a majority of the voting rights of attending shareholders, provided that it represents more than one-fourth of the total issued shares. However, if voting rights through electronic means are permitted under Article 368-4, Paragraph 1 of the Commercial Act, the appointment of auditors may be resolved by a majority of the voting rights of attending shareholders. ④ The dismissal of auditors requires a two-thirds majority of voting rights of attending shareholders, provided that it represents more than one-third of the total issued shares. ⑤ In the appointment or dismissal of auditors, as stated in Paragraphs 3 and 4, shareholders who hold shares exceeding three percent of the total issued shares (including special relationships with major shareholders, individuals who hold shares based on the calculation of special relationships with major shareholders, and individuals who delegate voting rights to major shareholders or their special relationships) shall not exercise their voting rights that exceed three over a hundred of the voting shares.	requirements for resolution of the shareholder meeting on the appointment of auditors in case of introducing electronic voting. - Inclusion of provisions regarding restrictions on voting rights in the appointment or dismissal of auditors
March 31, 2021	The 26th Regular General Meeting of Shareholders	Article 54 (Dividends) ② Dividends of Paragraph 1 shall be paid to the shareholders registered in the shareholders' registry of the Company or registered pledgees as of the dividend base date.※ The dividend base date may be set on a different day than the date specified in Article 17, Paragraph 1, which designates the base date for regular general meetings of shareholders.	- The dividend base date may be set as the day determined by the resolution of the board of directors. - Addition of a Note regarding the establishment of the dividend base date.
March 29, 2022	The 27th Regular General Meeting of Shareholders	Article 16-2 (Preparation and Retention of Shareholder Registry) ① The Company shall prepare and retain the shareholder registry, specifying the information received and the date of receipt, when it receives a notification of ownership from an electronic registration agency. ② When necessary, such as in cases where there are changes in the status of shareholders (including related parties) holding 5% or more of the shares, the Company may request the electronic registration agency to prepare the ownership details. ③ The Company's shareholder registry shall be prepared electronically under Article 352-2 of the "Commercial Act."	- Reflecting the provisions of Article 37 (6) of the Electronic Financial Transaction Act - Establishing provisions based on Article 31 (4) 3 A. of the Enforcement Decree of the Electronic Financial Transaction Act to enable the Company to request the preparation of ownership details
March 29, 2022	The 27th Regular General Meeting of Shareholders	Article 17 (Closure and Base Date of Shareholder Registry) ① The Company shall consider shareholders listed in the shareholder registry as of December 31 each year as the shareholders entitled to exercise their rights at the regular general meeting of shareholders.	- Intended to enhance convenience in the operation of the base date system.

Date of Change Made to Articles of Incorporation	Name of Applicable Meeting of Shareholders	Major Changes	Reasons for Change
		※ The regular general meeting of shareholders must be held within three months from the date specified in Paragraph 1. ② In the event of convening an extraordinary general meeting of shareholders or for any other necessary reasons, the Company may designate the shareholders listed in the shareholder registry as of the date determined by the Board of Directors as the shareholders entitled to exercise their rights. The Company shall publicly announce this decision at least two weeks prior to the date determined by the Board of Directors.	
March 29, 2022	The 27th Regular General Meeting of Shareholders	Article 54 (Dividends) ① (Remains the same as the current provision) ② Dividends of Paragraph 1 shall be paid to the shareholders registered in the shareholders' registry of the Company or registered pledgees as of the date determined under Article 17 (1). ※ The Company may operate by aligning the base date for regular general meetings of shareholders and the dividend base date without a separate resolution from the Board of Directors.	- Intended to enhance convenience in the operation of the base date system.

▲ Here is the history of the change in the Articles of Incorporation up to the disclosure period and the submission date of this report.

B. Date of Articles of Incorporation Amendment

The most recent amendment date of the Articles of Incorporation attached to the business report is March 29, 2022, and there are no agenda items regarding the amendment of the Articles of Incorporation in the 30th regular general meeting of shareholders (scheduled to be held on March 28, 2025).

C. Current Business Purpose

Classification	Business Purpose	Business Activities
1	Manufacturing and sale of parts and consumables for silicon wafer manufacturing processes	Conducting business
2	Manufacturing and sale of parts and consumables related to renewable energy (solar power)	Conducting business
3	Manufacturing and sale of parts and consumables for semiconductor manufacturing processes	Conducting business
4	Manufacturing and sale of SiC products and coatings	Conducting business
5	Manufacturing and sale of various high-purity graphite products similar to semiconductors, such as optical fiber manufacturing processes	Conducting business
6	Sale of non-infiltrated graphite products for chemical devices and similar graphite products	Conducting business
7	Manufacturing and sale of parts and consumables for FPD manufacturing processes	Conducting business
8	Manufacturing and sale of TaC products and coatings	Conducting business

Classification	Business Purpose	Business Activities
9	Manufacturing and sale of materials, parts, and consumables related to energy storage devices	Conducting business
10	Manufacturing and sale of materials, parts, and consumables related to optical devices	Conducting business
11	Manufacturing and sale of materials, parts, and by-products related to carbon	Conducting business
12	Engaging in import/export and agency business related to the above	Conducting business
13	Ancillary business related to each individual aspect	Conducting business

II. Business Contents

1. Business Overview

A. Industry Overview

The semiconductor industry is divided into semiconductor manufacturing (device industry) and semiconductor peripheral industries (upstream industries), which manufacture semiconductor chips, often called the 'rice of industries.' Among them, the semiconductor peripheral industry (upstream industry) is further divided into the semiconductor equipment industry (machinery, apparatus, electronic equipment for device production), the semiconductor device industry (clean rooms, etc.), and the semiconductor material industry that supplies materials for device production.

Although the concept of parts for semiconductor processes related to our Company is not clearly distinguished in this classification method, they are generally described as consumables used in the production process of semiconductor devices and fall under the category of semiconductor material industry.

Our company produces parts for equipment used in the manufacturing process of semiconductors and solar wafers (silicon wafers), as well as parts for LED and semiconductor device manufacturing equipment.

Our main products include graphite components for growing equipment, solid SiC wafers and rings for semiconductor device manufacturers, susceptors for semiconductor ALD equipment, and wafer carriers for LED chip production. Our primary customers are semiconductor manufacturers, solar wafer manufacturers, LED chip manufacturers, and semiconductor production companies.

In 2024, the Solid SiC sector, which includes Solid SiC wafers and rings, accounted for approximately 81% of total revenue, while the Graphite sector, which includes graphite components for growing equipment, accounted for approximately 12%. The susceptor and other sectors accounted for approximately 7% of total revenue.

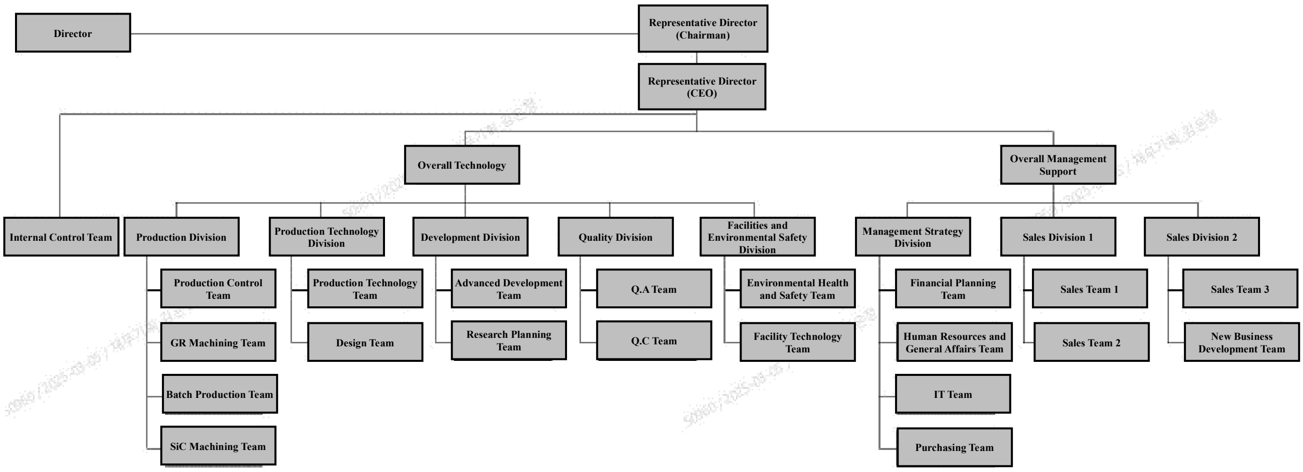
B. Characteristics of Business Fluctuations and Seasonality

The semiconductor industry has high fixed costs and a time lag between investment and mass production, making it difficult to respond flexibly to price changes, resulting in price volatility. However, the semiconductor material industry is relatively less sensitive to fluctuations in the semiconductor market than the equipment industry. This is because the equipment industry is directly related to the facility investment of the device industry, whereas the material industry is composed of a consumption-oriented structure.

C. Market Conditions and Competitive Landscape

Before our establishment in 1996, high-purity graphite products for semiconductor use were 100% imported and used. However, due to high prices and procurement issues, the need for domestic production companies arose, leading to the establishment of our Company based on a joint venture agreement with Tokai Carbon Co., Ltd. of Japan, KC Co., Ltd., and Schunk Carbon Technology Ltd. of South Korea. Since its establishment, we have continued to sell high-purity graphite products with the steady expansion of the semiconductor market. Furthermore, with recent advancements in fine semiconductor processes, SiC coating technology has gained competitiveness.

D. Organization Chart (as of December 31, 2024)



2. Major Products and Services

A. Status of Major Products, etc.

Our Company specializes in parts for semiconductors, solar cells, and LEDs. Specifically, we produce high-purity graphite parts (hereinafter referred to as 'high-purity graphite products') for growing equipment that produces silicon ingots for semiconductors and solar cells. We are the first domestic Company to localize the production and sale of high-purity graphite products. Additionally, we sell solid SiC wafers and rings used in semiconductor device manufacturing. Furthermore, we are involved in the SiC coating business, manufacturing and selling susceptors for semiconductor ALD equipment and wafer carriers for LED chip production.

[Types of Revenue by Product Category] (Unit: KRW million, %)

Business Section	Types of Revenue	Product Category	The 30th (Current) period		The 29th (Previous) period	
			Sales	Percentage	Sales	Percentage
Graphite Section	Product	High-purity graphite products for semiconductors	31,513	11.4%	27,962	12.3%
		High-purity graphite products for solar cells	784	0.3%	1,202	0.5%
Susceptor Section		LED and semiconductor parts, and others	18,361	6.7%	16,653	7.3%
Solid SiC Section		Semiconductor process parts	224,488	81.4%	179,551	79.2%
Other Section	Goods	HEATER, etc.	579	0.2%	1,285	0.6%
Total			275,725	100.0%	226,653	100.0%

B. Changes in Prices of Major Products

Our products are produced and sold based on customer orders. Therefore, the prices vary depending on the quantity, timing, and form of customer orders. It is not appropriate to provide price changes due to these factors, so the information has been omitted.

3. Raw Materials and Production Facilities

A. Purchase Status of Major Raw Materials

Graphite is the largest proportion of our company's major procurement items, and we purchase all of it from Tokai Carbon Co., Ltd., our largest shareholder. We negotiate the purchase prices for raw materials with Tokai Carbon Co., Ltd., with each product at the beginning of each year.

(Unit: KRW million, %)

Business Section	Purchasing Type	Item	Applications	Purchase Amount (Cost)	Percentage	Remarks
Carbon Products	Raw Materials	Graphite	Product Manufacturing	27,242	91.1%	-
	Raw Materials	Graphite Foil, etc.	Product Manufacturing	2,672	8.9%	-
Total				29,914	100.0%	-

▲ These figures are based on the annual cumulative results of the 30th (current) period.

▲ The aforementioned purchase amounts include import duties and ancillary costs.

B. Changes in Prices of Major Raw Materials

Our Company is purchasing Graphite material from our largest shareholder, Tokai Carbon Co., Ltd., in Japanese Yen (JPY).

(Unit: KRW 1,000)

Item	Classification	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Graphite A	Import	6,949	6,099	5,595

▲ Pricing Criteria

- Since various types of Graphite materials exist, representative prices have been provided.
- Exchange rate effects have been excluded from verifying the changes in prices.

C. Production Capacity and Production Performance

(Unit: KRW 100 million)

Business Section	Item	Business Site	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Ceramic Products	Rings and others	Anseong Plant	1,716	1,347	1,687
Total			1,716	1,347	1,687

▲ The production capacity and performance are presented based on the cost of goods sold.

D. Rate of Operation

(Unit: Time, %)

Business Site (Business Section)	Operating Time	Actual Operating Time	Rate of Operation
Anseong Plant (Ceramic Products)	2,016	1,512	75%

▲ The operating rate was calculated based on 8 hours per day and 21 working days per month.

E. Matters Related to Facilities

Since the second half of 2010, our Company has been expanding a new factory in the Gaejeong-ri in Anseong City, Gyeonggi-do, and completed the expansion in April 2011. Additionally, investments of KRW 10.2 billion and KRW 22 billion were made in 2015 and 2016, respectively, for expansion purposes. Furthermore, an additional investment of KRW 36.3 billion was made in 2020, completing the expansion projects.

(1) The details of the Company's tangible assets as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Acquisition cost	23,526,117	50,013,436	9,208,806	145,046,683	107,799	1,590,836	5,087,687	37,113,320	271,694,684
Accumulated depreciation	-	(7,689,156)	(6,448,921)	(101,971,155)	(33,436)	(1,242,031)	(4,271,519)	-	(121,656,218)
Profit from government grants	-	-	-	(6,054)	(9,100)	(1,318)	-	-	(16,472)
Net Book Value	23,526,117	42,324,280	2,759,885	43,069,474	65,263	347,487	816,168	37,113,320	150,021,994

(Unit: KRW 1,000)

The 29th (Previous) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Acquisition cost	23,551,563	50,123,567	9,010,845	138,547,815	82,000	1,624,010	4,989,387	37,585,011	265,514,198
Accumulated depreciation	-	(6,461,995)	(5,548,373)	(91,178,329)	(36,805)	(1,180,130)	(3,878,744)	-	(108,284,376)
Profit from government grants	-	-	-	(20,998)	-	(2,695)	-	-	(23,693)
Net Book Value	23,551,563	43,661,572	3,462,472	47,348,488	45,195	441,185	1,110,643	37,585,011	157,206,129

(2) Changes in the Company's tangible assets during the current period and the previous period are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Net Book Value (Beginning of Period)	.23,551,563	43,661,572	3,462,472	47,348,488	45,195	441,185	1,110,643	37,585,011	157,206,129
Acquisition	-	-	197,962	2,308,052	37,058	-	176,472	4,678,639	7,398,183
Disposal	(25,446)	(84,434)	-	(1,772)	-	-	(2,276)	-	(113,928)
Replacement cost	-	-	-	4,834,426	-	-	48,600	(5,150,330)	(267,304)
Depreciation expenses	-	(1,252,858)	(900,549)	(11,419,720)	(16,990)	(93,698)	(517,271)	-	(14,201,086)
Net Book Value (End of Period)	23,526,117	42,324,280	2,759,885	43,069,474	65,263	347,487	816,168	37,113,320	150,021,994

(*) This includes the amount of replacements for assets under construction in the main accounts and other accounts.

(Unit: KRW 1,000)

The 29th (Previous) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Net Book Value (Beginning of Period)	12,741,765	31,677,832	3,789,242	49,038,987	57,244	539,119	1,449,692	29,591,997	128,885,878
Acquisition	809,798	9,235,073	555,800	6,339,068	-	-	155,573	25,929,581	43,024,893
Disposal	-	-	-	(21,583)	-	-	(482)	(111,357)	(133,422)
Replacement cost	10,000,000	3,824,085	-	3,539,163	-	-	35,656	(17,825,210)	(426,306)
Depreciation expenses	-	(1,075,418)	(882,570)	(11,547,147)	(12,049)	(97,934)	(529,796)	-	(14,144,914)
Net Book Value (End of Period)	23,551,563	43,661,572	3,462,472	47,348,488	45,195	441,185	1,110,643	37,585,011	157,206,129

(*) This includes the amount of replacements for assets under construction in the main accounts and other accounts.

(3) The depreciation expense recognized by the Company during the current and previous periods is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cost of sales	12,886,318	12,852,103
Selling general administrative expenses (*)	1,314,768	1,292,811
Total	14,201,086	14,144,914

(*) The depreciation expense recognized as current ordinary research and development expenses is KRW 738,942,000 (previous period: KRW 707,945,000).

F. Major Plan for Facility Investment

Company has made investments since May 2022 to secure land for the construction of a new factory, and we plan to complete the investment by December 2025. The investment amount of approximately KRW 25.7 billion will be entirely executed with internal funds.

4. Statuses of Revenue and Order

A. Revenue Performance

(As of December 31, 2024) (Unit: KRW million)

Business Section	Types of Revenue	Item		The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Carbon Products	Product	Semiconductor-related	Export	13,688	9,292	9,694
			Domestic	17,846	18,669	20,756
			Total	31,513	27,962	30,450
		Solar power-related	Export	-	386	313
			Domestic	784	817	587
			Total	784	1,202	900
		Susceptor-related (LED and semiconductor parts)	Export	7,161	9,479	6,274
			Domestic	11,200	7,714	10,612
			Total	18,361	16,653	16,886
		Solid SiC-related	Export	150,701	106,449	181,901
			Domestic	73,787	73,102	86,629
			Total	224,488	179,551	268,530
	Goods	HEATER, etc.	Export	-	4	113
			Domestic	579	1,281	2,684
			Total	579	1,285	2,797
Total			Export	171,530	125,610	198,295
			Domestic	104,195	101,042	121,268
			Total	275,725	226,653	319,563

B. Sales Method and Conditions

(1) Sales Organization

As of December 31, 2024, our sales division is divided into four teams. Each team is assigned to handle technical sales of specific products to designated customers.

(Unit: person)

Classification		Position	Number of Persons	Assigned tasks
Sales Division 1	Head of the Division	Assistant Director	1	Overall management of Sales Division 1
	Division Employees	Assistant Manager	1	In charge of sales
	Sales Team 1	Manager	1	Sales Team Leader/Manager
		Assistant Manager	1	In charge of sales
		Associate	1	In charge of sales
	Sales Team 2	Manager	1	Sales Team Leader/Manager
		Assistant Manager	1	In charge of sales
		Associate	3	In charge of sales
	Total		10	
Sales Division 2	Head of the Division	Department Head	1	Overall management of Sales Division 2
	Division Employees	Assistant Manager	1	In charge of sales
	Sales Team 3	Department Head	1	Sales Team Leader

Classification		Position	Number of Persons	Assigned tasks
		Deputy Department Head	1	In charge of sales
		Assistant Manager	3	In charge of sales
		Associate	1	In charge of sales
	New Business Development Team	Deputy Department Head	9	In charge of sales
	Total		19	-

(2) Sales Channel

Our main sales channels include direct delivery of our products to customers in the semiconductor manufacturing and solar energy sectors, as well as LED chip and semiconductor production companies, with imported goods being delivered after customs clearance and our internal import inspection.

Types of Revenue	Item	Sales Channel	Portion of Sales
Graphite and others	Semiconductor equipment parts and others	Receiving Company purchase orders → Establishing production plans→ Production → Delivery to customers	99.8%
Other products	HEATER and others	Receiving Company purchase orders → Placing product orders → Import customs clearance and bonded transportation of goods → Import inspection→ Delivery to customers	0.2%

▲ Based on the cumulative performance as of 2024.

(3) Sales Strategy

① High-Purity Graphite Products

As the first domestic manufacturer, we differentiate ourselves from competitors through swift response to customer needs and strong capabilities in design modification. We foster differentiation by engaging in joint development with customers.

② LED

In the second half of 2007, we collaborated with Company S on a national project (conditional purchase) and successfully developed LED MOCVD Susceptors, becoming the first in Korea to do so by the end of 2008. After a year of mass production testing, we started generating sales in the second quarter of 2010.

③ Solid SiC Products

By introducing the first domestic CVD-SiC and achieving localization of CVD SiC Coating parts, we have enhanced our image as a Company and successfully expanded the range of new alternative products in this field, increasing revenue through swift delivery response and quality enhancement strategies.

We have achieved a high market share through the domestic production of SiC Cathodes and SiC Rings related to semiconductor process parts.

(4) Status of Order

(Unit: KRW 100 million)

Item	Order Backlog
Graphite-related	206.1
Susceptor-related	62.5
Solid SiC-related	555.2
Total	823.8

▲ Since we receive continuous orders from our customers, we have not specified the individual delivery amounts separately.

▲ The base date for recording the order backlog is December 31, 2024.

5. Risk Management and Derivative Transactions

A. Major Market Risks

Due to foreign currency-denominated sales and purchase transactions, the company is exposed to exchange rate risk. The Company manages exchange rate risk to ensure financial stability and sustainable management.

B. Risk Management Method

- The goal is to support stable operational activities in response to volatile exchange rates
- Utilization of foreign exchange derivatives transactions, such as internal management standards and currency forwarding with external organizations
- Expected future export and import amounts are subject to foreign exchange risk management

Our company is establishing foreign exchange management regulations and assigning dedicated personnel to manage foreign exchange risks more systematically and continuously.
To ensure financial soundness, our company is implementing debt-free management, and as of December 31, 2024, there are no external borrowings.

C. Derivative Transactions Status and Profit and Loss from Derivative Contracts

The Company has entered into currency forward contracts to avoid risks associated with fluctuations in the USD, JPY, and CNY exchange rates. As of the end date of the reporting period, the outstanding currency forward contracts are as follows:

(1) Currency Forward Contracts Evaluation Details (As of December 31, 2024)

(Unit: KRW 1000, USD, JPY, CNY)

Banks being Used	Maturity	Currency	Contract Amount	Agreed Exchange Rate	Market Value
Mizuho Bank	January 24, 2025	CNY	1,771,508	189.07	(21,429,693)
	February 10, 2025	CNY	1,172,897	193.76	(8,650,029)
	April 4, 2025	CNY	90,600	196.35	(423,972)
	April 10, 2025	CNY	162,220	200.05	(164,326)
	January 20, 2025	JPY	116,213,161	9.02	42,276,958
	January 10, 2025	USD	902,024	1,363.92	(95,335,665)
	January 20, 2025	USD	1,195,900	1,373.52	(114,254,783)
	January 3, 2025	USD	322,810	1,396.88	(23,597,926)
	February 10, 2025	USD	1,315,780	1,394.13	(97,042,175)
	January 15, 2025	USD	254,423	1,392.36	(19,591,304)
	January 24, 2025	USD	651,961	1,391.76	(50,273,934)
	January 10, 2025	USD	414,900	1,430.75	(16,146,732)
	February 10, 2025	USD	304,299	1,428.95	(11,884,951)
	March 10, 2025	USD	739,130	1,427.20	(28,860,787)
	January 20, 2025	USD	733,350	1,462.30	(5,067,411)
	February 14, 2025	USD	50,624	1,461.45	(326,249)
	February 20, 2025	USD	371,750	1,461.06	(2,412,935)
Shinhan Bank	February 25, 2025	CNY	528,000	193.55	(3,990,972)
	March 25, 2025	CNY	480,000	195.30	(2,760,759)
	January 20, 2025	JPY	63,374,496	9.13	16,376,586
	January 15, 2025	USD	371,754	1,376.78	(34,500,088)
	January 20, 2025	USD	288,968	1,394.50	(21,643,533)
	February 14, 2025	USD	634,830	1,392.80	(47,677,898)
	February 20, 2025	USD	787,820	1,392.41	(59,153,024)
	January 3, 2025	USD	418,005	1,417.62	(21,955,361)
	January 10, 2025	USD	339,950	1,417.20	(17,884,806)
	February 5, 2025	USD	1,068,366	1,415.60	(56,555,867)
	March 5, 2025	USD	1,189,040	1,413.50	(63,202,634)
	January 20, 2025	USD	292,970	1,449.15	(5,966,674)
	February 14, 2025	USD	501,762	1,447.48	(10,362,507)
	March 20, 2025	USD	212,600	1,445.09	(4,410,979)
Total		USD	13,363,016		(808,108,223)
		CNY	4,205,225		(37,419,751)
		JPY	179,587,657		58,653,544

(2) Derivative Transaction History (as of December 31, 2024)

(Unit: KRW 1,000)

Product Name	Objective	Trading Profit	Trading Loss
Forward Exchange	For trading	516,596	2,920,331

6. Major Contracts and R&D Activities

A. Major Contracts

On April 24, 2019, our Company entered into a technology license agreement with Tokai Carbon Co., Ltd., a related party. This agreement will be effective for 10 years, starting from January 1, 2019, and will be automatically extended for 1 year if no termination notice is given.

Additionally, we entered into a commission payment contract with KC Co., Ltd. as of April 18, 2018, regarding the sales support of Solid SiC Rings. This contract will be effective until December 31, 2024, and will be automatically extended for one year if no termination notice is given.

<table>
<tr><th>Counterparties</th><th>Items</th><th>Contents</th></tr>
<tr><td rowspan="5">Tokai Carbon Co., Ltd.</td><td>Type of contract</td><td>Technology transfer contract</td></tr>
<tr><td>Date and duration of conclusion</td><td>Signed on April 24, 2019
Effective from January 1, 2019, for 10 years → Automatic renewal for 1 year in the absence of any changes</td></tr>
<tr><td>Purpose and details</td><td>Manufacturing and sale of products through the utilization of technology</td></tr>
<tr><td>Payment method:</td><td>-</td></tr>
<tr><td>Other major details</td><td>-</td></tr>
<tr><td rowspan="5">KC Co., Ltd.</td><td>Type of contract</td><td>Commission contract for sales support</td></tr>
<tr><td>Date and duration of conclusion</td><td>Initially signed on April 18, 2018
Effective until December 31, 2024 → Automatic renewal for 1 year in the absence of any changes</td></tr>
<tr><td>Purpose and details</td><td>Support for product sales</td></tr>
<tr><td>Payment method:</td><td>-</td></tr>
<tr><td>Other major details</td><td>-</td></tr>
</table>

B. R&D Activities

(1) Overview of R&D Activities

Our Company is actively expanding its acquisition of key technical personnel and investment in the development of core parts used in the semiconductor, solar cell, and LED process parts, which are our main production areas.

(2) Organization Responsible for R&D

Our Company obtained approval from the Korea Industrial Technology Association in March 2009 to establish a 'dedicated department for research and development.' We have been operating a dedicated research department since then. In March 2012, we obtained authorization from the Korea Industrial Technology Association for a 'Business-Affiliated Research Institute' and are researching the development of new products using CVD-SiC coating.

- R&D Personnel Status (as of December 31, 2024)

R&D Department Organization		Dedicated Research Personnel	Remarks
Research Institute	Executive in Charge of the Research Institute	1	-
	Researchers	19	
	Total	20	

(3) R&D Expenses

(Unit: KRW 1,000)

Account		The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period	Notes
Raw Materials Expenses		742,007	628,668	224,591	-
Employee Expenses		1,794,351	1,449,855	1,634,331	-
Depreciation Expenses		751,828	741,164	719,553	-
Consigned Service Expenses		123,386	66,428	100,102	-
Others		1,799,110	6,111,607	2,150,114	-
Total R&D Expenses		5,210,681	8,997,723	4,828,691	-
Accountings	Selling and Administrative Expenses	5,210,681	8,997,723	4,815,781	-
	Manufacturing Expenses	-	-	-	-
	R&D Costs (Intangible assets)	-	-	-	-
R&D Expenses / Sales Ratio [Total R&D Expenses ÷ Sales of Current Period × 100]		1.89%	3.96%	1.51%	-

(4) R&D Performance

- Localization of SiC Dummy Wafer

Classification	Contents	Notes
Research Project	Processing Technology for 8-inch, 6-inch, and SiC Wafers	-
Research Institution	R&D Department of Tokai Carbon Korea Co., Ltd.	-
Research Results and Expected Effects	▶ Product - Overview SiC Wafer is used as a substitute for Silicon Wafer in semiconductor device production processes to match the conditions inside the chamber for dummy purposes. Silicon Wafer forms a film on the surface due to chemical deposition, depending on its usage in the process, and post-processing is required to etch off the film and clean it for reuse, resulting in process losses. To address these issues, we have developed SiC Wafer that can be used for a long time without the need for post-processing due to its minimal deposition during the process. ▶ Product Features: - No deformation due to high temperature and chemical resistance. - Minimal outgassing and long lifetime. ▶ Applications: - Dummy use in diffusion, LP-CVD, sputter, etc.	-
Commercialization of Research Results	Major Customers: Domestic and international semiconductor manufacturers	-

- Localization of SiC Monitoring Wafer

Classification	Contents	Notes
Research Project	Surface Treatment and Planarization Technology for SiC Wafer	-
Research Institution	R&D Department of Tokai Carbon Korea Co., Ltd.	-
Study results and Expected effect	▶ Product Overview - Monitoring wafers are used to verify the film state on the surface of Silicon Wafers during the process. Once used, they cannot be reused and need to be discarded. To address this issue, we have developed SiC Wafers that can be reused in the process. ▶ Product Features - Minimal diffusion with metals. - Extremely high purity with no particle generation. ▶ Applications - For monitoring purposes in diffusion processes	-

- Localization of 12-inch SiC Wafer

Classification	Contents	Notes
Research Project	Development of 12-inch SiC Wafer	-
Research Institution	R&D Department of Tokai Carbon Korea Co., Ltd.	-
Research Results and Expected Effects	▶ Product Overview - We have successfully developed and mass-produced 8-inch SiC Wafers, and based on this foundation, we have developed 12-inch SiC Wafers as part of our applied technology. We have initiated the development by considering the demand for SiC Wafers during the transition from 8-inch to 12-inch Silicon Wafers. ▶ Applications - Dummy use in diffusion, LP-CVD, sputter, etc.	-
Commercialization of Research Results	Major Customers: Domestic and international semiconductor manufacturers	-

- Development of CVD-SiC Ring for Semiconductor Processes

Classification	Contents	Notes
Research Project	Development of CVD-SiC Ring for Semiconductor Processes	-
Research Institution	Business-Affiliated Research Institute of Tokai Carbon Korea Co., Ltd.	-
Research Results and Expected Effects	▶ Product Overview - The Ring, which is positioned on the outer edge of the semiconductor wafer during the wafer process, increases the production yield of devices. Currently, rings are predominantly made of silicon, which is the same material as wafers. However, they are consumable parts that rapidly erode by plasma ions and other factors. Developing SiC material with excellent resistance to plasma etching is urgently needed to address these issues. In some processes, attempts have been made to replace Silicon with reaction-bonded SiC Rings, but impurities and particle problems limit the use of reaction-bonded SiC. To fundamentally address these issues, we have developed CVD-SiC Rings with a longer lifetime than Silicon and without impurities. ▶ Product Features: - High resistance to plasma etching and abrasion. - Extremely high purity product with no particle generation. - Almost no diffusion with metals such as Silicon and Aluminum. ▶ Applications - Semiconductor process	-
Commercialization of Research Results	Major Customers: Domestic and international semiconductor equipment companies and semiconductor manufacturers	-

- Susceptor for Semiconductor Processes

Classification	Contents	Notes
Research Project	Development of Susceptor for Semiconductor Processes	-
Research Institution	Business-Affiliated Research Institute of Tokai Carbon Korea Co., Ltd.	-
Research Results and Expected Effects	▶ Product Overview - The Susceptor is a consumable part used as a wafer susceptor in semiconductor thin film deposition equipment. To enhance its abrasion and chemical resistance, we developed a Susceptor product by applying CVD-SiC coating technology to graphite material. ▶ Product Features: - No deformation due to high temperature and high chemical resistance. - Minimal particle generation. ▶ Applications - Susceptor for semiconductor deposition equipment	-
Commercialization of Research Results	Major Customers: Domestic semiconductor equipment companies and semiconductor manufacturers	-

- Heater for Semiconductor Processes

Classification	Contents	Notes
Research Project	Development of a Heater for Semiconductor Processes	-
Research Institution	Business-Affiliated Research Institute of Tokai Carbon Korea Co., Ltd.	-
Research Results and Expected Effects	▶ Product Overview: - A Heater used in semiconductor processing equipment was developed by applying the CVD-SiC method on top of lightweight and strong C/C composite material (Carbon/Carbon Composites) to suppress particle generation, replacing the previously used Graphite material. ▶ Product Features: - Lightweight and high impact resistance. - Low particle generation. ▶ Applications: - Heater for Semiconductor Processes	-
Commercialization of Research Results	Major Customers: Domestic semiconductor equipment companies	-

- Susceptor for LED

Classification	Contents	Notes
Research Project	Development of Susceptor for LED (Light Emitting Diode)	-
Research Institution	Business-Affiliated Research Institute of Tokai Carbon Korea Co., Ltd.	-
Research Results and Expected Effects	▶ Product Overview - The Susceptor is a consumable part used for LED (Light Emitting Diode), LD (Laser Diode), and EPI (Epitaxial) applications. It is a critical part required for the production of light-emitting devices, playing a crucial role in controlling temperature deviations and warping, which significantly impact the yield of the devices. Before our development, this product was solely imported from foreign sources. Our domestically produced Susceptor is coated using the CVD-SiC method on Graphite, achieving localization. ▶ Product Features: - The first domestically developed Susceptor with strong chemical resistance. - No deformation and low particle generation at high temperatures. ▶ Applications: - Manufacturing of light-emitting devices	-
Commercialization of Research Results	Major Customers: Domestic and international manufacturers of light-emitting devices and equipment	-

7. Other Notes

▲ Not applicable.

III. Matters Related to Financial Matters

1. Financial Matters Summary

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Ⅰ. Current assets	405,757,966	334,493,109	343,235,703
1. Cash and cash equivalents	33,858,787	31,762,843	44,664,322
2. Derivatives financial assets	58,654	313,011	860,762
3. Trade receivables	47,615,537	40,603,999	38,008,630
4. Other current financial assets	254,408,263	195,300,810	207,567,720
5. Other current assets	997,947	601,531	1,985,111
6. Inventory	68,818,778	65,910,915	50,149,158
Ⅱ. Non-current assets	157,761,644	161,010,642	137,307,356
1. Other non-current financial assets	4,149,703	830,880	3,487,935
2. Tangible asset	150,021,994	157,206,129	128,885,878
3. Intangible assets	2,398,506	2,174,613	1,841,733
4. Deferred income tax assets	430,592	53,723	2,684,832
5. Right-of-use assets	760,849	745,296	406,977
Total assets	563,519,610	495,503,751	480,543,059
Ⅰ. Current liabilities	44,574,895	35,178,760	62,254,946
1. Derivative financial liabilities	845,528	6,714	19,985
2. Trade payables	9,684,229	6,085,300	9,390,213
3. Other current financial liabilities	17,123,745	16,002,534	30,089,960
4. Other current liabilities	1,004,119	632,170	848,887
5. Current corporate income tax liabilities	14,289,509	11,015,169	20,401,047
6. Current Provisions	1,314,089	1,181,228	1,271,076
7. Current lease liabilities	313,675	255,645	233,778
Ⅱ. Non-current liabilities	2,689,967	2,054,279	1,414,468
1. Non-current Provisions	2,354,882	1,609,536	1,228,967
2. Non-current lease liabilities	335,086	444,743	185,501
Total liabilities	47,264,862	37,233,039	63,669,414
Ⅰ. Equity capital	5,837,500	5,837,500	5,837,500
Ⅱ. Capital surplus	6,035,002	6,035,002	6,035,002
Ⅲ. Other capital components	233,169	233,169	233,169
Ⅳ. Retained earnings	504,149,078	446,165,041	404,767,974
Total equities	516,254,748	458,270,712	416,873,645
Total liabilities and equities	563,519,610	495,503,751	480,543,059
Sales	275,724,843	226,652,882	319,562,836
Operating income	80,747,924	66,702,958	127,026,641

Classification	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Profit before tax	90,726,216	75,251,224	127,921,797
Current net income	71,994,037	61,244,567	94,056,448
Basic earnings per share	KRW 6,167/share	KRW 5,246/share	KRW 8,056/share

▲ The financial statements of the 30th (current) period, in the above table, are provisional financial statements pending approval at the meeting of stockholders. If there are any rejections or modifications regarding the approval of the financial statements at the regular meeting of stockholders in the future, the details, reasons, and other relevant information will be reflected in an amended report.

2. Consolidated Financial Statements

Our Company is not a corporation subject to the preparation of consolidated financial statements under Article 1-2 of the Act on External Audit of Stock Companies, etc., during the recent three fiscal years.

3. Notes of Consolidated Financial Statements

Our Company is not a corporation subject to the preparation of consolidated financial statements under Article 1-2 of the Act on External Audit of Stock Companies, etc., during the recent three fiscal years.

4. Financial Statement

4-1. Statement of Financial Position

Statement of Financial Position

The 30th period December 31, 2024 (present)
The 28th period December 31, 2023 (present)
The 27th period December 31, 2022 (present)

(Unit: KRW)

	The 30th period	The 29th period	The 28th period
Asset			
Ⅰ. Current assets	405,757,965,821	334,493,109,270	343,235,703,465
1. Cash and cash equivalents	33,858,787,333	21,762,843,213	44,664,321,980
2. Derivatives	58,653,544	313,010,735	860,762,352
3. Trade receivables	47,615,537,055	40,603,999,385	38,008,629,810
4. Other current financial assets	254,408,263,268	195,300,809,954	207,567,720,318
5. Other current assets	997,946,800	601,531,368	1,985,111,071
6. Inventory	68,818,777,821	65,910,914,615	50,149,157,934
Ⅱ. Non-current assets	157,761,644,248	161,010,641,706	137,307,355,798
1. Other non-current financial assets	4,149,702,744	830,879,651	3,487,935,424
2. Tangible asset	150,021,993,969	157,206,129,237	128,885,878,090
3. Intangible assets	2,398,506,411	2,174,613,478	1,841,733,375
4. Deferred income tax assets	430,592,175	53,723,031	2,684,831,721
5. Right-of-use assets	760,848,949	745,296,309	406,977,188

	The 30th period	The 29th period	The 28th period
Total assets	563,519,610,069	495,503,750,976	480,543,059,263
Liabilities			
Ⅰ. Current liabilities	44,574,894,545	35,178,759,849	62,254,946,331
1. Derivative financial liabilities	845,527,974	6,714,193	19,984,959
2. Trade payables	9,684,228,557	6,085,300,358	9,390,212,781
3. Other current financial liabilities	17,123,745,422	16,002,533,610	30,089,959,932
4. Other current liabilities	1,004,119,204	632,169,978	848,887,089
5. Current corporate income tax liabilities	14,289,508,722	11,015,169,134	20,401,046,731
6. Current Provisions	1,314,089,422	1,181,227,972	1,271,076,441
7. Current lease liabilities	313,675,244	255,644,604	233,778,398
Ⅱ. Non-current liabilities	2,689,967,210	2,054,279,383	1,414,467,851
1. Non-current Provisions	2,354,881,514	1,609,536,158	1,228,967,209
2. Non-current lease liabilities	335,085,696	444,743,225	185,500,642
Total liabilities	47,264,861,755	37,233,039,232	63,669,414,182
Equity			
Ⅰ. Equity capital	5,837,500,000	5,837,500,000	5,837,500,000
Ⅱ. Capital surplus	6,035,001,920	6,035,001,920	6,035,001,920
Ⅲ. Other capital components	233,168,836	233,168,836	233,168,836
Ⅳ. Retained earnings	504,149,077,558	446,165,040,988	404,767,974,325
Total equities	516,254,748,314	458,270,711,744	416,873,645,081
Total liabilities and equities	563,519,610,069	495,503,976	480,543,059,263

4-2. Statement of Comprehensive Income

Statement of Comprehensive Income

From January 1, 2024, to December 31, 2024
From January 1, 2023, to December 31, 2023
From January 1, 2022, to December 31, 2022

(Unit: KRW)

	The 30th period	The 29th period	The 28th period
Ⅰ. Sales	275,724,843,444	226,652,881,531	319,562,836,196
Ⅱ. Cost of sales	171,586,098,400	134,720,764,588	168,677,585,875
Ⅲ. Gross profit	104,138,745,044	91,932,116,943	150,885,250,321
Selling general administrative expenses	23,305,156,004	25,151,003,939	23,827,832,354
Bad debt expenses	85,664,844	78,154,699	30,776,617
Ⅳ. Operating income	80,747,924,196	66,702,958,305	127,026,641,350
Other revenues	6,088,579,768	4,145,409,913	8,602,329,711
Other expenses	5,355,665,584	4,493,323,607	12,342,538,783
Financial income	9,277,348,692	8,923,773,088	4,654,856,331
Financial costs	31,971,330	27,593,519	19,491,840

	The 30th period	The 29th period	The 28th period
Ⅴ. Profit before tax	90,726,215,742	75,521,224,180	127,921,796,769
Corporate income tax expense	18,732,179,172	14,006,657,517	33,865,348,771
Ⅵ. Current net income	71,994,036,570	61,224,566,663	94,056,447,998
Ⅶ. Other comprehensive income	0	0	0
Ⅷ. Total comprehensive income	71,994,036,570	61,224,566,663	94,056,447,998
Ⅸ. Earnings per share			
Basic earnings per share (Unit: KRW)	6,167.00	5,246.00	8,056.00
Basic and diluted earnings per share (Unit: KRW)	6,167.00	5,246.00	8,056.00

4-3. Statement of change in equity

Statement of change in equity

From January 1, 2024, to December 31, 2024
From January 1, 2023, to December 31, 2023
From January 1, 2022, to December 31, 2022

(Unit: KRW)

	Equity				
	Equity capital	Capital surplus	Other capital components	Retained earnings	Total capital
January 1, 2022 (capital at beginning of period)	5,837,500,000	6,035,001,920	233,168,836	327,406,776,327	339,512,447,083
Total comprehensive income (loss)					
Current net income	0	0	0	94,056,447,998	94,056,447,998
Other comprehensive income	0	0	0	0	0
Transactions with owners					
Capital investment and distribution					
Dividends paid				16,695,250,000	16,695,250,000
December 31, 2022 (capital at the end of the period)	5,837,500,000	6,035,001,920	233,168,836	404,767,974,325	416,873,645,081
January 1, 2023 (capital at beginning of period)	5,837,500,000	6,035,001,920	233,168,836	404,767,974,325	416,873,645,081
Total comprehensive income (loss)					
Current net income	0	0	0	61,244,566,663	61,244,566,663
Other comprehensive income	0	0	0	0	0
Transactions with owners					
Capital investment and distribution					
Dividends paid				19,847,500,000	19,847,500,000
December 31, 2023 (capital at the end of the period)	5,837,500,000	6,035,001,920	233,168,836	446,165,040,988	458,270,711,744
January 1, 2024 (capital at beginning of period)	5,837,500,000	6,035,001,920	233,168,836	446,165,040,988	458,270,711,744

	Equity				
	Equity capital	Capital surplus	Other capital components	Retained earnings	Total capital
Total comprehensive income (loss)					
Current net income	0	0	0	71,994,036,570	71,994,036,570
Other comprehensive income	0	0	0	0	0
Transactions with owners					
Capital investment and distribution					
Dividends paid				14,010,000,000	14,010,000,000
December 31, 2024 (capital at the end of the period)	5,837,500,000	6,035,001,920	233,168,836	504,149,077,558	516,254,748,314

4-4. Statement of Cash Flows

Statement of Cash Flows

From January 1, 2024, to December 31, 2024
From January 1, 2023, to December 31, 2023
From January 1, 2022, to December 31, 2022

(Unit: KRW)

	The 30th period	The 29th period	The 28th period
I. Cash flow from operating activities	74,417,172,514	20,979,642,673	87,311,102,557
1. Cash generated resulting from operation activities	95,637,361,644	51,214,018,044	130,331,664,226
(1) Current Net income	71,994,036,570	61,244,566,663	94,056,447,998
(2) Adjustment	34,441,574,766	26,546,482,242	53,847,884,504
(3) Changes in assets/liabilities resulting from operating activities	(10,798,249,692)	(36,577,030,861)	(17,572,668,276)
2. Profit from interest	8,656,490,928	9,016,433,772	3,029,087,891
3. Interest payment	(31,971,330)	(27,593,519)	(19,491,840)
4. Dividends paid	(14,010,000,000)	(19,847,500,000)	(16,695,250,000)
5. Corporate income tax payment	(15,834,708,728)	(19,375,715,624)	(29,334,907,720)
II. Cash flow from investing activities	(72,043,319,977)	(33,572,720,459)	(96,045,963,737)
1. Cash inflows resulting from investing activities	191,455,386,989	207,059,802,623	150,848,252,661
(1) Disposition of short-term financial instruments	190,000,000,000	204,000,000,000	148,137,000,000
(2) Decrease in short-term loan assets	473,316,010	360,551,100	279,266,650
(3) Decrease in long-term loan assets	0	0	2,027,720
(4) Decrease in lease deposits	0	885,000,000	815,060,000
(5) Disposition of tangible assets	141,964,173	6,622,273	33,000,000
(6) Disposition of intangible assets	829,606,806	0	0
(7) Decrease in derivative assets	10,500,000	1,807,629,250	1,581,898,291
2. Cash outflows resulting from investing activities	(263,498,706,966)	(240,632,523,082)	(246,894,216,398)
(1) Purchase of short-term financial instruments	(251,000,000,000)	(190,000,000,000)	(204,000,000,000)
(2) Increase in long-term loan assets	(1,332,000,000)	(366,000,000)	(441,000,000)

	The 30th period	The 29th period	The 28th period
(3) Increase in lease deposits	(240,000,000)	(310,649,900)	(2,300,000,000)
(4) Purchase of tangible assets	(7,565,682,486)	(47,434,204,412)	(35,525,133,026)
(5) Purchase of intangible assets	(433,979,393)	(509,749,324)	(223,856,281)
(6) Decrease in derivative instrument liabilities	(2,927,045,087)	(2,011,919,446)	(4,404,227,091)
III. Cash flows from financing activities	(286,677,204)	(308,705,985)	(316,495,086)
1. Cash inflows resulting from financing activities	0		0
2. Cash outflows resulting from financing activities	(286,677,204)	(308,705,985)	(316,495,086)
(1) Repayment of lease liabilities	(286,677,204)	(308,705,985)	(316,495,086)
IV. Increase (decrease) in cash and cash equivalents	2,087,175,333	(12,901,783,771)	(9,051,356,266)
V. Cash and cash equivalents at beginning of period	31,762,843,213	44,664,321,980	53,718,532,398
VI. Effects of exchange rate changes in cash and cash equivalents	8,768,787	305,004	(2,854,152)
Ⅶ. Cash and cash equivalents at the end of the period	33,858,787,333	31,762,843,213	44,664,321,980

▲ The financial statements of the 30th period, are provisional financial statements pending approval at the meeting of stockholders. If there are any rejections or modifications of the financial statements at the regular meeting of stockholders in the future, the details, reasons, and other relevant information will be reflected in an amended report.

5. Notes of Financial Statements

As of the 30th (current) period, December 31, 2024

As of the 29th (previous) period, December 31, 2023

Tokai Carbon Korea Co., Ltd.

1. General Information

TCK Co., Ltd. (hereinafter referred to as the "Company") was established on August 7, 1996, under a joint investment agreement signed on August 3, 1996, with KC Tech Corporation and Schunk Carbon Technology Ltd. of Korea, and Tokai Carbon Co., Ltd. of Japan. The Company was established to manufacture, import, and sell high-purity graphite products. Since 1997, the Company has been manufacturing and importing synthetic graphite and other carbon products, which are government-approved items by the Ministry of Economy and Finance (formerly the Ministry of Finance and Economy), and conducts trading agency businesses. On October 23, 1996, the Company was registered as a foreign-invested corporation with the Ministry of Economy and Finance (formerly the Ministry of Finance and Economy) under the Foreign Investment Promotion Act.

As of the end of the current period, the company's equity capital is KRW 5,837,500,000, and the largest shareholder of the Company is Tokai Carbon Co., Ltd. (Equity Ratio: 50.39%). On October 9, 2001, the Company changed its name from Korea Tokai Carbon Co., Ltd. to Tokai Carbon Korea Co., Ltd. In August 2003, the Company's shares were listed on the KRX KOSDAQ Market, established by the Korea Exchange.

Furthermore, on July 22, 2005, at an extraordinary general meeting of shareholders, the fiscal year end was changed from September 30 to December 31. As of the end of the current period, the Company does not have any subsidiaries, associated companies, or joint ventures.

2. Major Accounting Policies

The following are the significant accounting policies used in preparing the financial statements. Unless otherwise stated, these policies have been consistently applied to the periods presented.

2.1 Standards for Financial Statements Preparation

The Company's financial statements have been prepared under the Korean International Financial Reporting Standards (K-IFRS), which represents the Korean adoption of the standards and interpretations issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared on a historical cost basis, except for the following:

- Derivatives measured at fair value
- The long-term employee benefits liability for the present value of future salary amounts obtained as compensation for provided employment services

K-IFRS allows for the use of significant accounting estimates in preparing financial statements and requires management's judgment in applying accounting policies. Note 3 describes more complex and judgmental areas or areas requiring significant assumptions and estimates.

2.2 Changes in Accounting Policies and Disclosures

2.2.1 Adoption of New/Revised Standards and Interpretations

The Company has applied the following new/revised standards for the accounting period beginning as of January 1, 2024.

(1) K-IFRS No. 1001 'Presentation of Financial Statements' - Current/Non-Current Classification of Liabilities, Non-Current Liabilities with Commitments

Liabilities are classified as current or non-current based on the substantive rights existing at the end of the reporting period, and the possibility of exercising the right to postpone the settlement of liabilities or management's expectations is not considered. In addition, the transfer of own equity instruments is included in the settlement of liabilities, but this excludes cases where the option to settle with own equity instruments in a compound financial instrument satisfies the definition of equity instruments and is recognized separately from the liability. In addition, commitments that an entity must comply with after the end of the reporting period do not affect the classification of the relevant liabilities at the end of the reporting period. If a liability that requires compliance with a commitment within 12 months after the reporting period is classified as a non-current liability as of the end of the reporting period, information on the risk that the liability may be repaid within 12 months after the reporting period must be disclosed. There is no significant impact on the financial statements due to the revision of the relevant standards.

(2) K-IFRS No. Amendment to K-IFRS No. 1007, Statement of Cash Flows, and K-IFRS No. 1107, Disclosure of Financial Instruments - Disclosure of Information on Supplier Finance Arrangements

K-IFRS No. 1007, Statement of Cash Flows, adds the requirement to disclose information on supplier finance arrangements so that users of financial statements can evaluate the impact of supplier finance arrangements on the entity's liabilities and cash flows. In addition, K-IFRS No. 1107, Disclosure of Financial Instruments, has been revised to add supplier finance arrangements as an example of the requirement to disclose information related to exposure to liquidity risk concentration. The revision of the standards does not significantly impact financial statements.

(3) Amendment to K-IFRS No. 1116, Leases - Lease Liabilities Arising from Sale and Leaseback

K-IFRS No. 1115, Revenue Arising from Contracts with Customers, has added subsequent measurement requirements for sale and leasebacks that are accounted for as sales. The amendments require the seller-lessee to calculate the 'lease payments' or 'modified lease payments' so that the seller-lessee does not recognize any gain or loss for the right of use that the seller-lessee continues to hold after the lease commencement date. The amendments to this standard have no significant impact on the financial statements.

(4) Amendment to K-IFRS No. 1001, 'Presentation of Financial Statements' - 'Disclosure of Virtual Assets'

The amendments specify the disclosure requirements for each case and the disclosure requirements required by other standards for virtual asset-related transactions: 1) when holding virtual assets, 2) when holding virtual assets on behalf of customers, and 3) when issuing virtual assets. When holding virtual assets, information on general information about the virtual assets, the accounting policies applied, the acquisition route, the acquisition cost for each virtual asset, and the fair value at the end of the period must be disclosed. In addition, in the case of issuing virtual assets, the obligations and performance status of the company related to the issued virtual assets, the timing and amount of revenue recognition for the sold virtual assets, the quantity of virtual assets held after issuance, and important contract details must be disclosed. There is no significant impact on financial statements due to the revision of the relevant standards.

2.2.2 Unapplied New/Revised Standards

The following key new/revised standards and interpretations have been formulated/published but have not become effective for accounting periods commencing on or after January 1, 2024. The Company has not early adopted the following standards and interpretations in preparing its financial statements:

(1) Amendments to K-IFRS No. 1021, “Effects of Exchange Rate Fluctuations” and K-IFRS No. 1101, “First-time Adoption of Korean International Financial Reporting Standards” - Lack of Exchangeability

To clarify the reporting of foreign currency transactions in the functional currency and the conversion of the functional currency of an overseas business into the presentation currency of the parent company when the foreign exchange market is not functioning normally, a provision is added to evaluate the exchangeability between the two currencies. In addition, a provision is added to estimate the spot exchange rate to be applied when it is determined that the exchangeability between the two currencies is lacking after evaluating whether the two currencies are exchangeable. These amendments will be applied to fiscal years beginning on or after January 1, 2025, and may be used early.

(2) To address questions raised in the revision of K-IFRS No. 1109, Financial Instruments, and No. 1107, Financial Instruments: Disclosure, and to include new requirements, K-IFRS No. 1109, Financial Instruments, and No. 1107, Financial Instruments: Disclosure, have been revised. The revisions will be effective for annual periods beginning on or after January 1, 2026, with early application permitted. The significant revisions are as follows:

- Allowing financial liabilities to be considered settled (derecognized) through electronic payment systems before the settlement date if specific criteria are met
- Clarifying and adding additional guidance for assessing whether a financial asset meets the criteria of whether it consists solely of principal and interest payments.
- Disclosure of the impact on the company of contractual terms that change the timing or amount of cash flows in the contract and the extent to which the company is exposed by type of financial instrument
- Additional disclosure for FVOCI-designated equity instruments

(3) Annual Improvement to Korean International Financial Reporting Standards Volume 11

Annual Improvement to Korean International Financial Reporting Standards Volume 11 is effective for accounting periods beginning on or after January 1, 2026, with early adoption permitted.

- K-IFRS No. 1101, 'First-time Adoption of Korean International Financial Reporting Standards': Application of hedge accounting upon initial adoption of K-IFRS
- K-IFRS No. 1107, 'Financial Instruments: Disclosure': Derecognition of profit and loss, practical application guidelines
- K-IFRS No. 1109, 'Financial Instruments': Accounting for derecognition of lease liabilities and definition of transaction price

2.3 Foreign Currency Translation

(1) Functional Currency and Presentation Currency

The Company measures the items included in the financial statements in the currency ("functional currency") of the primary economic environment in which its operations are conducted. The functional currency of the Company is the South Korean Won (KRW), and the Company's financial statements are presented in KRW.

(2) Foreign Currency Transactions and Translation at Reporting Date

Foreign currency transactions are recognized in the functional currency using the exchange rates on the valuation date if the item is being remeasured. Exchange differences arising from the settlement of foreign currency transactions or the translation of monetary foreign currency assets and liabilities are recognized in the profit or loss for the current period. However, profits or losses arising from cash flow hedges that meet certain conditions or from a portion of net investments in foreign operations of a reporting entity representing a monetary item are recognized in other comprehensive income.

The foreign exchange differences arising from non-monetary financial assets or liabilities are considered part of the fair value changes in equity instruments and recognized in profit or loss. Specifically, the foreign exchange differences arising from the fair value changes in equity instruments measured at fair value through profit or loss are recognized in the profit or loss for the current period. However, the foreign exchange differences from equity instruments measured at fair value through other comprehensive income are recognized in other comprehensive income.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in possession, bank deposits, and short-term investments with expiration dates within 3 months.

2.5 Financial assets

(1) Classification

The Company classifies financial assets into the following measurement categories:

- Financial assets measured at fair value through profits and losses for the current period
- Financial assets measured at fair value through other comprehensive income
- Financial assets measured at amortized cost

The classification of financial assets is based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Profits or losses on financial assets measured at fair value through profit or loss are recognized in profit or loss for the current period or other comprehensive income. Investments in debt instruments are recognized in profit or loss for the current period or other comprehensive income based on the business model under which the assets are held. The Company only reclassifies debt instruments when there is a change in the business model for managing financial assets.

For investments in equity instruments that are not held for trading in the short term, an irrevocable election may be made at initial recognition to present subsequent fair value changes in other comprehensive income. Fair value changes in unclassified equity instruments are recognized in profit or loss.

(2) Measurement

The Company measures financial assets at fair value at initial recognition, except for financial assets measured at fair value through profit or loss for the current period. The transaction cost related to acquiring such a financial asset shall be added to the fair value. Transaction costs of financial assets measured at fair value through profit or loss are expensed in the profit or loss for the current period.

The entire composite contract is considered when determining whether a composite contract, including embedded derivatives, has only principal and interest cash flows.

① Debt Instruments

The subsequent measurement of financial assets is based on the contractual cash flow characteristics of the financial assets and the business model under which they are managed. The Company classifies debt instruments into the following categories:

(A) Amortized Cost Measurement Financial Assets:

Under the business model, where the purpose is to hold financial assets to collect contractual cash flows, financial assets with cash flows consisting solely of principal and interest are measured at amortized cost. The profits or losses of financial assets measured at amortized cost that are not subject to the application of the effective interest rate method are recognized in the profit or loss for the current period when the financial assets are derecognized or impaired. Interest income on financial assets recognized under the effective interest rate method is included in 'financial income.'

(B) Financial assets measured at fair value through other comprehensive income

Under the business model, where the purpose is achieved through both the collection of contractual cash flows and the sale of financial assets, financial assets with cash flows consisting solely of principal and interest are measured at fair value through other comprehensive income. Except for impairment losses (reversals), interest income, and foreign exchange profits or losses, the fair value changes of financial assets measured at fair value are recognized in other comprehensive income. When financial assets are derecognized, the accumulated balance of other comprehensive income related to those assets is reclassified from equity to the profit or loss for the current period. Interest income on financial assets recognized under the effective interest rate method is included in 'financial income.' Foreign exchange profits or losses are presented as 'other income' or 'other expenses,' while impairment losses are presented as 'other expenses.'

(C) Financial assets measured at fair value through profits and losses for the current period

Debt instruments that are neither measured at amortized cost nor at fair value through other comprehensive income are measured at fair value through the profit or loss for the current period. The profits or losses of debt instruments measured at fair value through the profit or loss for the current period, for which no hedge relationship applies, are recognized in profit or loss for the period they arise and are presented as 'other income or other expenses' on the income statement.

② Equity Instruments

The Company measures all equity instruments at fair value after initial recognition. The amount recognized in other comprehensive income for equity instruments with a long-term or strategic investment purpose where fair value changes are presented in other comprehensive income is not reclassified to the profit or loss for the current period upon derecognition of those equity instruments. Dividend income from such equity instruments is recognized as 'financial income' in profit or loss for the current period when the right to receive the dividend is established for consolidated subsidiaries.

The fair value changes of financial assets measured at fair value through profit or loss for the current period are presented as 'other income' or 'other expenses' on the income statement. Impairment losses (reversals) on equity instruments measured at fair value through other comprehensive income are not separately recognized.

(3) Impairment

The Company evaluates the expected credit losses for debt instruments measured at amortized cost or measured at fair value through other comprehensive income based on forward-looking information. The impairment approach is determined based on whether there has been a significant increase in credit risk. However, for trade receivables, the Company applies the simplified approach of recognizing expected credit losses for the entire period from the initial recognition of the receivables. (The method of determining whether there has been a significant increase in credit risk is referred to in Note 4.1.2.)

(4) Recognition and Derecognition

Structured purchases or sales of financial assets are recognized or derecognized on the trade date. A financial asset is derecognized when the contractual rights to cash flows expire or when the asset is transferred, and a significant portion of the risks and rewards of ownership are transferred.

Even if the Company transfers a financial asset and retains a significant portion of the risks and rewards of ownership through rights of recourse in the event of the debtor's default, the transferred financial asset is not derecognized. Instead, the entire transferred asset continues to be recognized, and the consideration received is recognized as a financial liability.

(5) Offsetting of Financial Instruments

Financial assets and liabilities are offset and presented as a net amount in the statement of financial position when the Company has a legally enforceable right to set off the recognized assets and liabilities, and intends to settle the net amount or realize the assets and settle the liabilities simultaneously. A legally enforceable right to set off is not dependent on future cases and applies in normal business operations and in cases of default, insolvency, or bankruptcy.

2.6 Derivatives

Derivatives are initially recognized at fair value upon entering into derivative contracts and subsequently remeasured at fair value. Changes in the fair value of derivatives that do not meet the criteria for hedge accounting are recognized as 'Other income (expense)' in the statement of comprehensive income.

2.7 Trade receivables

Trade receivables are initially recognized at the fair value of unconditional consideration when significant financing components are absent. Subsequently, trade receivables are measured using the effective interest rate method, applying the effective interest rate to the amortized cost and reducing it by the loss allowance. (Additional matters regarding the accounting treatment of trade receivables by the Company can be found in

Note 8, and the accounting policy for impairment is referenced in Note 4.1.2.)

2.8 Inventory

Inventory assets are valued using the weighted average method (specific identification method for goods to arrive), determining the unit cost. The inventory cost includes purchase, conversion, and other costs necessary to prepare the inventory for saleable condition. For products or work-in-progress items, the Company allocates fixed manufacturing overhead based on the actual utilization of production facilities.

Inventory is calculated at the lower of acquisition cost or net realizable value. The net realizable value is calculated by deducting the estimated additional cost of completion and selling expenses from the estimated selling price in the ordinary course of business. The valuation losses resulting from the reduction of inventory assets to their net realizable value and all impairment losses are recognized as expenses in the period when the reduction or impairment occurs. Conversely, the reversal of inventory valuation losses due to an increase in the net realizable value of inventory assets is recognized as a reduction in the cost of sales in the period in which the reversal occurs.

2.9 Tangible asset

Tangible assets are initially recognized at cost and include the costs directly attributable to bringing them to the location and condition necessary for their intended use, as well as the estimated costs of dismantling, derecognizing, or restoring them.

After initial recognition, tangible assets are measured at the book value, the amount obtained by deducting the accumulated depreciation and accumulated impairment losses from the cost.

Land, as a type of tangible asset, is not subject to depreciation, while other tangible assets are depreciated using the straight-line method over their estimated useful lives, which best reflects the pattern of consumption of the future economic benefits inherent in the assets, after deducting their residual value from the acquisition cost.

If a significant portion of the cost of a component of an asset is deemed significant compared to the total cost of the asset, the depreciation of that portion is separately identified and depreciated.

Any profit and loss due to the derecognition of tangible assets is determined by the difference between the net disposal amount and the book value, which is recognized as the current net profit and loss.

Classification	Estimated useful lives
Buildings	40 years
Structures	10 years
Machinery and equipment	8 years
Vehicles and transportation equipment	5 years
Tools	10 years
Miscellaneous equipment	5 years

The Company reviews the assets' residual value, durability, and depreciation method at the end of each reporting period. When it is determined that they need to be changed, the accounting estimate is changed.

Subsequent expenditures are capitalized only if they meet the criteria of an inflow of future economic benefits to the Company.

2.10 Profit from government grants

The Company recognizes government grants only if it is certain that it can comply with the conditions for the grants and when it is certain of the recipient of such grants.

The Company receives government grants tied explicitly to acquiring or constructing non-current assets. When calculating the book value of the respective assets, the government grants are deducted, and the resulting depreciation expense is recognized as part of the profit or loss for the current period over the useful life of the related asset.

The Company recognizes the costs related to preserving the government grants as a deduction from the related costs over the period in which these costs are incurred.

2.11 Intangible assets

Intangible assets are measured at cost upon initial recognition, and the value, deducting subsequent accumulated depreciation and accumulated impairment losses from the cost after the initial recognition, is recognized as book value.

The residual value of intangible assets is zero from the time they are usable and is depreciated by the straight-line method for durable years listed below. However, the period expected for some intangible assets to be utilized is not predictable, and the useful lives for the intangible assets during the year are evaluated as non-determinative and not amortized.

Classification	Estimated useful lives
Patents	10 years
Software	5 years
Exclusive license	5 years

Concerning intangible assets with limited durable years, the period and method of depreciation are reviewed at the end of each reporting period, and in relation to intangible assets with unlimited durable years, the justifiability of the evaluation that the assets' durable years are unlimited is reviewed at the end of each reporting period, and when it is determined that it is appropriate to change them, the accounting estimate is changed.

(1) Research and Development

Expenditures incurred during the research phase of research or internal projects are recognized as expenses

when they are incurred.
Expenditures incurred during the development phase are recognized as intangible assets if all of the following criteria are met: the technical feasibility of completing the asset, the Company's intention and ability to use or sell the completed asset, the likelihood of obtaining the necessary resources, the future economic benefits associated with the intangible asset can all be reliably demonstrated, along with the ability to measure the related expenditures reliably. Other development-related expenditures are recognized as expenses when they are incurred.

(2) Subsequent Expenditures
Subsequent expenditures are capitalized only when they increase the future economic benefits associated with a specific asset. Other expenditures, including internally generated assets such as trademarks and trade names, are expensed immediately when incurred.

2.12 Impairment of Non-Financial Assets
Indices of impairment are reviewed at the end of each reporting period for non-financial assets, excluding inventory assets and deferred income tax assets. If such indications exist, the recoverable amount of the asset is estimated. The impairment loss is recognized in the profit or loss for the current period to the extent that it exceeds the recoverable amount (higher of fair value, after deducting the value in use or disposal costs). On the other hand, impairment losses on non-financial assets are reversed only if there is a change in the estimates used to determine the recoverable amount after the recognition of the previous impairment loss. The increased book value due to the reversal of impairment losses cannot exceed the depreciation or amortization of the book value before recognizing the impairment loss.

2.13 Trade Payables and Other Payables
Trade and other payables represent liabilities for goods or services received by the Company but not yet paid at the end of the reporting period. They are classified as current liabilities unless the payment is due more than 12 months after the reporting period. These liabilities are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method.

2.14 Financial liabilities
(1) Classification and Measurement
Financial liabilities measured at fair value through the profit or loss for the current period are short-term financial instruments. Financial liabilities incurred primarily to be repurchased within a short period are classified as financial liabilities measured at fair value through the profit or loss for the current period. Additionally, embedded derivatives not designated as hedging instruments and separated from derivative or financial instruments are also classified as financial liabilities measured at fair value through the profit or loss for the current period.

All non-derivative financial liabilities, excluding liabilities arising from financial assets measured at fair value through the profit or loss for the current period, financial guarantee contracts, and liabilities that do not meet the derecognition criteria, are classified as liabilities measured at amortized cost. These are presented as "Trade payables" and "Other financial liabilities" in the statement of financial position.

(2) Derecognition

Financial liabilities are derecognized from the statement of financial position when the contractual obligations are fulfilled, canceled, or expired, resulting in their extinguishment, or when there is a substantial modification to the terms of the existing financial liability. The difference between the book value of financial liabilities extinguished or transferred to third parties and the consideration paid (including non-cash assets transferred or liabilities assumed) is recognized as a profit or loss in the current period.

2.15 Provisions

Provisions for liabilities are recognized when there is a present obligation (legal or constructive) as a result of past events. An outflow of economic resources will probably be required to settle the obligation, and a reliable estimate of the amount can be made.

The amount recognized as provisions is the best estimate that can be made at the end of each reporting period about the expenses incurred for the performance of the current obligation, considering the inevitable risk and uncertainty of the circumstances and the relevant incident.
If the time value of money is significant, the provisions are measured at the current value of the expenditure estimated to be incurred in performing the obligations.

If a third party is expected to reimburse a portion or all of the expenditure required to settle the provision when settlement is virtually certain, the reimbursement amount is recognized as a separate asset and accounted for accordingly.

The Company reviews the residue of the provisions at the end of each reporting period and adjusts them, considering the current best estimate at the end of the reporting period. When the possibility of an outflow of resources embodying economic benefits is no longer high enough to fulfill the obligation, the related provision is reversed.

Provisions for sales warranty obligations are recognized when products or services are sold or provided, and they are estimated based on past warranty data, considering all possible outcomes and their associated probabilities using a weighted average approach. Provisions are only used for expenditures related to the initial recognition.

2.16 Greenhouse Gas Emission Permits

The Company accounts for greenhouse gas emission permits and emission liabilities under 「the Act on the Allocation and Trading of Greenhouse Gas Emission Permits」 as follows:

(1) Greenhouse Gas Emission Permits

Greenhouse gas emission permits consist of permits allocated by the government at no cost and permits purchased at a cost. Emission permits allocated at no cost are recognized at zero value, while purchased permits are recognized at acquisition cost, which is added to the other costs incurred in the normal course of acquisition directly related to the purchase cost. The company classifies the greenhouse gas emission permits held to fulfill obligations prescribed by relevant regulations as intangible assets, measuring the book value by deducting the accumulated impairment losses from the cost, and classifies as current assets the portion to be submitted to the government within one year from the end of the reporting period.

Greenhouse gas emission permits are derecognized when submitted or sold to the government or when they can no longer be used for submission or sale, and no future economic benefits are expected.

(2) Emission Liabilities

Emission liabilities are recognized as current obligations to submit emission permits to the government. They are measured by aggregating the book value of held emission permits and the estimated expenses required to fulfill obligations for excess emissions. Emission liabilities are derecognized upon submission of emission permits to the government.

2.17 Current Corporate Income Tax and Deferred Income Tax

Corporate income tax expense is composed of current income tax and deferred income tax. For items directly recognized in other comprehensive income or equity, the amounts related to corporate income tax are directly recognized in those items. Except for those items, corporate income tax is recognized in the profit or loss for the current period.

Interest and penalties related to corporate income tax are assessed to determine if they are attributable to corporate income tax. If they are attributable to corporate income tax, the provisions of K-IFRS No. 1012 'Corporate Income Tax' are applied. If they are not attributable to corporate income tax, the provisions of K-IFRS No. 1037 'Provisions, Contingent Liabilities, and Contingent Assets' are applied.

(1) Current Corporate Income Tax

The current corporate income tax expense is measured based on the tax laws and regulations that have been enacted or substantively enacted by the end of the reporting period. The management periodically evaluates the tax policies applied by the Company regarding situations where applicable tax regulations may vary depending on interpretation. They also consider the likelihood of tax authorities accepting uncertain corporate income tax treatments. When measuring corporate income taxes, the Company uses the most likely amount or the expected value, whichever better predicts the resolution of uncertainties, to reflect the impact of uncertainties.

The current corporate income tax is calculated based on taxable profit for the period. Taxable income differs from profit and loss on the statement of other comprehensive income as the profit and loss that may be added or deducted in other taxation periods, or tax-free income, or non-deductible income are excluded from the net profit before corporate income tax expense. The unpaid corporate tax related to the corporate tax of the current period is calculated by applying the tax rates that are enacted or enacted in practice.

Current corporate income tax assets and liabilities are offset only when all of the following conditions are met:

- The Company has a legally enforceable right to set off the recognized amounts.
- The intention is to settle the net amount or to simultaneously settle the asset and liability by realizing the asset.

(2) Deferred Income Tax

Deferred income tax is recognized for temporary differences between the book value of assets and liabilities and their tax base, and it represents the expected tax effects when the book value is recovered or settled. However, deferred income tax assets and liabilities arising from transactions other than business combinations are not recognized if the transaction does not affect accounting profit or taxable income.

Deferred income tax assets are recognized when it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. The deferred income tax assets and liabilities are measured by using the tax rate expected to be applied at the reporting period, based on the tax law enacted at the end of the reporting period or in practice.

Deferred income tax assets and liabilities are offset when the Company has a legally enforceable right to set off the current corporate income tax assets against the current corporate income tax liabilities, which relate to income taxes levied by the same taxation authority. Current corporate income tax assets and liabilities are offset when the Company has a legally enforceable right to set off the recognized amounts, and there is an intention to settle the net amount or to simultaneously settle the asset and liability by realizing the asset.

2.18 Paid-in Capital

Common Share is classified as capital, and the incremental cost directly related to capital transactions is deducted from capital as the net amount reflecting tax effects.

When the Company repurchases treasury shares, such treasury shares are directly deducted from capital as a separate item of treasury shares. The profits or losses from purchasing, selling, issuing, or retiring treasury shares are not recognized in the profit or loss for the current period. When the Company's subsidiaries acquire and hold treasury shares, the consideration paid or received is directly recognized in equity.

2.19 Earnings Per Share

The Company calculates basic and diluted earnings per share based on the current net income and presents them in the statement of comprehensive income. Basic earnings per share are calculated by dividing the net income attributable to common shareholders for the reporting period by the weighted average number of common shares outstanding during the reporting period.

2.20 Employee Benefits

(1) Short-term Employee Benefits

The short-term employee benefits that are to be paid within 12 months from the end of the reporting period, which is when the employees provided the service in question, are recognized as the current net profit and loss when the estimated amount is paid when the service was provided. Short-term employee benefits are measured in undiscounted amounts. If the Company has a legal or constructive obligation due to past services by an employee, and the amount of the obligation can be reliably estimated, the amount expected to be paid as profit sharing and bonuses is recognized as a liability.

(2) Retirement Benefits: Defined Contribution System

The Company's retirement pension plan is a defined contribution system. A defined contribution system is a retirement benefit plan in which the Company makes fixed contributions to a separate fund, and except for cases where the contributions are included in the cost of assets, they are recognized in the profit or loss for the current period.

(3) Other Long-Term Employee Benefits

The Company provides long-term employee benefits to long-serving employees. Other long-term employee benefits that will not be paid within 12 months from the end of the reporting period in which the employee provided the relevant service are discounted to the current value of the future Compensation obtained in return for the service provided in the current or past period.

Changes following the revaluation are recognized as the current net profit and loss of the period when the changes occurred.

2.21 Revenue Recognition

(1) Identification of Performance Obligations

The Company manufactures parts for semiconductors, solar panels, and LED equipment. In contracts with customers, it identifies performance obligations distinct from those for the sale of goods and transportation services.

(2) Performance Obligation Satisfied at a Point in Time: Sale of Goods

The Company recognizes revenue when it transfers control of goods to the customer, which occurs upon delivery. Control of the goods is considered transferred when the goods are physically transported to a specified location, the risks of loss and deterioration of the goods are transferred to the customer, and the customer has an unconditional right to payment upon receipt of the products.

(3) Performance Obligation Satisfied over Time: Shipping Service

The service contracts the Company provides to customers, as per the contractual agreement, involve the transfer of control over time. Therefore, revenue is recognized over time as the performance obligation is satisfied. To determine whether control over the goods or services is replaced over time, the Company assesses whether the customer simultaneously receives and consumes the benefits provided by the Company's performance, whether the Company creates or enhances an asset controlled by the customer as the Company performs, or whether the Company's performance creates an asset with no alternative use to the Company and the Company has a right to payment for performance completed to date.

(4) Financial Considerations

The Company does not expect to have any contracts in which the payment of promised goods or services to customers extends beyond one year. Therefore, the Company does not adjust the time value of the transaction price.

2.22 Lease

The Company determines whether a contract is a lease or contains a lease by considering whether control over the identified asset is transferred to the Company in exchange for consideration for a specified period at the inception of the contract.

Accounting Treatment as a Lessee

On the commencement date or the effective date of a contract that includes lease components, the Company allocates the consideration in the contract to each lease component based on its relative standalone price. However, for real estate leases, the Company applies a practical expedient of not separating non-lease components and accounts for them as a single lease component.

The Company recognizes the right-of-use asset and lease liability on the lease commencement date. The right-of-use asset is initially measured at cost, which includes the initial measurement of the lease liability, lease payments made before or at the lease commencement date (net of lease incentives received), initial direct costs, and an estimate of costs to dismantle and derecognize the underlying asset or restore the underlying asset or the leased property.

Subsequently, the right-of-use asset is depreciated straight from the lease commencement date to the lease term end date. However, if ownership of the right-of-use asset is transferred or the exercise price of a purchase option is reflected in the cost of the right-of-use asset at the lease term end date, the depreciation of the right-of-use asset is based on the same method as for tangible assets until the expected end of the useful life of the underlying asset. The right-of-use asset may also be adjusted for impairment losses or lease liability remeasurement.

The lease liability is initially measured at the present value of the lease payments not yet paid at the lease commencement date. When readily determinable, the implicit interest rate of the lease is used as the discount rate. Otherwise, the Company's incremental borrowing rate is used as the discount rate.

Typically, the Company uses its incremental borrowing rate as the discount rate.

The Company determines the incremental borrowing rate by adjusting interest rates obtained from various external sources to reflect the lease terms and the characteristics of the leased asset.

The lease payments included in the measurement of the lease liability consist of the following:

- Fixed lease payments (including substantive fixed lease payments)
- Variable lease payments that vary based on an index or a rate. Initially measured using the index or rate as of the lease commencement date

- Amounts expected to be payable under residual value guarantees
- Exercise price of a purchase option when the exercise of the purchase option is reasonably certain, lease payments for the extension period when the exercise of the extension option is reasonably certain, and payments incurred to terminate the lease if it reflects the termination of the lease

The lease liability is amortized using the effective interest method. It is remeasured when lease payments change due to a change in index or rate, a change in amounts expected to be payable under residual value guarantees, a change in the assessment of whether a purchase option, extension option, or termination option is reasonably certain, or a change in substantive fixed lease payments.

When remeasuring the lease liability, the related right-of-use asset is adjusted, and if the book value of the right-of-use asset becomes zero, the remeasurement amount is recognized in the profit or loss for the current period.

If the valuation changes or the substantive fixed lease payments are modified, the lease liability will be remeasured.

For short-term leases with a lease term of 12 months or less and leases of low-value assets, including IT equipment, the Company has elected a practical expedient not to recognize right-of-use assets and lease liabilities. The lease payments related to these leases are recognized as an expense on a straight-line basis over the lease term.

2.23 Approval of Financial Statements
The Board approved the Company's financial statement of Directors on February 5, 2025, and it will be approved at the general meeting of shareholders on March 28, 2025.

3. Major Accounting Estimates and Assumptions

Preparing financial statements requires using assumptions and estimates about the future, and management's judgment is required to apply the Company's accounting policies.
These estimates and assumptions are continually evaluated and are based on reasonable predictions of future events, considering the past experience and current circumstances. The results of accounting estimates may deviate from actual results, and therefore, they inherently carry significant risks that could lead to major adjustments.

The following are management's estimates and assumptions regarding items that could impact asset and liability book value adjustments in the next accounting year. The individual notes disclose additional information concerning significant judgments and estimates for specific items.

(1) Corporate tax
The provision for corporate income taxes is determined based on tax laws and the tax authorities' decisions, resulting in uncertainties in calculating the final tax effect (Note 28).

The Company bears additional corporate income taxes calculated based on the method prescribed by tax laws when a certain amount of taxable income is not utilized for investments, wage increases, and other purposes during a specific period. Consequently, the tax effects arising from this provision should be considered when measuring current corporate taxes and deferred income taxes for the period. The amount of corporate income taxes the Company will bear depends on the level of investments, wage increases, and other factors each year, introducing uncertainties in determining the final tax effect.

(2) Impairment of Financial Assets

The loss allowance on financial assets is measured based on assumptions regarding credit risk and expected loss rates.

The Company selects these assumptions and the input variables for impairment models based on its past experience, current market conditions, and future outlook information as of the financial reporting date (Note 4.1.2).

(3) Sales Warranty Provision

The Company is obligated to provide warranty coverage for its products. As of the end of each reporting period, the company recognizes warranty provisions based on the best estimates deemed necessary to fulfill future and current warranty obligations. This best estimate is determined based on past experience (Note 17).

(4) Loss Allowance for Inventory Asset

The Company estimates its inventory at cost or net realizable value, whichever is lower. The estimation is based on the most reliable evidence available as of the estimation date (Note 11).

(5) Other Long-Term Employee Benefits

Other long-term employee benefits are measured using the same method as defined benefit plans. Various factors influence the measurement of these benefits, particularly changes in the discount rate, which is determined using an insurance actuarial approach (Note 18).

4. Risk Management

4.1 Financial Risk Management Factors

The financial risks to which the Company is exposed and the potential impact of these risks on the Company's future performance are as follows:

Risk	Exposure to such risk	Measurement	Management
Market Risk - Exchange Rate	Future trading: Financial assets and liabilities denominated in functional currencies other than the presentation currency	Cash flow estimation, sensitivity analysis	Currency forwards
Credit Risk	Cash equivalents, trade receivable, derivatives, and debt instruments	Default rate analysis, credit ratings	Diversification of bank deposits, credit limits, L/Cs Investment guidelines for debt instruments

The Financial Planning team conducts risk management in accordance with the policies approved by the Board of Directors. The team closely collaborates with the company's operational departments to identify, assess, and avoid financial risks. The Board of Directors reviews and approves documented policies not only for specific areas such as foreign exchange risk, credit risk, the use of derivatives and non-derivative financial instruments, and investments exceeding liquidity but also for overall risk management.

4.1.1 Market risk

(1) Foreign Currency Risk

The Company engages in international business activities and is exposed to foreign exchange risk, particularly related to fluctuations in major currencies such as the US dollar, Japanese yen, and Chinese yuan. Foreign exchange risk primarily arises in connection with identified assets and liabilities.

The Company manages foreign exchange risk following foreign exchange regulations. The objective of the Company's foreign exchange risk management is to minimize uncertainty and profit fluctuations resulting from exchange rate movements, thereby maximizing the Company's value.
The main cashable foreign currency details of the Company, expressed in foreign currencies other than the functional currencies as of the end of the current and previous period, are the following:

(Unit: USD 1,000, JPY 1,000, CNY 1,000, EUR 1,000, KRW 1,000)

Classification	Currency	The 30th (Current) period		The 29th (Previous) period	
		Foreign currency amount	Converted to KRW	Foreign currency amount	Converted to KRW
Financial assets					
Cash and cash equivalents	USD	151	221,712	19	24,960
	JPY	6,558	61,415	8,628	78,749
Trade receivables	USD	21,454	31,537,921	17,891	23,068,966
	JPY	6,240	58,436	23,910	218,217
	CNY	13,987	2,815,123	21,380	3,866,393
Other current financial assets	JPY	-	-	4,556	41,579
Financial liabilities					
Trade payables	USD	-	-	96	124,053
	JPY	472,726	4,426,984	355,866	3,247,850
Other current financial liabilities	USD	724	1,063,741	79	102,423
	JPY	1,275	11,940	875	7,986
	CNY	18	3,627	-	-
	EUR	-	-	4	5,383

The impact on the Company's post-tax profit and equity due to a 10% fluctuation in the exchange rate of each foreign currency to the KRW, assuming all other variables remain constant as of the end of the current and previous period, is as follows:

(Unit: KRW 1,000)

Classification		Impact on post-tax profit		Impact on capital	
		The 30th (Current) period	The 29th (Previous) period	The 30th (Current) period	The 29th (Previous) period
USD/KRW	In case of an increase	2,424,975	1,806,529	2,424,975	1,806,529
	In case of a decrease	(2,424,975)	(1,806,529)	(2,424,975)	(1,806,529)
JPY/KRW	In case of an increase	(341,207)	(230,466)	(341,207)	(230,466)
	In case of a decrease	341,207	230,466	341,207	230,466
CNY/KRW	In case of an increase	222,108	305,445	222,108	305,445
	In case of a decrease	(222,108)	(305,445)	(222,108)	(305,445)
EUR/KRW	In case of an increase	-	(425)	-	(425)
	In case of a decrease	-	425	-	425

The sensitivity analysis mentioned above was conducted on currency-denominated assets and liabilities, other than the functional currency, as of the end of the reporting period.

(2) Price Risk

The Company is not exposed to price risk as it does not hold any equity securities on its statement of financial position.

4.1.2 Credit Risk

(1) Risk Management

Credit risk is managed at the Company-wide level. It encompasses not only the credit risk associated with trade receivables, including those from wholesale and retail customers, but also cash and cash equivalents, contractual cash flows of financial liabilities, favorable derivative instruments, and financial institution deposits.

Financial institutions such as banks have limited credit risk as the Company deals with institutions with excellent credit ratings. General counterparties' creditworthiness is evaluated based on factors such as their financial condition and past experience. Individual risk limits are determined based on internally or externally assigned credit ratings, and the utilization of credit limits is periodically reviewed.

All debt instruments held by the Company correspond to low credit risk. Their credit ratings are monitored to assess any potential decline in credit risk.

① Exposure to Credit Risk

The book value of financial assets represents the maximum exposure to credit risk. The exposure to credit risk at the end of the current and previous period is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cash and cash equivalents (*)	33,857,564	31,761,721
Trade receivables	47,615,537	40,603,999
Other financial assets	258,557,966	196,131,690
Derivative assets	58,654	313,011
Total	340,089,721	268,810,421

(*) The cash held by the Company, which is not deposited with financial institutions, is not exposed to credit risk. Therefore, it has been excluded from the exposure amount to credit risk.

(2) Credit Enhancement

For certain trade receivables, the Company has obtained credit enhancements, such as guarantees or credit insurance, that allow for the demand for performance in case of contract default.

(3) Impairment of Financial Assets

The Company holds the following financial assets that are subject to expected credit loss models:

- Trade receivables arising from the provision of goods or services
- Other financial assets measured at amortized cost

Cash and cash equivalents are also subject to impairment regulations, but no significant expected credit losses have been identified.

① Trade Receivables

The Company applies a simplified approach to recognize the loss allowance for trade receivables, considering the expected credit losses for the entire period.

Trade receivables are classified based on their credit risk characteristics and days past due to measure the expected credit losses. The expected credit loss rate is derived from payment information and confirmed credit loss data related to sales for the preceding 36 months from the end of the reporting period.

The loss allowance for trade receivables as of the end of the current and previous periods is as follows:

(Unit: KRW 1,000)

Classification	Contractual cash flows					Total
	Within 3 months	Within 6 months	Within 9 months	Within 12 months	More than 12 months	
December 31, 2024 (end of current period)						
Total book value - Accounts receivable	46,760,896	1,044,353	6,615	-	-	47,811,864
Loss allowance	189,933	6,394	-	-	-	196,327

(Unit: KRW 1,000)

Classification	Contractual cash flows					Total
	Within 3 months	Within 6 months	Within 9 months	Within 12 months	More than 12 months	
December 31, 2022 (end of previous period)						
Total book value - Accounts receivable	38,207,792	2,506,869	-	-	-	40,714,661
Loss allowance	104,418	6,244	-	-	-	110,662

The changes in the loss allowance for trade receivables during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	Trade receivables	
	The 30th (Current) period	The 29th (Previous) period
Beginning of period	110,662	32,507
Target	85,665	78,155
Write-off, etc.	-	-
End of period	196,327	110,662

The impairment of trade receivables is presented as a net allowance for bad debt expenses on the income statement. Trade receivables and contract assets are written off when it is determined that the collection cannot be reasonably expected. The subsequent recovery of written-off amounts is recognized as a reduction in the same account.

② Other Financial Assets Measured at Amortized Cost

Other financial assets measured at amortized cost include employee loans, short-term financial instruments, lease deposits, and other outstanding amounts.

Other financial assets are also subject to impairment regulations, but no significant expected credit losses have been identified. All other financial assets measured at amortized cost are considered to have low credit risk. Financial instruments are considered to have low credit risk if there is a low risk of default and the issuer has sufficient capacity to make contractual cash flows within a short period.

(4) Financial assets measured at fair value through profits and losses for the current period

The Company is also exposed to credit risk related to financial assets measured at fair value through the current period's profit or loss.

4.1.3 Liquidity Risk

The Company's financial planning team constantly reviews liquidity forecasts to ensure the fulfillment of operational funding requirements. When estimating liquidity, the Company considers factors such as its funding plans, compliance with agreements, internal target financial ratios, and external regulations or legal requirements related to currency.

(1) Maturity Analysis

In the liquidity risk analysis, the Company classifies the following financial liabilities based on their contractual maturities:

① All non-derivative financial liabilities

② If contractual maturities among net and total payment derivatives are needed to understand the timing of cash flows

The fair value of the Company's derivative liabilities for trading is included in the category of maturities less than one year, amounting to KRW 845,528,000 (KRW 6,714,000 in the previous period). These derivatives are managed based on net fair value, and their contractual maturities are not necessary to understand the timing of cash flows.

Furthermore, as of the end of the current period, the Company has neither received nor provided any collateral or guarantees.

(Unit: KRW 1,000)

The 30th (Current) period	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total	Book Value
Non-derivatives						
Trade payables	9,684,229	-	-	-	9,684,229	9,684,229
Other current financial liabilities	17,123,745	-	-	-	17,123,745	17,123,745
Lease liabilities	379,123	264,051	179,031	-	822,205	648,761
Total non-derivatives	27,187,097	264,051	179,031	-	27,630,179	27,456,735
Derivatives						
Derivatives for trading	845,528	-	-	-	845,528	845,528
Total derivatives	845,528	-	-	-	845,528	845,528

(Unit: KRW 1,000)

The 29th (Previous) period	Less than 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total	Book Value
Non-derivatives						
Trade payables	6,085,300	-	-	-	6,085,300	6,085,300
Other current financial liabilities	16,002,534	-	-	-	16,002,534	16,002,534
Lease liabilities	284,122	263,925	204,737	-	752,784	700,388
Total non-derivatives	22,371,956	263,925	204,737	-	22,840,618	22,788,222
Derivatives						
Derivatives for trading	6,714	-	-	-	6,714	6,714
Total derivatives	6,714	-	-	-	6,714	6,714

4.2 Capital Risk Management

The purpose of equity management by the Company is to protect the capacity for continuous provision of profit for shareholders and stakeholders with going concern and to maintain the optimal capital structure for reducing equity expense. Accordingly, the Company aims to minimize borrowings and manage its capital structure by adjusting dividend payments to shareholders.

The Company manages its capital based on the gearing ratio. The gearing ratio is calculated by dividing net debt by total capital. Net liability is the amount obtained by deducting cash and cash equivalents from total borrowings (this includes short-term and long-term borrowings in the statement of financial position), and total equity is the amount obtained by adding net liability to 'equity' in the statement of financial position.

It should be noted that the Company did not disclose the gearing ratio as there were no borrowings as of the end of the current and previous periods.

5. Fair Value

There are no significant fluctuations in the business environment and economic conditions that affect the fair value of the Company's financial assets and financial liabilities during the current period.

5.1 Fair Value by Type of Financial Instruments

The book value and fair value of current financial products as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period		The 29th (Previous) period	
	Book Value	Fair Value	Book Value	Fair Value
Financial assets (*1)				
Cash and cash equivalents	33,858,787	(*3)	31,762,843	(*3)
Derivatives financial assets	58,654	58,654	313,011	313,011
Trade receivables	47,615,537	(*3)	40,603,999	(*3)
Other current financial assets	254,408,263	(*3)	195,300,810	(*3)
Other non-current financial assets	4,149,703	(*3)	830,880	(*3)
Total	340,090,944	58,654	268,811,543	313,011
Financial liabilities (*2)				
Derivative financial liabilities	845,528	845,528	6,714	6,714
Trade payables	9,684,229	(*3)	6,085,300	(*3)
Other current financial liabilities	17,123,745	(*3)	16,002,534	(*3)
Lease liabilities	648,761	(*3)	700,388	(*3)
Total	28,302,263	845,528	22,794,936	6,714

(*1) Financial assets, excluding derivative financial assets, are measured at amortized cost.

(*2) Financial liabilities, excluding derivative financial liabilities, are measured at amortized cost.
(*3) The Company has excluded the book values from fair value disclosure as they reasonably approximate fair value.

5.2 Hierarchy of Fair Value

The Company classifies financial instruments measured at fair value into three levels defined in the reference standard, to provide information about the reliability of input variables used in determining fair value. Financial products measured at fair value are classified according to the fair value hierarchy, and the defined levels are as follows:

- Unadjusted quoted price in an active market accessible to the same asset or liability at the date of measurement (Level 1)
- Directly or indirectly observable inputs for an asset or liability other than the level 1 quoted price (Level 2)
- Unobservable inputs for an asset or liability (Level 3)

The classification of assets and liabilities measured at fair value into the fair value hierarchy as of the end of the current and previous period is as follows:

(Unit: KRW 1,000)

Classification		The 30th (Current) period			
		Level 1	Level 2	Level 3	Total
Asset	Financial assets				
	Derivatives financial assets	-	58,654	-	58,654
Liabilities	Financial liabilities				
	Derivative financial liabilities	-	845,528	-	845,528

(Unit: KRW 1,000)

Classification		The 29th (Previous) period			
		Level 1	Level 2	Level 3	Total
Asset	Financial assets				
	Derivatives financial assets	-	313,011	-	313,011
Liabilities	Financial liabilities				
	Derivative financial liabilities	-	6,714	-	6,714

5.3 Valuation Methods and Input Variables

At the end of the current period, the Company is using the following valuation methods and input variables for the recurring fair value measurements classified as Level 2 in the fair value hierarchy.

(Unit: KRW 1,000)

Classification	Fair Value	Level	Valuation technique	Input variable
Financial assets measured at fair value through profits and losses for the current period				
Derivatives financial assets	58,654	2	Present value method	Interest rate, etc.
Financial liabilities measured at fair value through profits and losses for the current period				
Derivative financial liabilities	845,528	2	Present value method	Interest rate, etc.

6. Categorized Financial Instruments

(1) The categorization of the Company's financial instruments by category as of the end of the current and previous period is as follows:

(Unit: KRW 1,000)

Assets on the statement of financial position	The 30th (Current) period	The 29th (Previous) period
Financial assets measured at amortized cost		
Cash and cash equivalents	33,858,787	31,762,843
Trade receivables	47,615,537	40,603,999
Other financial assets	258,557,966	196,131,690
Financial assets measured at fair value through profits and losses for the current period		
Derivatives financial assets	58,654	313,011
Total	340,090,944	268,811,543

(Unit: KRW 1,000)

Liabilities on the statement of financial position	The 30th (Current) period	The 29th (Previous) period
Financial liabilities measured at amortized cost		
Trade payables	9,684,229	6,085,300
Other current financial liabilities	17,123,745	16,002,534
Lease liabilities	648,761	700,388
Financial liabilities measured at fair value through profits and losses for the current period		
Derivative financial liabilities	845,528	6,714
Total	28,302,263	22,794,936

(2) The Company's categorized profit and loss of financial instruments during the current and previous period is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Financial assets measured at amortized cost		
Profit from interest	9,277,349	8,923,773
Bad debt expenses	(85,665)	(78,155)
Profit and loss on foreign currency exchange	2,568,796	549,190
Foreign currency transaction profit and loss	1,426,899	(543,229)
Financial assets measured at fair value through profit or loss for the current period / Liabilities		
Valuation profit and loss	(786,874)	306,297
Profit and Loss of Disposal	(2,403,735)	(1,045,067)
Financial liabilities measured at amortized cost		
Profit and loss on foreign currency exchange	(11,984)	331,826
Foreign currency transaction profit and loss	(152,197)	(40,503)
Interest expense	(31,971)	(27,594)

7. Cash and cash equivalents

(1) The Company's Cash and cash equivalents as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cash in hand	1,224	1,122
Bank deposit	33,857,564	31,761,721
Total	33,858,788	31,762,843

(2) At the end of the current period, there are no restricted cash and cash equivalents.

8. Trade Receivable and Other Financial Assets

(1) The details of the Company's trade receivables and loss allowance as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Trade receivables	47,811,864	40,714,661
Loss allowance	(196,327)	(110,662)
Trade receivables (net amount)	47,615,537	40,603,999

Trade receivables represent the amounts customers owe for goods or services sold in the normal course of business. Generally, these amounts are expected to be settled within 1-2 months, and if no separate agreement exists, they are classified as current assets. When initially recognized, if trade receivables do not contain significant financing elements, they are measured at the transaction price, which is considered fair value.
The Company holds trade receivables to collect cash flows per contractual agreements, and therefore, they are measured at amortized cost.

At the end of the current period, the Company does not have any collateral held against trade receivables.

(2) Other financial assets

(Unit: KRW 1,000)

Classification	The 30th (Current) period			The 29th (Previous) period		
	Current	Non-current	Total	Current	Non-current	Total
Short-term financial instruments	251,000,000	-	251,000,000	190,000,000	-	190,000,000
Loans	426,257	1,027,734	1,453,991	256,773	337,533	595,306
Outstanding amount	13,150	-	13,150	56,437	-	56,437
Accrued income	2,494,595	-	2,494,595	2,020,228	-	2,020,228
Deposits	474,261	3,121,969	3,596,230	2,967,372	492,347	3,459,719
Total	254,408,263	4,149,703	258,557,966	195,300,810	830,880	196,131,690

(3) Impairment
Note 4.1.2 explains the impairment and the Company's credit risk related to trade receivables and other financial assets.

9. Derivatives

(1) The details of the Company's derivatives as of the end of the current and previous period are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period		The 29th (Previous) period	
	Asset	Liabilities	Asset	Liabilities
Currency forwards	58,654	845,528	313,011	6,714

(2) The Company has entered into currency forward contracts to avoid risks associated with fluctuations in the USD, JPY, and CNY exchange rates. As of the end date of the reporting period, the outstanding currency forward contracts are as follows:

(Unit: KRW 1000, USD, JPY, CNY)

Banks being Used	Maturity	Currency	Contract Amount	Agreed Exchange Rate	Market Value
Mizuho Bank	January 24, 2025	CNY	1,771,508	189.07	(21,429,693)
	February 10, 2025	CNY	1,172,897	193.76	(8,650,029)
	April 4, 2025	CNY	90,600	196.35	(423,972)
	April 10, 2025	CNY	162,220	200.05	(164,326)
	January 20, 2025	JPY	116,213,161	9.02	42,276,958
	January 10, 2025	USD	902,024	1,363.92	(95,335,665)
	January 20, 2025	USD	1,195,900	1,373.52	(114,254,783)
	January 3, 2025	USD	322,810	1,396.88	(23,597,926)
	February 10, 2025	USD	1,315,780	1,394.13	(97,042,175)
	January 15, 2025	USD	254,423	1,392.36	(19,591,304)
	January 24, 2025	USD	651,961	1,391.76	(50,273,934)
	January 10, 2025	USD	414,900	1,430.75	(16,146,732)
	February 10, 2025	USD	304,299	1,428.95	(11,884,951)
	March 10, 2025	USD	739,130	1,427.20	(28,860,787)
	January 20, 2025	USD	733,350	1,462.30	(5,067,411)
	February 14, 2025	USD	50,624	1,461.45	(326,249)
	February 20, 2025	USD	371,750	1,461.06	(2,412,935)
Shinhan Bank	February 25, 2025	CNY	528,000	193.55	(3,990,972)
	March 25, 2025	CNY	480,000	195.30	(2,760,759)
	January 20, 2025	JPY	63,374,496	9.13	16,376,586
	January 15, 2025	USD	371,754	1,376.78	(34,500,088)
	January 20, 2025	USD	288,968	1,394.50	(21,643,533)
	February 14, 2025	USD	634,830	1,392.80	(47,677,898)
	February 20, 2025	USD	787,820	1,392.41	(59,153,024)
	January 3, 2025	USD	418,005	1,417.62	(21,955,361)

Banks being Used	Maturity	Currency	Contract Amount	Agreed Exchange Rate	Market Value
	January 10, 2025	USD	339,950	1,417.20	(17,884,806)
	February 5, 2025	USD	1,068,366	1,415.60	(56,555,867)
	March 5, 2025	USD	1,189,040	1,413.50	(63,202,634)
	January 20, 2025	USD	292,970	1,449.15	(5,966,674)
	February 14, 2025	USD	501,762	1,447.48	(10,362,507)
	March 20, 2025	USD	212,600	1,445.09	(4,410,979)
Total		USD	13,363,016		(808,108,223)
		CNY	4,205,225		(37,419,751)
		JPY	179,587,657		58,653,544

10. Other current assets

The details of the Company's other current assets as of the end of the current and previous terms are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Advance payments	88,170	187,948
Prepaid VAT	909,777	413,583
Total	997,947	601,531

11. Inventory

(1) The details of the Company's inventory assets as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Goods	379,812	351,290
Allowance for goods valuation loss	(90,817)	(272,451)
Product	12,741,602	16,126,597
Allowance for products valuation loss	(1,006,825)	(609,437)
Work in process	36,550,875	35,564,160
Allowance for work in process valuation loss	(1,800,502)	(889,560)
Raw Materials	17,692,685	11,823,783
Allowance for raw materials valuation loss	(234,833)	(243,511)
Stored materials	4,371,960	4,227,233
Allowance for stored materials valuation loss	(648,803)	(421,443)
Goods to arrive	863,624	254,254
Total	68,818,778	65,910,915

(2) The cost of inventories perceived as an expense during the current term and included under 'cost of sales' was KRW 165,189,036,000 (Previous term: KRW 130,074,364,000)

(3) The details of valuation losses (reversals) and losses on disposal recognized concerning inventory assets during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cost of sales		
Inventory valuation loss (reversal)	1,345,378	1,038,022
Loss on disposals of inventories	5,051,685	3,608,379

12. Tangible asset

(1) The details of the Company's tangible assets as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Acquisition cost	23,526,117	50,013,436	9,208,806	145,046,683	107,799	1,590,836	5,087,687	37,113,320	271,694,684
Accumulated depreciation	-	(7,689,156)	(6,448,921)	(101,971,155)	(33,436)	(1,242,031)	(4,271,519)	-	(121,656,218)
Profit from government grants	-	-	-	(6,054)	(9,100)	(1,318)	-	-	(16,472)
Net Book Value	23,526,117	42,324,280	2,759,885	43,069,474	65,263	347,487	816,168	37,113,320	150,021,994

(Unit: KRW 1,000)

The 29th (Previous) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Acquisition cost	23,551,563	50,123,567	9,010,845	138,547,815	82,000	1,624,010	4,989,387	37,585,011	265,514,198
Accumulated depreciation	-	(6,461,995)	(5,548,373)	(91,178,329)	(36,805)	(1,180,130)	(3,878,744)	-	(108,284,376)
Profit from government grants	-	-	-	(20,998)	-	(2,695)	-	-	(23,693)
Net Book Value	23,551,563	43,661,572	3,462,472	47,348,488	45,195	441,185	1,110,643	37,585,011	157,206,129

(2) Changes in the Company's tangible assets during the current period and the previous period are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Net Book Value (Beginning of Period)	23,551,563	43,661,572	3,462,472	47,348,488	45,195	441,185	1,110,643	37,585,011	157,206,129
Acquisition	-	-	197,962	2,308,052	37,058	-	176,472	4,678,639	7,398,183
Disposal	(25,446)	(84,434)	-	(1,772)	-	-	(2,276)	-	(113,928)
Replacement cost (*)	-	-	-	4,834,426	-	-	48,600	(5,150,330)	(267,304)
Depreciation expenses	-	(1,252,858)	(900,549)	(11,419,720)	(16,990)	(93,698)	(517,271)	-	(14,201,086)
Net Book Value (End of Period)	23,526,117	42,324,280	2,759,885	43,069,474	65,263	347,487	816,168	37,113,320	150,021,994

(*) This includes the amount of replacements for assets under construction in the main accounts and other accounts.

(Unit: KRW 1,000)

The 29th (Previous) period	Land	Building	Structure	Machinery	Vehicles and transportation equipment	Tools	Office equipment	Asset under construction	Total
Net Book Value (Beginning of Period)	12,741,765	31,677,832	3,789,242	49,038,987	57,244	539,119	1,449,692	29,591,997	128,885,878
Acquisition	809,798	9,235,073	555,800	6,339,068	-	-	155,573	25,929,581	43,024,893
Disposal	-	-	-	(21,583)	-	-	(482)	(111,357)	(133,422)
Replacement cost	10,000,000	3,824,085	-	3,539,163	-	-	35,656	(17,825,210)	(426,306)
Depreciation expenses	-	(1,075,418)	(882,570)	(11,547,147)	(12,049)	(97,934)	(529,796)	-	(14,144,914)
Net Book Value (End of Period)	23,551,563	43,661,572	3,462,472	47,348,488	45,195	441,185	1,110,643	37,585,011	157,206,129

(*) This includes the amount of replacements for assets under construction in the main accounts and other accounts.

(3) The depreciation expense recognized by the Company during the current and previous periods is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cost of sales	12,886,318	12,852,103
Selling general administrative expenses (*)	1,314,768	1,292,811
Total	14,201,086	14,144,914

(*) The depreciation expense recognized as current ordinary research and development expenses is KRW 738,942,000 (previous period: KRW 707,945,000).

13. Lease

The information regarding leases when the Company is the lessee is as follows:

(1) Amounts Recognized on the statement of financial position

The details of the right-of-use assets and lease liabilities recognized on the statement of financial position related to leases are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Right-of-use assets		
Real estate	181,197	77,886
Vehicles and transportation equipment	579,652	667,410
Total	760,849	745,296

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Current	313,675	255,645
Non-current	335,086	444,743
Total	648,761	700,388

(2) Amounts Recognized on the Statement of Comprehensive Income

The key items recognized on the statement of comprehensive income related to leases are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Depreciation expense of the right-of-use asset		
Real estate	146,667	251,268
Vehicles and transportation equipment	322,809	272,495
Total	469,476	523,763
Interest expense (included in finance costs) related to lease liabilities	31,971	27,594
Short-term, small lease payments	107,209	50,417

The cash outflow (financing activities) due to principal repayments related to lease liabilities during the current period amounted to KRW 286,677,000 (previous period: KRW 308,706,000), and the cash outflow (operating activities) for interest expenses amounted to KRW 31,971,000 (previous period: KRW 27,594,000).

(3) The changes in the right-of-use assets during the current and previous periods are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Acquisition cost	Accumulated depreciation	Book value
Beginning of period	1,221,086	(475,790)	745,296
Acquisition of right-of-use asset	485,029	-	485,029
Depreciation expenses	-	(469,476)	(469,476)
Derecognition of the right-of-use asset	(293,578)	293,578	-
End of period	1,412,537	(651,688)	760,849

(Unit: KRW 1,000)

The 29th (Previous) period	Acquisition cost	Accumulated depreciation	Book value
Beginning of period	758,924	(351,947)	406,977
Acquisition of right-of-use asset	956,869	-	956,869
Depreciation expenses	-	(523,763)	(523,763)
Derecognition of the right-of-use asset	(494,707)	399,920	(94,787)
End of period	1,221,086	(475,790)	745,296

14. Intangible assets

(1) The details of the Company's intangible assets as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Patents	Software	Facility usufruct (*)	Exclusive license	Total
Acquisition cost	960,794	3,187,791	1,754,097	52,633	5,955,315
Accumulated depreciation	(325,623)	(2,545,894)	-	(52,633)	(2,924,150)
Accumulated impairment loss	-	-	(628,817)	-	(628,817)
Profit from government grants	(3,842)	-	-	-	(3,842)
Net Book Value	631,329	641,897	1,125,280	-	2,398,506

(Unit: KRW 1,000)

The 29th (Previous) period	Patents	Software	Facility usufruct (*)	Exclusive license	Total
Acquisition cost	829,862	3,121,321	1,373,799	52,633	5,377,615
Accumulated depreciation	(271,112)	(2,286,668)	-	(52,633)	(2,610,413)
Accumulated impairment loss	-	-	(587,667)	-	(587,667)
Profit from government grants	(4,922)	-	-	-	(4,922)
Net Book Value	553,828	834,653	786,132	-	2,174,613

(*) As there are no predictable constraints on the period during which the Company can utilize the membership rights it holds, and the duration of use is considered indefinite, no depreciation is recognized for this item.

(2) Changes in the Company's intangible assets during the current period and the previous period are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Patents	Software	Facility usufruct	Total
Net Book Value (Beginning of Period)	553,828	834,653	786,132	2,174,613
Acquisition	35,182	18,499	380,298	433,979
Disposal	(19,642)	-	-	(19,642)
Replacement cost	144,116	108,270	-	252,386
Depreciation expenses	(82,155)	(319,525)	-	(401,680)
Impairment loss	-	-	(41,150)	(41,150)
Net Book Value (End of Period)	631,329	641,897	1,125,280	2,398,506

(Unit: KRW 1,000)

The 29th (Previous) period	Patents	Software	Facility usufruct	Total
Net Book Value (Beginning of Period)	298,650	858,451	684,632	1,841,733
Acquisition	319,999	189,750	-	509,749
Disposal	(2,083)	-	-	(2,083)
Replacement cost	-	137,448	-	137,448
Depreciation expenses	(62,738)	(350,996)	-	(419,734)
Impairment loss	-	-	101,500	101,500
Net Book Value (End of Period)	553,828	834,653	786,132	2,174,613

(3) The amortization of intangible assets recognized by the Company during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cost of sales	133,654	134,412
Selling general administrative expenses (*)	258,026	279,322
Total	401,680	413,734

(*) The amortization of intangible assets recognized as current ordinary research and development expenses is KRW 82,236,000 (previous period: KRW 62,876,000).

(4) The ordinary research and development expenses recognized as expenses are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Selling general administrative expenses	5,210,681	8,997,723

15. Other current financial liabilities

The details of the Company's other current financial liabilities as of the end of the current and previous terms are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Accrued payable	4,473,196	3,957,300
Accrued expense	12,650,549	12,045,234
Total	17,123,745	16,002,534

16. Other current liabilities

The details of the Company's other current liabilities as of the end of the current and previous terms are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Deposit	716,181	340,433
Advance payment	287,938	291,737
Total	1,004,119	632,170

17. Provisions

(1) Changes in the Company's provisions during the current period and the previous period are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period					The 29th (Previous) period				
	Current			Non-current	Total	Current			Non-current	Total
	Provisions for annual leave	Sales warranty provision	Emission permits provision	Short-term Employee Compensation Provisions		Provisions for annual leave	Sales warranty provision	Emission permits provision	Short-term Employee Compensation Provisions	
Beginning balance	801,962	379,266	-	1,609,536	2,790,764	832,856	438,221	-	1,228,967	2,500,044
Transferred-in amount (reversals)	222,640	245,983	12,001	904,797	1,385,421	(30,894)	43,444	-	380,569	393,119
Used amount	(22,144)	(325,619)	-	(159,451)	(507,214)	-	(102,399)	-	-	(102,399)
Balance on December 31	1,002,458	299,630	12,001	2,354,882	3,668,971	801,962	379,266	-	1,609,536	2,790,764

(2) Greenhouse Gas Emission Permits

① Emission Permits

The Company has participated in the emission allowance allocation and trading scheme since 2023. As of the end of the current and previous years, no emission permits were provided as collateral. The quantity of emission allowances allocated at no cost for the third planning period is as follows.

(Unit: ton(tCO2-eq)

Classification	For the year 2023	For the year 2024	For the year 2025	Total
Emission permits allocated at no cost	32,948	32,639	32,639	98,226

② The increase and decrease in emission permits and book value during the current and previous periods are as follows:

<Current Period>

(Unit: ton (tCO2-eq, KRW 1,000)

Division	For 2023		For 2024		For 2025		Total	
	Quantity	Book Value	Quantity	Book Value	Quantity	Book Value	Quantity	Book Value
Basic and Free Allocation	32,948	-	65,587	-	65,820	-	164,355	-
Purchase (Sale)	-	-	(91)	-	-	-	(91)	-
Government Submission	-	-	(32,586)	-	-	-	(32,586)	-
Borrowing (Carryover)	-	-	271	-	-	-	271	-
End of Period	32,948	-	33,181	-	65,820	-	131,949	-

<Previous Period>

(Unit: ton (tCO2-eq, KRW 1,000)

Division	For 2023		For 2024		For 2025		Total	
	Quantity	Book Value	Quantity	Book Value	Quantity	Book Value	Quantity	Book Value
Basic and Free Allocation	32,948	-	65,587	-	98,226	-	196,761	-
Purchase (Sale)		-	-	-	-	-	-	-
Government Submission		-	-	-	-	-	-	-
Borrowing (Carryover)	-	-	-	-	-	-	-	-
End of Period	32,948	-	65,587	-	98,226	-	196,761	-

③ Emissions Liabilities

The company estimates that it will emit 1,265 tons of carbon dioxide in the current period.

18. Retirement Benefits and Other Employee Benefits

18.1 Defined Contribution System

The amount recognized as an expense related to the defined contribution system for the current period is KRW 2,351,608,000 (previous period: KRW 1,959,136,000).

18.2 Other Long/Short-Term Employee Benefits Liability

Short-term employee benefits liability represents the amounts recognized for services rendered during the current period in accordance with the accrued annual paid leave system. Other long-term employee benefits liability represents the amounts expected to be paid in relation to long-term paid leave expenses based on the length of service for long-serving employees.

Other long/short-term employee benefits liability as of the end of the current and previous periods is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Short-term employee benefits liability	1,002,458	801,962
Other long-term employee benefits liability	2,354,882	1,609,536
Total	3,357,340	2,411,498

19. Equity capital

The information on the Company's equity capital as of the end of the current and previous terms is as follows:

Classification	The 30th (Current) period	The 29th (Previous) period
Number of authorized stocks	24,000,000 shares	24,000,000 shares
Total Issued Shares	11,675,000 shares	11,675,000 shares
Face Value per Share	KRW 500	KRW 500
Equity capital	KRW 5,837,500,000	KRW 5,837,500,000

20. Capital Surplus and Other Components of Equity

The details of the Company's capital surplus and other components of equity as of the end of the current and previous terms are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Capital surplus		
Pain-in capital in excess of par value	6,035,002	6,035,002
Other capital components		
Profit on disposal of treasury shares	232,539	232,539
Other capital surpluses	630	630
Total	6,268,171	6,268,171

21. Retained earnings

(1) The details of the Company's retained earnings as of the end of the current period and the end of the previous period is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 27th (Previous) period
Statutory reserves (*)	2,918,750	2,918,750
Discretionary reserves	12,959,454	11,558,453
Unappropriated earned surplus	488,270,874	431,687,838
Total	504,149,078	446,165,041

(*) Under the Commercial Act, the legal reserve is required to be accumulated by a Company until it reaches 50% of the equity capital, and each fiscal year, at least 10% of the profit distributed in cash dividends should be allocated to the legal reserve. The retained earnings cannot be distributed in cash and can only be used for the preservation of carried forward losses and capital transfers, subject to resolution at a general meeting of shareholders. As of the end of the reporting period, the Company's retained earnings have reached 50% of the paid-in capital, so there is no obligation to make additional appropriations.

(2) The details of the Company's statement of appropriation of retained earnings for the current and previous periods are as follows:

(Unit: KRW)

Account	The 30th (Current) period (Expected disposal date: March 28, 2025)		The 29th (Previous) period (Disposal confirmation date: March 29, 2024)	
Unappropriated earned surplus		488,270,874,158		431,687,837,588
Unappropriated retained earnings carried forward from previous period	416,276,837,588		370,443,270,925	
Current net income	71,994,036,570		61,244,566,663	
Appropriated amount of earned surplus		18,107,925,000		15,411,000,000
Surplus reserve	1,646,175,000		1,401,000,000	
Cash dividends (dividend per share (%)): Common Share: Current period: KRW 1,410 (282%) Previous period: KRW 1,200 (240%)	16,461,750,000		14,010,000,000	
Unappropriated retained earnings carried forward to the next period		470,162,949,158		416,276,837,588

22. Revenue and Contract Assets and Liabilities arising from Customer Contracts

22.1 Revenues arising from Customer Contracts

(1) The Company recognized the following amounts related to revenue in the statement of comprehensive income.

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Revenues arising from Customer Contracts	275,724,843	226,652,882

(2) Types of Revenue Arising from Customer Contracts

The Company generates revenue by transferring control of goods or services over time or at a specific time.

(Unit: KRW 1,000)

The 30th (Current) period	Single Section				Total
	Domestic	United States	China	Others	
Revenue Recognition Timing					
Recognized at a specific period	104,195,313	101,627,775	63,849,467	5,974,092	275,646,647
Recognized over a period	-	4,313	12,621	61,262	78,196
Total	104,195,313	101,632,088	63,862,088	6,035,354	275,724,843

(Unit: KRW 1,000)

The 29th (Previous) period	Single Section				Total
	Domestic	United States	China	Others	
Revenue Recognition Timing					
Recognized at a specific period	101,042,429	61,903,863	57,877,172	5,726,041	226,549,505
Recognized over a period	-	18,078	52,769	32,530	103,377
Total	101,042,429	61,921,941	57,929,941	5,758,571	226,652,882

22.2 Assets and Liabilities Related to Customer Contracts

(1) The Company does not have any recognized contract assets, and the contract liabilities are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Contract liability - Delivery of goods	276,107	281,672

(2) Recognized Profit Related to Contract Liabilities

The amount of revenue recognized during the current period related to contract liabilities carried forward from the previous period and performance obligations satisfied (or partially satisfied) in prior reporting periods is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Revenue recognized during the current period from the opening balance of contract liabilities		
Delivery of goods	281,672	729,007

23. Selling and Administrative Expenses and Bad Debt Expenses

The details of the Company's selling and administrative expenses and bad debt expenses during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Compensation	5,404,314	4,925,419
Retirement benefits	365,485	356,539
Welfare benefits	431,288	315,415
Traveling expenses	253,708	238,663
Entertainment expenses	208,936	174,030
Water, electricity, and heating expenses	304,398	293,013
Taxes and utilities	484,877	427,259
Depreciation expenses	575,826	584,866
Business rights depreciation cost	330,119	326,581
Repair and maintenance expenses	77,665	-
Insurance premiums	496,533	623,063
Vehicle maintenance expenses	62,307	101,126
Ordinary R&D expenses	5,210,681	8,997,723
Transportation expenses	224,153	185,218
Consumables expenses	77,224	43,651
Commission Paid	7,494,804	6,628,785
Advertising expenses	75,451	50,706
IT operations expenses	227,052	268,783
Amortization of intangible assets	185,790	216,446
Sales warranty expenses	333,847	43,444
Bad debt expenses	85,665	78,155
Others	480,698	350,274
Total	23,390,821	25,229,159

24. Classification of Expenses by Characteristics

The details of the Company's classification of expenses by characteristics in the statement of comprehensive income for the current and previous periods are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Cost of sales	Selling and Administrative Expenses	Total
Change in inventory assets	(11,170,237)	-	(11,170,237)
Purchases of raw materials and goods	38,024,938	-	38,024,938
Employee benefits	32,479,939	7,564,150	40,044,089
Welfare benefits	2,062,698	520,704	2,583,402
Depreciation expenses and amortization of intangible assets	13,019,972	1,582,794	14,602,766
Business rights depreciation cost	126,470	343,006	469,476
Consumables expenses	34,330,793	679,756	35,010,549
Commission Paid	1,645,425	7,752,299	9,397,724
Outsourcing expenses	39,566,177	123,386	39,689,563
Water, electricity, and heating expenses	12,059,421	533,744	12,593,165
Other expenses	9,440,502	4,290,982	13,731,484
Total	171,586,098	23,390,821	194,976,919

(Unit: KRW 1,000)

The 29th (Previous) period	Cost of sales	Selling and Administrative Expenses	Total
Change in inventory assets	(26,605,748)	-	(26,605,748)
Purchases of raw materials and goods	35,406,997	-	35,406,997
Employee benefits	22,408,068	6,731,813	29,139,881
Welfare benefits	1,769,329	397,770	2,167,099
Depreciation expenses and amortization of intangible assets	12,986,515	1,572,133	14,558,648
Business rights depreciation cost	163,962	359,801	523,763
Consumables expenses	34,444,721	4,614,191	39,058,912
Commission Paid	1,519,223	6,943,784	8,463,007
Outsourcing expenses	33,011,038	66,428	33,077,466
Water, electricity, and heating expenses	10,410,663	750,886	11,161,549
Other expenses	9,205,997	3,792,353	12,998,350
Total	134,720,765	25,229,159	159,949,924

25. Employee benefits

The details of employee benefits incurred during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Compensation	36,787,685	26,800,176
Retirement benefits	2,351,608	1,959,136
Long-term employee benefits	904,797	380,569
Total	40,044,090	29,139,881

26. Other revenues and expenses

(1) Details of the Company's other revenues during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Profit on exchange	3,871,466	2,613,129
Profit on foreign currency transaction	1,427,817	46,751
Profit on derivatives transactions	58,654	313,011
Profit on valuation of derivatives	516,596	946,867
Profit on disposition of tangible assets	32,085	9,162
Reversal of intangible asset impairment loss	5,350	159,000
Miscellaneous income	176,612	57,490
Total	6,088,580	4,145,410

(2) Details of the Company's other expenses during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Loss on foreign exchange	1,314,654	1,732,113
Loss on foreign exchange translations	153,114	630,483
Loss from derivative transactions	845,528	6,714
Loss on valuation of derivatives	2,920,331	1,991,934
Loss on disposition of intangible assets	-	2,083
Intangible asset impairment loss	46,500	57,500
Donations	50,000	50,000
Loss on disposals of tangible assets	4,048	22,065
Loss on disposals of intangible assets	19,642	-
Miscellaneous losses	1,848	432
Total	5,355,665	4,493,324

27. Financial income and financial expense

(1) Details of the Company's financial income during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Profit from interest	9,277,349	8,923,773

(2) Details of the Company's financial expenses during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Interest expense	31,971	27,594

28. Corporate income tax expense

(1) Details of the Company's corporate income tax expenses during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Current Corporate Income Tax		
Current income tax expense for the current period's profit or loss	20,455,296	15,906,939
Adjustments for corporate income tax from prior periods	(1,346,248)	(4,531,390)
Total current corporate income tax	19,109,048	11,375,549
Deferred Income Tax		
Increase/decrease in temporary differences	(376,869)	2,631,109
Corporate income tax expense	18,732,179	14,006,658

(2) The difference between the theoretically calculated amount based on the corporate tax expense applied to the profit before tax for the current and previous periods and the actual corporate income tax expense and profit of the Company, using the weighted average tax rate, is as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Profit before tax	90,726,216	75,251,224
Income tax expense in pursuant to the appli cable tax rate	20,505,430	16,930,595
Corporate tax effect:		
- Tax-free income	(9,583)	(3,967)
- Non-deductible expenses	48,103	31,938
- Adjustments for corporate income tax from prior periods	(1,346,248)	(4,531,390)

Classification	The 30th (Current) period	The 29th (Previous) period
- Tax deduction	(121,227)	664,567
- Others	(344,296)	914,915
Adjustments for the current period	(1,773,251)	(2,923,937)
Corporate income tax expense	18,732,179	14,006,658
Effective tax rate	20.65%	18.61%

(3) The details of the Company's deferred income tax as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Deferred income tax assets		
Deferred income tax assets to be paid after 12 months	695,223	511,674
Deferred income tax assets to be paid within 12 months	1,198,120	902,406
Sub-total	1,893,343	1,414,080
Deferred income tax liabilities		
Deferred income tax liabilities to be paid after 12 months	(680,388)	(782,363)
Deferred income tax liabilities to be paid within 12 months	(782,363)	(577,994)
Sub-total	(1,462,751)	(1,360,357)
Net Deferred income tax assets (liabilities)	430,592	53,723

(4) The changes in deferred income tax assets and liabilities related to the same taxing authority before offsetting amounts during the current and previous periods are as follows:

(Unit: KRW 1,000)

The 30th (Current) period	Beginning balance	Recognition of current period's profit or loss	Balance on December 31
Deferred income tax assets			
Intangible asset impairment loss	122,822	8,601	131,423
Inventory valuation loss	509,148	281,244	790,392
Sales warranty provision	79,267	(16,644)	62,623
Provisions for annual leave	167,610	41,904	209,514
Present value discount account on security deposits	16,695	21,629	38,324
Lease liabilities	146,381	(10,790)	135,591
Long-term employee benefits liability	329,518	162,652	492,170
Repair and maintenance expenses	42,639	(9,333)	33,306
Sub-total	1,414,080	479,263	1,893,343

The 30th (Current) period	Beginning balance	Recognition of current period's profit or loss	Balance on December 31
Deferred income tax liabilities			
Accrued income	(422,227)	(99,143)	(521,370)
Right-of-use assets	(155,767)	(3,251)	(159,018)
Land revaluation surplus	(782,363)	-	(782,363)
Sub-total	(1,360,357)	(102,394)	(1,462,751)
Total	53,723	376,869	430,592

(Unit: KRW 1,000)

The 29th (Previous) period	Beginning balance	Recognition of current period's profit or loss	Balance on December 31
Deferred income tax assets			
Intangible asset impairment loss	144,725	(21,903)	122,822
Undetermined bonus	2,936,299	(2,936,299)	-
Inventory valuation loss	293,660	215,488	509,148
Sales warranty provision	92,026	(12,759)	79,267
Provisions for annual leave	174,900	(7,290)	167,610
Present value discount account on security deposits	-	16,695	16,695
Lease liabilities	88,049	58,332	146,381
Long-term employee benefits liability	258,083	71,435	329,518
Repair and maintenance expenses	52,221	(9,582)	42,639
Sub-total	4,039,963	(2,625,883)	1,414,080
Deferred income tax liabilities			
Accrued income	(483,560)	61,333	(422,227)
Right-of-use assets	(85,465)	(70,302)	(155,767)
Land revaluation surplus	(786,106)	3,743	(782,363)
Sub-total	(1,355,131)	(5,226)	(1,360,357)
Total	2,684,832	(2,631,109)	53,723

(5) There is no unrecognized deductible (additive) temporary differences in deferred income tax assets (liabilities) as of the end of the current and previous periods.

29. Earnings Per Share

(1) The basic earnings per share is calculated by dividing the Company's net income by the weighted average number of outstanding common shares during the current period.

(2) The calculation details of basic earnings per share at the current and previous periods are as follows:

Classification	The 30th (Current) period	The 29th (Previous) period
Net income of common shares	KRW 71,994,036,570	KRW 61,244,566,663
Weighted average number of outstanding common shares (*)	11,675,000 shares	11,675,000 shares
Basic earnings per common share	KRW 6,167/share	KRW 5,246/share

(*) The Company had no changes in the number of outstanding common shares during the current and previous periods, so the weighted average number of outstanding common shares and the issued shares are the same.

(3) The Company did not issue any potential common shares; therefore, the basic earnings per share and diluted earnings per share are identical.

30. Dividends

The dividends paid in the current and previous years amounted to KRW 14,010,000,000 (KRW 1,200 per share) and KRW 19,847,500,000 (KRW 1,700 per share), respectively. The projected dividend per share and total dividend amount for the current fiscal year are KRW 1,410 and KRW 16,461,750,000, respectively. These amounts will be proposed as a resolution at the regular general meeting of shareholders on March 28, 2025.

31. Cash Flows Generated from Operations

(1) The cash flows generated from operations during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Current net income	71,994,037	61,244,567
Adjustment:		
Depreciation expenses	14,201,086	14,144,914
Business rights depreciation cost	469,476	523,763
Interest expense	31,971	27,594
Amortization of intangible assets	401,680	413,734
Intangible asset impairment loss	46,500	57,500
Bad debt expenses	85,665	78,155
Long-term employee benefits	904,797	380,569
Corporate income tax expense	18,732,179	14,006,658
Environment management cost	12,001	-

Classification	The 30th (Current) period	The 29th (Previous) period
Compensation	200,498	(30,894)
Sales warranty expenses	333,847	43,444
Loss from derivative transactions	2,920,331	1,991,934
Loss on valuation of derivatives	845,528	6,714
Loss on foreign exchange translations	153,114	630,483
Loss on disposals of inventories	5,051,685	3,608,379
Inventory valuation loss	1,345,378	1,038,022
Loss on disposition of intangible ass	-	2,083
Loss on disposals of tangible assets	4,048	22,065
Loss on disposals of intangible assets	19,642	-
Profit on foreign currency transaction	(1,427,817)	(46,751)
Profit on derivatives transactions	(516,596)	(946,867)
Profit on valuation of derivatives	(58,654)	(313,011)
Profit from interest	(9,277,349)	(8,923,773)
Profit on disposition of tangible assets	(32,085)	(9,162)
Reversal of intangible asset impairment loss	(5,350)	(159,000)
Miscellaneous income	-	(71)
Subtotal	34,441,575	26,546,482
Changes in assets/liabilities resulting from operating activities:		
Decrease (increase) in trade receivables	(5,679,072)	(3,216,969)
Decrease (increase) in outstanding amount	43,624	(7,090)
Decrease (increase) in advance payments	99,778	(1,164,153)
Decrease (increase) in prepaid expenses	-	703,517
Decrease (increase) in VAT refundable	(496,194)	1,376,097
Decrease (increase) in inventory assets	(9,304,926)	(20,296,800)
Increase (decrease) in trade payables	3,500,457	(3,360,996)
Increase (decrease)in accrued payable	685,748	(3,001,298)
Increase (decrease) in accrued expenses	552,982	(7,290,433)
Increase (decrease) in deposit	375,748	223,064
Increase (decrease) in advance payment	(3,461)	(439,571)
Use of sales warranty provision	(413,483)	(102,399)
Use of long-term employee benefits liability	(159,451)	-
Subtotal	(10,798,250)	(36,577,031)
Cash generated resulting from operation activities	95,637,362	51,214,020

(2) The major matters regarding transactions with no cash inflows or outflows during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Replacement cost of tangible/intangible assets, etc. under construction	5,135,412	17,825,210
Increase (decrease) in accrued payable due to the purchase of tangible asset	(157,000)	(4,409,311)

(3) Changes in assets/liabilities resulting from financing activities:

(Unit: KRW 1,000)

Classification	Current lease liabilities	Non-current lease liabilities
Beginning of period	255,645	444,743
Cash flows	(286,677)	-
Other non-financial changes	344,707	(109,657)
End of current period	313,675	335,086

32. Contingent Liabilities and Agreements

(1) On August 7, 1996, the Company entered into a technology transfer contract with Tokai Carbon Co., Ltd., a related party in Japan. The contract is automatically renewed annually from August 1 to July 31 of the following year. Under the contract, Tokai Carbon Co., Ltd. provides all technical information to the Company for the manufacturing, use, and sale of the contracted products under the most favorable conditions, and the Company agrees to make payments as consideration. The contract period was amended to 10 years as of April 2, 2018, and it will be automatically renewed for one year at a time after the expiration of the contract period, provided that there are no changes. On April 24, 2019, the Company entered into a partial amendment to the contract regarding the royalty payment for specific product categories. The technology transfer fees incurred in the current and previous periods amount to KRW 6,667,563,000 and KRW 5,282,145,000, respectively.

(2) On April 18, 2018, The Company entered into a sales support fee contract with KC Co., Ltd., which is valid until December 31, 2024. Under the contract, the Company pays a sales support fee of 2% of the Solid SiC Ring sales. The payment fees incurred in the current and previous periods amount to KRW 2,812,089,000 and KRW 3,735,897,000, respectively.

(3) As of the end of the current period, the Company has received a guarantee payment of KRW 2,000,000 from Seoul Guarantee Insurance Co., Ltd. for performance guarantees.

(4) The Company has entered into currency forward contracts with Shinhan Bank and Mizuho Bank to avoid foreign exchange risks. As of the end of the current period, the contract amounts for the currency forward

contracts are USD 13,363,016, JPY 179,587,657, and CNY 4,205,225.

(5) As of the end of the current period, the Company is involved in one pending lawsuit, and it is impossible to predict the final outcomes of these cases. The Company's management expects that the final results of these lawsuits will not significantly impact the Company's financial position.

33. Transactions with Related Parties

(1) As of the end of the current period, the Company's parent Company is Tokai Carbon Co., Ltd.

(2) The details of transactions, including sales and purchases, with related parties during the current and previous periods, as well as the balances of receivables and payables with related parties as of the end of the current and previous periods, are as follows:

Classification	The 30th (Current) period	The 29th (Previous) period	Notes
Parent Company	Tokai Carbon Co., Ltd.	Tokai Carbon Co., Ltd.	Parent Company
Other affiliated parties	MWI, INC.	MWI, INC.	Affiliated Company of Tokai Carbon Co., Ltd.
	TOKAI CARBON (DALIAN) CO., LTD.	TOKAI CARBON (DALIAN) CO., LTD.	Subsidiaries of Tokai Carbon Co., Ltd.
	TOKAI CARBON EUROPE LTD.	TOKAI CARBON EUROPE LTD.	Subsidiaries of Tokai Carbon Co., Ltd.
	TOKAI CARBON U.S.A., INC.	TOKAI CARBON U.S.A., INC.	Subsidiaries of Tokai Carbon Co., Ltd.
	TOKAI KONETSU KOGYO CO., LTD.	TOKAI KONETSU KOGYO CO., LTD.	Subsidiaries of Tokai Carbon Co., Ltd.
	TOKAI COBEX SAVOIE SAS	TOKAI COBEX SAVOIE SAS	Subsidiaries of Tokai Carbon Co., Ltd.
	TOKAI FINE CARBON CO., LTD.	TOKAI FINE CARBON CO., LTD.	Subsidiaries of Tokai Carbon Co., Ltd.

(3) The major transactions with related parties during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	Related parties	The 30th (Current) period		
		Revenues	Purchase	Other expenses
Parent Company	TOKAI CARBON CO., LTD.	138,130	26,012,506	6,667,563
Other affiliated parties	MWI, INC.	-	-	6,653
	TOKAI CARBON (DALIAN) CO., LTD.	9,297,364	-	1,561,214
	TOKAI CARBON EUROPE LTD.	5,716,274	-	-
	TOKAI CARBON U.S.A.,INC.	4,426,678	-	60,120
	TOKAI KONETSU KOGYO CO., LTD.	-	348,366	-
	TOKAI COBEX SAVOIE SAS	-	35,928	-
	TOKAI FINE CARBON CO., LTD.	47,322	-	-
Total		19,625,768	26,396,800	8,295,550

(Unit: KRW 1,000)

Classification	Related parties	The 29th (Previous) period		
		Revenues	Purchase	Other expenses
Parent Company	TOKAI CARBON CO., LTD.	79,541	24,176,440	5,454,675
Other affiliated parties	MWI, INC.	-	-	30,999
	TOKAI CARBON (DALIAN) CO., LTD.	11,471,774	-	1,322,468
	TOKAI CARBON EUROPE LTD.	4,951,689	-	-
	TOKAI CARBON U.S.A.,INC.	11,507	41,448	57,205
	TOKAI FINE CARBON CO., LTD.	530,018	-	47,911
	TOKAI COBEX SAVOIE SAS	-	35,954	-
	TOKAI KONETSU KOGYO CO., LTD.	-	441,086	-
Total		17,044,529	24,694,928	6,913,258

(4) Details of receivables and liabilities related to related parties as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	Related parties	The 30th (Current) period			
		Receivables		Liabilities	
		Trade receivables	Other receivables	Trade payables	Other liabilities
Parent Company	TOKAI CARBON CO., LTD.	79,380	11,356	4,357,481	3,678,548
Other affiliated parties	MWI, INC.	-	-	-	1,522
	TOKAI CARBON (DALIAN) CO., LTD.	2,845,023	-	-	857,860
	TOKAI CARBON EUROPE LTD.	81,234	-	-	-
	TOKAI CARBON U.S.A.,INC.	331,733	-	-	-
	TOKAI FINE CARBON CO., LTD.	18,261	-	-	-
Total		3,355,631	11,356	4,357,481	4,537,930

(Unit: KRW 1,000)

Classification	Related parties	The 29th (Previous) period			
		Receivables		Liabilities	
		Trade receivables	Other receivables	Trade payables	Other liabilities
Parent Company	TOKAI CARBON CO., LTD.	11,463	51,828	3,149,817	2,737,929
Other affiliated parties	MWI, INC.	-	-	-	17,929
	TOKAI CARBON (DALIAN) CO., LTD.	3,866,393	-	-	518,345
	TOKAI CARBON EUROPE LTD.	572,086	-	-	5,383
	TOKAI CARBON U.S.A.,INC.	11,463	-	-	-
	TOKAI FINE CARBON CO., LTD.	218,217	-	-	-
Total		4,679,622	51,828	3,149,817	3,279,586

(5) The dividends paid to related parties during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	Related parties	Paid dividends	
		The 30th (Current) period	The 29th (Previous) period
Parent Company	Tokai Carbon Co., Ltd.	6,639,900	9,406,525
Total		6,639,900	9,406,525

(6) The key management personnel include directors (registered and unregistered), members of the board, chief financial officer, and internal audit manager. The compensation amounts paid or to be paid to the key management personnel are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Compensation	2,486,392	2,292,468
Retirement benefits	247,700	262,852
Long-term employee benefits	201,486	144,833
Total	2,935,578	2,700,153

(7) There is no information available regarding collateral or guarantees received from or provided to related parties as of the end of the current and previous periods are as follows:

34. Information of Operating Section

(1) The Company evaluates its operational performance and makes related decisions by identifying a single reporting section in accordance with K-IFRS No. 1108, 'Operating Section.'

(2) The information on the Company's sales categories during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Product sales	274,761,947	225,038,384
Goods sales	578,870	1,285,000
Other sales	384,026	329,498
Total	275,724,843	226,652,882

(3) The information on the Company's sales by region during the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Domestic sales	104,195,313	101,042,429
Overseas sales	171,529,530	125,610,453
United States	101,632,088	61,921,941
China	63,862,088	57,929,941
Others	6,035,354	5,758,571
Total	275,724,843	226,652,882

(4) The sales amount from major customers, accounting for more than 10% of the total sales revenue during the current and previous periods, are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Customer 1	54,128,599	25,856,106
Customer 2	52,048,795	44,044,962
Customer 3	39,083,135	30,123,374
Customer 4	36,549,631	31,763,534
Total	181,810,160	131,787,976

35. Events after the Reporting Period

The company entered into a trust agreement for the acquisition of treasury stocks worth 50 billion won on January 31, 2025 to stabilize stock prices and increase shareholder value. The contract period is from January 31, 2025 to January 30, 2026, and the trustee is Samsung Securities Co., Ltd.

6. Matters Related to Dividends

1. Matters concerning the Company's Dividend Policy

The Company carries out dividend distributions based on resolutions made by the Board of Directors and the general meeting of shareholders in accordance with its Articles of Incorporation. The Company determines an appropriate dividend payout ratio considering an investment for growth and enhancement of shareholder value within the range of distributable profits. In the future, the Company plans to continue distributing dividends, taking into account balanced considerations for future growth and shareholder return on earnings. The Company plans to maintain a cash dividend payout ratio of over 20% of net income.

2. Matters Concerning the Provision of Predictability Related to Dividends

A. Whether or not to implement the improvement plan for dividend procedures in the Articles of Incorporation

Division	Status and Plan
Institution for determining dividend amount in the Articles of Incorporation	Board of Directors and General Meeting of Shareholders
Whether the dividend standard date in the Articles of Incorporation can be set after the dividend amount determination	No
Future plans related to implementation of improvement measures for dividend procedures	Undecided

B. Status of dividend confirmation date and dividend base date designation

Division	Settlement Month	Dividend Status	Dividend Confirmation Date	Dividend Base Date	Whether dividend predictability is provided	Remarks
The 28th Period Settlement Dividends	December 2022	○	March 29, 2023	December 31, 2022	X	General shareholder meeting resolution
The 29th Period Settlement Dividends	December 2023	○	March 29, 2024	December 31, 2023	X	General shareholder meeting resolution
The 30th Period Settlement Dividends	December 2024	○	March 28, 2025	December 31, 2024	X	General shareholder meeting resolution

▲ The 30th cash dividend is scheduled to be approved at the regular shareholders' meeting on March 28, 2025. If it is rejected or revised at a future regular shareholders' meeting, the details and reasons for the rejection will be reflected in the correction report.

3. Other notes (contents of articles of incorporation regarding dividends, etc.)

Article 17 (Closing of Shareholder Register and Reference Date)

① The Company shall designate the shareholders listed in the shareholder register as shareholders who may exercise their rights at the regular shareholders' meeting as of December 31 of each year.

※ The regular shareholders' meeting shall be held within 3 months from the date specified in Paragraph 1.

② The Company may designate the shareholders listed in the shareholder register as shareholders who may exercise their rights on the date determined by the resolution of the Board of Directors in the event of a special shareholders' meeting or other necessary cases. The Company shall announce this at least 2 weeks before the date determined by the resolution of the Board of Directors.

Article 54 (Dividend Distribution)

① Dividend distribution may be made in cash or non-cash property.

② The dividends under Paragraph 1 shall be paid to the shareholders listed in the shareholder register as of the date determined pursuant to Article 17, Paragraph 1, or to the registered pledgees.

※ The regular shareholders' meeting reference date and the dividend reference date may be operated in the same manner without a separate resolution of the Board of Directors regarding the setting of the reference date.

Article 55 (Quarterly Dividend)

① The Company may, by resolution of the Board of Directors, pay quarterly dividends to shareholders on the last day of March, June, and September (hereinafter referred to as the "Quarterly Dividend Base Date") from the start of the fiscal year under Article 165-12 of the Capital Market and Financial Investment Business Act.

② The Board of Directors' resolution in Paragraph 1 must be made within 45 days after the Quarterly Dividend Base Date.

③ The quarterly dividend shall be limited to the amount obtained by deducting the following amounts from the net asset value on the balance sheet of the immediately preceding fiscal year.

1. The amount of capital stock in the previous fiscal year

2. The total amount of capital reserves and profit reserves accumulated up to the previous fiscal year
3. The amount determined to be dividends at the regular shareholders' meeting of the previous fiscal year
4. Optional reserves accumulated for specific purposes under the provisions of the Articles of Incorporation or the resolution of the shareholders' meeting up to the previous fiscal year
5. The total amount of profit reserves to be accumulated in the relevant fiscal year under quarterly dividends
6. Unrealized profits as prescribed in Article 19 of the Enforcement Decree of the Commercial Act

④ The quarterly dividends in Paragraph 1 shall be paid equally to shares issued before the quarterly dividend base date.

⑤ The quarterly dividends for preferred stocks in Article 9 shall be paid at the same dividend rate as for common stocks.

Article 56 (Statute of limitations for claiming dividends)

① The right to claim dividends shall be extinguished if not exercised for five years.

② The dividends resulting from completing the prescription in Paragraph 1 shall belong to the Company.

<Key Dividend Index>

Classification	Type of shares	Current period	Previous period	Period prior to previous period
		The 30th period	The 29th period	The 28th period
Face value per share (KRW)		500	500	500
(Consolidated) Net income (KRW million)		71,994	61,245	98,468
(Separate) Net income (KRW million)		-	-	-
(Consolidated) Net income per share (KRW)		6,166	5,246	8,434
Total cash dividend (KRW million)		16,462	14,010	19,848
Total stock dividend (KRW million)		-	-	-
(Consolidated) Cash dividend payout ratio (%)		22.9	22.9	20.2
Cash dividend yield ratio (%)	Common Share	2.0	1.1	1.7
	Preferred Share	-	-	-
Stock dividend yield ratio (%)	Common Share	-	-	-
	Preferred Share	-	-	-
Cash dividend per share (KRW)	Common Share	1,410	1,200	1,700
	Preferred Share	-	-	-
Stock dividend per share (share)	Common Share	-	-	-
	Preferred Share	-	-	-

▲ Basis for calculating net income per share: net income for the period/weighted average number of common shares outstanding

▲ The cash dividend payout ratio is a percentage of the total cash dividend amount to net income for the period.

▲ Cash dividend yield (%) is calculated as a percentage of the dividend per share to the arithmetic average of the KOSDAQ market formation price announced over the past week from the second trading day of the first day of the shareholder register closing period for convening the shareholders' meeting related to dividends.

▲ Market dividend rate calculation period for cash dividends in 2024: December 20, 2024, - December 26, 2024

▲ The cash dividend for the period in the table above is the amount before approval by the regular shareholders' meeting, and if it is rejected or revised at the regular shareholders' meeting in the future, the contents and reasons for it will be reflected in the correction report.

<Past Dividend History>

(Unit: times, %)

Number of consecutive dividends		Average dividend yield ratio	
Quarterly (interim) dividend	Settlement dividend	For the past 3 years	For the past 5 years
-	19	1.6	1.4

▲ The settlement dividend has been consistently paid since 2007.

7. Matters on Financing through Issuance of Securities

7-1. Performance of Financing through Issuance of Securities

[Matters related to the issuance of equity securities, etc.]

Capital increase (reduction) status

(Base Date: December 31, 2024) (Unit: KRW, shares)

Stocks issuance (decrease) date	Form of issuance (decrease)	Content of issued (decreased) stock				
		Type	Quantity	Par value per share	Issued (decreased) value per share	Notes
August 11, 2003	Paid-in capital increase (general public offering)	Common Share	2,335,000	500	2,300	Registered public offering

[Matters related to the issuance of debt securities, etc.]

Performance of debt securities issuance

(Base Date: December 31, 2024) (Unit: KRW, %)

Publishing Company	Type of securities	Issuance methods	Issuing date	Total denomination (electronic registration)	Interest rate	Rating grade (Rating institute)	Maturity	Repayment status	Company in charge
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Outstanding balance of corporate paper securities

(Base Date: December 31, 2024) (Unit: KRW)

Remaining maturity		10 days or less	More than 10 days 30 days or less	More than 30 days 90 days or less	More than 90 days 180 days or less	More than 180 days 1 year or less	More than 1 year 2 years or less	More than 2 years 3 years or less	More than 3 years	Total
Outstanding Balance	Public offering	-	-	-	-	-	-	-	-	-
	Private equity	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-

Outstanding balance of short-term debenture

(Base Date: December 31, 2024) (Unit: KRW)

Remaining maturity		10 days or less	More than 10 days 30 days or less	More than 30 days 90 days or less	More than 90 days 180 days or less	More than 180 days 1 year or less	Total	Issuance limit	Remaining limit
Outstanding Balance	Public offering	-	-	-	-	-	-	-	-
	Private equity	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding balance of Company bonds

(Base Date: December 31, 2024) (Unit: KRW)

Remaining maturity		1 year or less	More than 1 year 2 years or less	More than 2 years 3 years or less	More than 3 years 4 years or less	More than 4 years 5 years or less	Over 5 years 10 years or less	Over 10 years	Total
Outstanding Balance	Public offering	-	-	-	-	-	-	-	-
	Private equity	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding balance of new capital securities

(Base Date: December 31, 2024) (Unit: KRW)

Remaining maturity		1 year or less	More than 1 year 5 years or less	Over 5 years 10 years or less	Over 10 years 15 years or less	More than 15 years 20 years or less	More than 20 years 30 years or less	Over 30 years	Total
Outstanding Balance	Public offering	-	-	-	-	-	-	-	-
	Private equity	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding balance of conditional capital securities

(Base Date: December 31, 2024) (Unit: KRW)

Remaining maturity		1 year or less	More than 1 year 2 years or less	More than 2 years 3 years or less	More than 3 years 4 years or less	More than 4 years 5 years or less	Over 5 years 10 years or less	Over 10 years 20 years or less	More than 20 years 30 years or less	Over 30 years	Total
Outstanding Balance	Public offering	-	-	-	-	-	-	-	-	-	-
	Private equity	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

7-2. The use of capital financed through the issuance of securities

- Not applicable

8. Matters related to other financial matters

The Company classifies financial instruments measured at fair value into three levels defined in the reference standard, to provide information about the reliability of input variables used in determining fair value. Financial products measured at fair value are classified according to the fair value hierarchy, and the defined levels are as follows:

- Unadjusted quoted price in an active market accessible to the same asset or liability at the date of measurement (Level 1)
- Directly or indirectly observable inputs for an asset or liability other than the level 1 quoted price (Level 2)
- Unobservable inputs for an asset or liability (Level 3)

The classification of assets and liabilities measured at fair value into the fair value hierarchy as of the end of the current and previous period is as follows:

(Unit: KRW 1,000)

Classification		The 30th (Current) period			
		Level 1	Level 2	Level 3	Total
Asset	Financial assets				
	Derivatives financial assets	-	58,654	-	58,654
Liabilities	Financial liabilities				
	Derivative financial liabilities	-	845,528	-	845,528

(Unit: KRW 1,000)

Classification		The 29th (Previous) period			
		Level 1	Level 2	Level 3	Total
Asset	Financial assets				
	Derivatives financial assets	-	313,011	-	313,011
Liabilities	Financial liabilities				
	Derivative financial liabilities	-	6,714	-	6,714

Valuation Methods and Input Variables

At the end of the current period, the Company is using the following valuation methods and input variables for the recurring fair value measurements classified as Level 2 in the fair value hierarchy.

(Unit: KRW 1,000)

Classification	Fair Value	Level	Valuation technique	Input variable
Financial assets measured at fair value through profits and losses for the current period				
Derivatives financial assets	58,654	2	Present value method	Interest rate, etc.
Financial liabilities measured at fair value through profits and losses for the current period				
Derivative financial liabilities	845,528	2	Present value method	Interest rate, etc.

A. Transition to K-IFRS

1.1 Application K-IFRS

The transition date for the Company to adopt K-IFRS is January 1, 2010, and the adoption date of K-IFRS is January 1, 2011.

The Company's annual financial statements are prepared in accordance with K-IFRS, specifically following its initial adoption as per K-IFRS No. 1101, with certain mandatory exceptions and selective exemptions applied.

1.2 Application of Exemptions under K-IFRS No. 1101

The Company has selectively applied for exemptions under K-IFRS No. 1101 as follows:

(1) Business Combinations

The Company has applied the exemption for business combinations according to K-IFRS No. 1101. Therefore, K-IFRS No. 1103 was not retrospectively applied to business combinations that occurred before January 1, 2010 (transition date).

(2) Fair Value as Deemed Cost

The Company has used fair value at the transition date as the deemed cost for the land attached to the factory. The details of tangible assets using fair value as deemed cost at the transition date are as follows:

(Unit: KRW 1,000)

Reporting amounts under the previous accounting standards	Adjustment amount	Fair value at the transition date
5,359,876	7,002,603	12,362,479

(3) Capitalization of Borrowing Costs

The Company has chosen to capitalize borrowing costs incurred concerning the construction of qualifying assets only for qualifying assets in progress at or after the transition date under K-IFRS.

1.3 Application of Mandatory Exceptions for Retroactive Application of Other Accounting Standards the Company has applied the following exceptions:

(1) Derecognition of financial assets

The Company has proactively applied the derecognition criteria of K-IFRS No. 1039, 'Financial Instruments: Recognition and Measurement,' to transfer transactions of financial assets occurring after January 1, 2014. Accordingly, if the Company had previously derecognized financial assets under the previous accounting standards before January 1, 2014, even if the requirements for removal are not met under K-IFRS, the Company does not recognize them under K-IFRS.

(2) Exceptions for Estimates

Estimates under K-IFRS as of the transition date (January 1, 2010) have been prepared consistently with the estimates previously made under the previous accounting standards unless there is objective evidence of errors in the previous estimates (adjusted for differences in accounting policies).

1.4 Adjustments Resulting from the Transition from Previous Accounting Standards to K-IFRS

(1) Impact on the Company's Financial Position and Performance

1) The adoption of K-IFRS as of the transition date, January 1, 2010, has the following impact on the Company's financial position:

(Unit: KRW 1,000)

Classification	Asset	Liability	Capital
Previous accounting standards	48,277,343	4,082,798	44,194,545
Adjustment amount:			
Application of fair value as deemed cost for land (*1)	7,002,603	-	7,002,603
Change in depreciation method (*2)	2,817,696	-	2,817,696
Reversal of allowance for bad debts (*3)	83,954	-	83,954
Setup of provisions for annual leave (*4)	-	27,577	(27,577)
Other adjustments	-	-	-
Deferred income tax effect (*5)	-	2,153,792	(2,153,792)
Total adjustment amount	9,904,253	2,181,369	7,722,884
K-IFRS	58,181,596	6,264,167	51,917,429

2) The impact on the Company's financial position as of December 31, 2010, and the operating performance for the accounting period from January 1 to December 31, 2010, due to the adoption of K-IFRS, are as follows:

(Unit: KRW 1,000)

Classification	Asset	Liability	Capital	Current net income	Total comprehensive income (loss)
Previous accounting standards	72,989,849	18,696,146	54,293,703	10,465,943	10,465,943
Adjustment amount:					
Application of fair value as deemed cost for land (*1)	7,002,603	-	7,002,603	-	-
Change in depreciation method (*2)	2,681,296	-	2,681,296	(136,400)	(136,400)
Reversal of allowance for bad debts (*3)	221,563	-	221,563	137,609	137,609
Setup of provisions for annual leave (*4)	-	20,342	(20,342)	7,235	7,235
Other adjustments	(9,468)	-	(9,468)	(9,468)	(9,468)
Deferred income tax effect (*5)	(21,534)	2,132,000	(2,153,534)	259	259
Total adjustment amount	9,874,460	2,152,342	7,722,118	(765)	(765)
K-IFRS	82,864,309	20,848,488	62,015,821	10,465,178	10,465,178

(*1) The Company has chosen to exempt land from fair value as deemed cost.

(*2) The depreciation method has been changed to the straight-line method, reflecting the consumption of future economic benefits of tangible assets such as machinery and vehicles.

(*3) Only losses incurred as of the balance sheet date are recognized in the allowance for bad debts.

(*4) Costs and liabilities related to accrued paid leave are recognized when employees provide services that increase their future entitlement to paid leave.

(*5) The deferred income tax effect of the adjustments is reflected, and deferred income tax assets and liabilities are classified as non-current items.

(2) Impact on the Company's Cash Flows

Adjustments were made to the cash flow statement for the related income, expenses, assets, and liabilities to separately disclose interest received, interest paid, dividend received, and corporate income tax paid, which were not separately presented under the previous accounting standards. Additionally, the effects of foreign exchange rate fluctuations on cash and cash equivalents denominated in foreign currency were presented separately in the cash flows from operating, investing, and financing activities.

Furthermore, any effects on the cash flow statement resulting from the transition to K-IFRS were reflected accordingly.

B. Setup Status of Total Allowance for Bad Debt

1.1 Setup of allowance for bad debts for each account

(Unit: KRW 1,000)

Classification	Accounts	Receivables amount	Allowance for bad debts	Setup rate of allowance for bad debts
The 30th (Current) period	Trade receivables	47,811,864	196,327	0.41%
	Outstanding amount	13,150	-	0.00%
	Total	47,825,014	196,327	0.41%
The 29th (Previous) period	Trade receivables	40,714,661	110,662	0.27%
	Outstanding amount	56,437	-	0.00%
	Total	40,771,098	110,662	0.27%
The 28th (Year prior to previous) period	Trade receivables	38,041,137	32,507	0.09%
	Outstanding amount	49,184	-	0.00%
	Total	38,090,321	32,507	0.09%

1.2 Change of allowance for bad debts

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
(1) Total balance of allowance for bad debts at the beginning of the period	110,662	32,507	16,893
(2) Net amount for bad debts (①-②±③)	-	-	(16,679)
① Amount for bad debts	-	-	(16,679)
② Recovery amount of bad debts	-	-	-
③ Other changes in amount	-	-	-
(3) Bad debt expenses (reversal)	85,665	78,155	32,293
(4) Total balance of allowance for bad debt at the end of the period	196,327	110,662	32,507

1.3 Allowance for Bad Debts Policy for Trade Receivables

The Company applies a simplified approach to recognize the loss allowance for trade receivables, considering the expected credit losses for the entire period.

Trade receivables are classified based on their credit risk characteristics and days past due to measure the expected credit losses. The expected credit loss rate is derived from payment information and confirmed credit loss data related to sales for the preceding 36 months from the end of the reporting period.

1.4 Trade receivables by elapsed periods at the end of the current period

(Unit: KRW 1,000)

Classification	Not more than 3 months	More than 3 months and not more than 6 months	More than 6 months and not more than 12 months	More than 12 months	Total
Amount	46,760,895	1,044,353	6,615	0	47,811,864
Composition ratio	97.80%	2.18%	0.01%	0.00%	100.00%

C. Details of Inventory Holdings and Inspection

1.1 Inventory Holdings by Business Section for the Past 3 Fiscal Years

The inventory holdings for the past 3 fiscal years are as follows: Our inventory consists of goods, products, raw materials, components, work-in-progress, stored materials, goods to arrive, and half-finished products. The total amount of inventory assets at the end of the current fiscal year is KRW 68,818,778,000, representing an increase of KRW 2,907,863,000 compared to the previous year.

(Base Date: December 31, 2024) (Unit: KRW 1,000)

Business Section	Accounts	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period	Notes
Carbon product manufacturing business	Goods	288,994	78,839	596,102	-
	Products	11,734,778	15,517,161	14,432,915	-
	Raw Materials	17,457,853	11,580,272	8,284,589	-
	Work in process	1,938,495	2,147,583	1,543,767	-
	Half-finished products	32,811,877	32,527,017	22,278,521	-
	Stored materials	3,723,157	3,805,790	2,725,262	-
	Goods to arrive	863,624	254,254	288,002	-
Total		68,818,778	65,910,915	50,149,158	-
Composition ratio of inventory to total assets (%) [Total inventory asset ÷ Total asset at the end of period × 100]		12.2%	13.3%	10.5%	-
Inventory turnover (times) [Annualized sales costs ÷ {(Inventory at the beginning of period + Inventory at the end of period) ÷ 2}]		2.5 times	2.3 times	4.0 times	-

Due to the majority of inventory assets being commonly used across various business sections, they were not separately categorized and indicated by each business section.

1.2 Details of Inventory Inspection, etc.

(1) Date of inspection

- Date of inspection: December 31, 2024
- Date of inspection: December 31, 2024

- Engaging institution: Samjong Accounting Corp.

(2) Participation and engagement of experts and auditors during the inventory inspection

The inventory count was conducted under the engagement of external auditors from Samjong Accounting Corp., who are certified public accountants.

(3) Status of Long-term Stagnant Inventory, etc.

In cases where the fair value of inventory is lower than the acquisition cost, the lower of cost or market method is used to determine the balance sheet value of the inventory. The evaluation details of the current inventories as of the end of the current period are as follows:

Furthermore, there is no information regarding the collateral provided by the company at the end of the current period.

(Base Date: December 31, 2024) (Unit: KRW 1,000)

Classification	Acquisition cost		Valuation amount using the lower of cost or market method		Allowance for valuation loss		Valuation loss/Reversal	
	End of current period	End of Previous Period	End of current period	End of Previous Period	End of current period	End of Previous Period	End of current period	End of Previous Period
Goods	379,811	351,290	288,994	78,839	90,817	272,451	(181,634)	272,451
Product	12,741,602	16,126,597	11,734,778	15,517,161	1,006,825	609,437	397,388	458,023
Raw Materials	17,692,685	11,823,783	17,457,853	11,580,272	234,833	243,511	(8,678)	100,412
Work in process	2,004,162	2,222,758	1,938,495	2,147,583	65,667	75,175	(9,508)	75,175
Stored materials	4,371,960	4,227,233	3,723,157	3,805,790	648,803	421,443	227,361	(320,844)
Goods to arrive	863,624	254,254	863,624	254,254	-	-	-	-
Half-finished products	34,546,712	33,341,402	32,811,877	32,527,017	1,734,835	814,385	920,450	452,804
Total	72,600,558	68,347,316	68,818,778	65,910,915	3,781,780	2,436,402	1,345,378	1,038,022

D. Matters Related to Asset Acquisition and Transfer

Our Company has entered into a contract with Anseong City, located in Miyang-myeon, Anseong City, Gyeonggi-do, to increase production capacity. The details are as follows:

The construction of a new plant expansion was completed in May 2011, and mass production is currently underway as of the end of December 2024.

1) Counterparty: Anseong City
2) Transaction type: Asset acquisition and transfer
3) Transaction schedule:
   Contract deposit - October 31, 2008
   Intermediate payment (1st installment) - February 27, 2009
   Intermediate payment (2nd installment) - June 30, 2009

Remaining balance - October 29, 2009

4) Subject of transaction: Factory site of 21,528 ㎡ (71, Gaejeongsaneopdanji-ro, Miyang-myeon, Anseong-si, Gyeonggi-do, South Korea)
5) Purpose of transaction: Acquisition of land for our Company's factory expansion
6) Transaction amount: KRW 4,258 million
7) Basis for amount calculation: The abovementioned transaction amount represents the land sale price determined by Anseong City, and the valuation amount by an external appraisal institution, with accounting firm, was determined as KRW 4,258 million.
8) Impact on profit or loss from the transaction: None

E. Details on Fair Value Evaluation

For detailed information on financial products' fair value and evaluation methods, please refer to 'III. Financial Matters' - '5. Notes to the Financial Statements.'

IV. Management's Discussion and Analysis (MD&A)

1. Cautionary Notes on Forecast Information

The anticipated activities, events, or phenomena that the Company expects or predicts in this business report reflect the Company's views on the events and financial performance when preparing this disclosure document. Such forecasts are based on various assumptions about the future business environment, and these assumptions may ultimately prove inaccurate.

Furthermore, these assumptions include factors related to the Company's internal management and external environmental factors that can significantly differ between the expected figures stated in the forecast information and the actual results.

The Company is not obligated to disclose an amended report to reflect the risks or uncertainties that occur after preparing this forecast information.

In conclusion, the Company cannot provide any assurance that the anticipated results or situations stated in this business report will be realized or that the expected impact originally anticipated by the Company will occur. The forecast information provided in this report is based on the information available at the time of its preparation, and it should be noted that the Company has no plans to update such risk factors or forecast information.

2. Overview

Due to the miniaturization and sophistication of process technology, the semiconductor market has evolved into an industry that demands not only increased productivity but also higher levels of quality and price competitiveness. Consequently, the quality requirements for wafers have been adjusted upwards, and technologies such as ultra-purity, chemical resistance, and abrasion resistance of manufacturing equipment parts have become increasingly important.

In such market conditions, our Company's CVD technology, stable supply of high-quality materials, and stable production system through batch production serve as the foundation for sustained growth.

In 2024, the global economic uncertainty continued to be a difficult business environment due to the austerity policies of major advanced countries, international trade disputes, and the prolonged war between Russia and Ukraine. However, we recorded sales of KRW 275,725 million, operating profit of KRW 80,748 million, and an operating profit ratio of 29.3% by minimizing external environmental risks and strengthening internal capabilities such as quality enhancement and productivity improvement.

<Key Management Index>

(Unit: KRW million)

Classification	The 30th (Current) period	The 29th (Previous) period	Change rate
Sales (A)	275,725	226,653	21.7%
Operating income (B)	80,748	66,703	21.1%
Operating profit margin (B/A)	29.3%	29.4%	-0.1%p

Furthermore, to establish a foundation for sustained growth, we have decided to purchase land approximately 1.4 times the size of our current factory site in Anseong Techno Valley (located in Yangseong-myeon, Anseong City). We are currently expanding our existing factory and increasing production capacity through investment. In the future, we plan to actively respond to market changes and demands through continuous research and development, equipment investment, and process innovation based on our differentiated technological capabilities.

3. Financial Position and Operating Performance

A. Financial Position

(Unit: KRW million)

Classification	The 30th (Current) period	The 29th (Previous) period	Increase/Decrease
Ⅰ. Current assets	405,758	334,493	71,265
Ⅱ. Non-current assets	157,762	161,011	(3,249)
Total assets	563,520	495,504	68,016
Ⅰ. Current liabilities	44,575	35,179	9,396
Ⅱ. Non-current liabilities	2,690	2,054	636
Total liabilities	47,265	37,233	10,032
Ⅰ. Equity capital	5,838	5,838	-
Ⅱ. Capital surplus	6,035	6,035	-
Ⅲ. Other capital components	233	233	-
VI. Retained earnings	504,149	446,165	57,984
Total equities	516,255	458,271	57,984
Total liabilities and equities	563,520	495,504	68,016
Liability ratio	9.2%	8.1%	-1.0%p
Current ratio	910.3%	950.8%	-40.6%p

- Total assets at the end of 2024 were KRW 563,520 million, an increase of KRW 68,016 million (13.7%) compared to the previous quarter. The main cause of change in assets is an increase in tangible assets due to facility investment, etc.
- Total liabilities at the end of 2024 were KRW 47,265 million, an increase of KRW 10,032 million (26.9%) compared to the previous quarter. The main cause of change in liabilities is an increase in corporate tax

expenses due to an increase in profits, etc.

- Total capital at the end of 2024 was KRW 516,255 million, an increase of KRW 57,984 million (12.7%) compared to the previous quarter. The main cause of change in capital is an increase in capital due to the occurrence of net income for the period, etc.
- In terms of financial ratios, the company has a debt ratio of 9.2% and a current ratio of 910.3%, and, as in the previous quarter, is maintaining a stable financial status

B. Operating Performance

(Unit: KRW million)

Classification	The 30th (Current) period	The 29th (Previous) period	Increase/Decrease
Ⅰ. Sales	275,725	226,653	49,072
Ⅱ. Cost of sales	171,586	134,721	36,865
Ⅲ. Gross profit	104,139	91,932	12,207
Selling and Administrative Expenses	23,305	25,151	(1,846)
Bad debt expenses	86	78	8
IV. Retained earnings	80,748	66,703	14,045
Other revenues	6,089	4,145	1,943
Other expenses	5,356	4,493	862
Financial income	9,277	8,924	354
Financial costs	32	28	4
V. Profit before tax	90,726	75,251	15,475
Corporate income tax expense	18,732	14,007	4,726
VI. Current net income	71,994	61,245	10,749

- Sales in 2024 were KRW 275,725 million, up 21.7% year-on-year due to increased demand for solid SiC products.
- Operating profit in 2024 was KRW 80,748 million, up 21.1% year-on-year due to reduced fixed costs resulting from increased sales.

C. Impact of Change in Exchange Rate

The Company engages in international business activities and is exposed to foreign exchange risk, particularly related to fluctuations in major currencies such as the US dollar, Japanese yen, and Chinese yuan. Foreign exchange risk primarily arises in connection with identified assets and liabilities. The Company manages foreign exchange risk under foreign exchange regulations.

The impact on the Company's post-tax profit and equity due to a 10% fluctuation in the exchange rate of each foreign currency to the KRW, assuming all other variables remain constant as of the end of the current and previous period, is as follows:

(Unit: KRW 1,000)

Classification		Impact on post-tax profit		Impact on capital	
		The 30th (Current) period	The 29th (Previous) period	The 30th (Current) period	The 29th (Previous) period
USD/KRW	In case of an increase	2,424,975	1,806,529	2,424,975	1,806,529
	In case of a decrease	(2,424,975)	(1,806,529)	(2,492,580)	(1,806,529)
JPY/KRW	In case of an increase	(341,207)	(230,466)	(341,207)	(230,466)
	In case of a decrease	341,207	230,466	341,207	230,466
CNY/KRW	In case of an increase	222,108	305,445	222,108	305,445
	In case of a decrease	(222,108)	(305,445)	(222,108)	(305,445)
EUR/KRW	In case of an increase	-	(425)	-	(425)
	In case of a decrease	-	425	-	425

The sensitivity analysis mentioned above was conducted on currency-denominated assets and liabilities, other than the functional currency, as of the end of the reporting period.

For detailed information on the impact of change in the exchange rate, please refer to 'III. Financial Matters' - '5. Notes to the Financial Statements - 4.1.1 Market Risk.'

D. Asset Impairment

Regarding financial assets, the Company evaluates the expected credit losses for debt instruments measured at amortized cost or measured at fair value through other comprehensive income based on forward-looking information. The impairment approach is determined based on whether there has been a significant increase in credit risk. However, for trade receivables, the Company applies a simplified approach to recognizing expected credit losses for the entire period from the initial recognition of the trade receivables. The amount identified in the income statement for impairment related to trade receivables in the current period is KRW 78 million.

For all non-financial assets, excluding inventory assets and deferred income tax assets, indications of impairment are reviewed at the end of the reporting period. If such indications exist, the recoverable amount of the asset is estimated. The amount recognized in the income statement for impairment related to intangible assets in the current period is KRW 58 million.

For detailed information on the recognition of asset impairment, please refer to 'III. Financial Matters' - '5. Notes to the Financial Statements.'

4. Liquidity, Financing, and Expenditure

A. Liquidity

The Company constantly reviews liquidity forecasts to ensure the fulfillment of operational funding requirements. When estimating liquidity, the Company considers factors such as its funding plans, compliance with agreements, internal target financial ratios, and external regulations or legal requirements related to currency.

(1) Cash and cash equivalents

The Company's Cash and cash equivalents as of the end of the current and previous periods are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period	The 29th (Previous) period
Cash in hand	1,224	1,122
Bank deposit	33,857,563	31,761,721
Total	33,858,787	31,762,843

(2) Other financial assets

The details of other financial assets as of the end of the current and previous terms are as follows:

(Unit: KRW 1,000)

Classification	The 30th (Current) period			The 29th (Previous) period		
	Current	Non-current	Total	Current	Non-current	Total
Short-term financial instruments	251,000,000	-	251,000,000	190,000,000	-	190,000,000
Loans	426,257	1,027,734	1,453,991	256,773	338,533	595,306
Outstanding amount	13,150	-	13,150	56,437	-	56,437
Accrued income	2,494,595	-	2,494,595	2,020,228	-	2,020,228
Deposits	474,261	3,121,969	3,596,230	2,967,372	492,347	3,459,719
Total	254,408,263	4,149,703	258,557,966	195,300,810	830,880	196,131,690

(3) Cash Flow

(Unit: KRW million)

Classification	The 30th (Current) period	The 29th (Previous) period	Increase/Decrease
I. Cash flow from operating activities	74,417	20,980	53,438
II. Cash flow from investing activities	(72,043)	(33,573)	(38,471)
Ⅲ. Cash flows from financing activities	(287)	(309)	22
Ⅳ. Increase (decrease) in cash and cash equivalents	2,087	(12,902)	14,989
Ⅴ. Cash and cash equivalents at the beginning of the period	31,763	44,664	(12,901)
Ⅵ. Effects of exchange rate changes on cash and cash equivalents	9	0	8
Ⅶ. Cash and cash equivalents at the end of the period	33,859	31,763	2,096

- As of the end of 2024, year-end cash flow increased by KRW 53,438 million compared to the previous quarter to KRW 74,417 million due to an increase in cash inflow from operating activities, such as an increase in sales.

B. Financing and Expenditure

(1) Financing

The Company practices debt-free management for financial soundness, and as of December 31, 2024, there are no outstanding borrowings from external sources.

For detailed information on the financing through public and private offerings, please refer to 'III. Financial Matters' - '7. Matters on Financing through Issuance of Securities.'

(2) Major Expenditures (Investments)

To secure land to establish a factory, the Company has incurred a total of KRW 20,553 million during the periods of 2022 and 2024. Additionally, the expected amount to be further expended on this matter is KRW 5,138 million.

(Unit: KRW million)

Purpose of Investment	2022 (Performance)	2023 (Performance)	2024 (Performance)	2025 (Expected)	Total
Acquisition of land to establish a new factory	6,166	10,790	3,597	5,138	25,691

▲ The funds required for the abovementioned investment will be utilized from internal retained earnings.

5. Off-balance Transaction

The contingent liabilities and commitments are as follows:

(1) On August 7, 1996, the Company entered into a technology transfer contract with Tokai Carbon Co., Ltd., a related party in Japan. The contract is automatically renewed annually from August 1 to July 31 of the following year. Under the contract, Tokai Carbon Co., Ltd. provides all technical information to the Company for the manufacturing, use, and sale of the contracted products under the most favorable conditions, and the Company agrees to make payments as consideration. The contract period was amended to 10 years as of April 2, 2018, and it will be automatically renewed for one year at a time after the expiration of the contract period, provided that there are no changes. On April 24, 2019, the Company entered into a partial amendment to the contract regarding the royalty payment for certain product categories. The technology transfer fees incurred in the current and previous periods amount to KRW 6,667,563,000 and KRW 5,282,145,000, respectively.

(2) The Company entered into a sales support fee contract with KC Co., Ltd. on April 18, 2018, valid until December 31, 2024. Under the contract, the Company pays a sales support fee of 2% of the Solid SiC Ring sales. The payment fees incurred in the current and previous periods amount to KRW 3,735,897,000

and KRW 2,812,089, respectively.

(3) As of the end of the current period, the Company has received a guarantee payment of KRW 2,000,000 from Seoul Guarantee Insurance Co., Ltd. for performance guarantees.

(4) The Company has entered into currency forward contracts with Shinhan Bank and Mizuho Bank to avoid foreign exchange risks. As of the end of the current period, the contract amounts for the currency forward contracts are USD 13,363,016, CNY 11,893,639, JPY 179,587,657, and CNY 4,205,225.

(5) As of the end of the current period, the Company is involved in one pending lawsuit cases, and it is impossible to predict the final outcomes of these cases. The Company's management expects that the final results of these lawsuits will not have a significant impact on the Company's financial position.

6. Other Matters Required for Making Decision for Investment

A. Major Accounting Policies and Estimates

The Company has applied the following new/revised standards for the accounting period beginning as of January 1, 2024.

(1) K-IFRS No. 1001, 'Indication of Financial Statement' (Revised) - Classification of current/non-current liabilities, non-current liabilities with commitments

Liabilities are classified as current or non-current based on the substantive rights existing at the end of the reporting period, and the possibility of exercising the right to postpone the settlement of the liability or management's expectations are not considered. In addition, the transfer of own equity instruments is included in the settlement of liabilities, but this excludes cases where the option to settle with own equity instruments in a compound financial instrument satisfies the definition of equity instruments and is recognized separately from the liability. In addition, commitments that an entity must comply with after the end of the reporting period do not affect the classification of the relevant liabilities at the end of the reporting period, and if a liability that must comply with a commitment within 12 months after the reporting period is classified as a non-current liability as of the end of the reporting period, information on the risk that the liability may be repaid within 12 months after the reporting period must be disclosed. The revision of the relevant standard has no significant impact on the financial statements.

(2) K-IFRS No. 1007, 'Accounting Policies and the Change and Errors of Accounting Estimates' - Definition of 'Accounting Estimates'

K-IFRS No. 1007, Cash Flow Statement, adds the requirement to disclose information on supplier finance arrangements so that users of financial statements can evaluate the impact of supplier finance arrangements on the entity's liabilities and cash flows. In addition, the amendment to K-IFRS No. 1107, Financial Instruments Disclosure, adds supplier finance arrangements as an example of the requirement to disclose information related to exposure to liquidity risk concentration. The amendment to the standard does not have a significant impact on the financial statements.

(3) Amendment to Korean Accounting Standard No. 1116, ‘Leases’ - Lease Liabilities Arising from Sale and Leaseback

K-IFRS No. 1115, ‘Revenue Arising from Contracts with Customers’, has added subsequent measurement requirements for sale and leasebacks that are accounted for as sales. The amendment requires that ‘lease payments’ or ‘modified lease payments’ be calculated in a manner that does not recognize any gain or loss for the right of use that the seller-lessee continues to retain after the commencement date of the lease. The amendment to this standard has no significant impact on the financial statements.

(4) Amendment to K-IFRS No. 1001, ‘Presentation of Financial Statements’ - ‘Disclosure of Virtual Assets’

In addition to the disclosure requirements required by other standards for virtual asset transactions, the amendments specify the matters to be disclosed in each case: 1) when holding virtual assets, 2) when holding virtual assets on behalf of customers, and 3) when issuing virtual assets. When holding virtual assets, information on general information about the virtual assets, accounting policies applied, acquisition path and acquisition cost for each virtual asset, and fair value at the end of the current period must be disclosed. In addition, when issuing virtual assets, the company’s obligations and performance status related to the issued virtual assets, the timing and amount of revenue recognition for sold virtual assets, the number of virtual assets held after issuance, and important contract details must be disclosed. The amendments to the relevant standards have no significant impact on financial statements.

For detailed information on the major accounting policies and estimates, please refer to 'III. Financial Matters' - '5. Notes to the Financial Statements - 2. Major Accounting Policies.'

B. Matters Regarding the Environment and Employees

No sanctions or administrative measures related to environmental matters exist as of the disclosure preparation date.

In addition, to prevent the departure of key personnel, the Company operates various welfare programs such as rewards for outstanding employees and long-term tenure, optional welfare benefits, and an internal loan system. For detailed information on the employee situation, please refer to 'VIII. Matters Related to Executives, Employees, Etc.' - '1. Status of Executives, Employees, Etc..'

C. Regulatory Matters

For information on regulatory matters, please refer to 'XI. Other Necessary Matters to Protect Investors' - '2. Matters Related to Contingent Liability' and '3. Matters Related to Sanctions, Etc.'

D. Matters Regarding Derivatives and Risk Management Policies

The Company has established foreign exchange management regulations and assigned personnel to perform

related tasks, aiming for systematic and continuous exchange risk management.
The Company practices debt-free management for financial soundness, and as of December 31, 2024, there are no outstanding borrowings from external sources.
▲ Supporting stable operational activities in response to volatile exchange rate fluctuations is the objective
▲ Utilization of foreign exchange derivative transactions based on internal control standards and communication with external institutions
▲ Management of exchange risk for future expected export and import proceeds

For detailed information on the derivatives and risk management policies, please refer to 'II. Business Contents' - '5. Risk Management and Derivative Transactions' and 'III. Financial Matters' - '5. Notes to the Financial Statements - 4. Risk Management.'

V. Audit opinion from a financial auditor, etc.

1. Matters related to External Audits

A. Title of Financial auditor and Audit opinion

Business Year	Division	Auditor	Auditor's Opinion	Reasons for Change of Opinion	Major Uncertainties Related to Going Forward	Emphasis of Matter	Key Audit Matters
The 30th (Current) period	Audit Report	Samjong Accounting Corp.	Appropriate	Not applicable	Not applicable	Not applicable	Appropriateness of period recognition of products and goods sales revenue
	Consolidated Audit Report	-	-	-	-	-	-
The 29th (Previous) period	Audit Report	Samjong Accounting Corp.	Appropriate	Not applicable	Not applicable	Not applicable	Appropriateness of period recognition of products and goods sales revenue
	Consolidated Audit Report	-	-	-	-	-	-
The 28th (Year prior to previous) period	Audit Report	Samjong Accounting Corp.	Appropriate	Not applicable	Not applicable	Not applicable	Appropriateness of period recognition of products and goods sales revenue
	Consolidated Audit Report	-	-	-	-	-	-

B. Status of audit engagement contracts

(Unit: KRW 1 Million, Time)

Business Year	Auditor	Contents	Details of Audit Contract		Actual Performance	
			Compensation	Time	Compensation	Time
The 30th (Current) period	Samjong Accounting Corp.	Review of interim financial statements, audit of year-end financial statements, and audit of the internal control system for financial management	290	2,060	290	2,221
The 29th (Previous) period	Samjong Accounting Corp.	Review of interim financial statements, audit of year-end financial statements, and review of the internal control system for financial management	280	2,053	280	2,002
The 28th (Year prior to previous) period	Samjong Accounting Corp.	Review of interim financial statements, audit of year-end financial statements, and review of the internal control system for financial management	250	2,030	250	1,975

C. Status of non-audit engagement contracts with external auditors

Business Year	Date of Contract Conclusion	Details of Service	Period of Service Execution	Compensation for Service	Notes
The 30th (Current) period	May 13, 2024	Review of consolidated packages by quarter	January 1, 2024 - December 31, 2024	KRW 205,000,000	-
The 29th (Previous) period	June 8, 2023	Review of consolidated packages by quarter	January 1, 2023 - December 31, 2023	KRW 190,000,000	-
The 28th (Year prior to previous) period	April 18, 2022	Review of consolidated packages by quarter	January 1, 2022 - December 31, 2022	KRW 165,000,000	-

D. The outcomes of discussions between the internal audit department and the external auditors regarding matters that could have a significant impact on the judgments of stakeholders in the financial statements

Classification	Date	Attendees	Method	Key discussion details
1	January 7, 2025	Company representative: Auditors Auditor representatives: Director in charge of operations, Responsible accountant (total of 2)	Face-to-face meeting	Audit team composition, audit engagement hours and fees, responsibilities of management and auditors, key audit matters, auditors' independence, etc.
2	March 18, 2025	Company representative: Auditors Auditor representatives: Director in charge of operations, Responsible accountant (total of 2)	Face-to-face meeting	Significant audit findings, deficiencies in significant internal controls, key audit matters, auditors' independence, etc.

E. Minutes of the adjustment committee meeting and information on financial statement discrepancies

- Not applicable

F. Change in External Auditor

In the 27th period, the external auditor was SAMIL PwC, and during the contract period with the previous auditor, in the 28th period, the external auditor was changed from SAMIL PwC to Samjong Accounting Corp. This change was made under the periodic appointment of auditors as prescribed in Article 11(2) of the Act on External Audit of Stock Companies, Articles 15 and 17 of the Enforcement Decree of the same Act, and Article 10 and Article 15(1) of the Regulation on External Audit and Accounting, etc.

2. Matters related to internal control

A. Internal Control

[Results of the audit on the effectiveness of the Company's internal controls]

Business Year	Auditor's opinion	Inadequacy
The 30th (Current) period	Based on the audit opinion, the internal monitoring system of Tokai Carbon Korea Co., Ltd. for the accounting year ending on December 31, 2024, is effectively functioning.	-
The 29th (Previous) period	Based on the audit opinion, the internal monitoring system of Tokai Carbon Korea Co., Ltd. for the accounting year ending on December 31, 2022, is effectively functioning.	-
The 28th (Year prior to previous) period	Based on the audit opinion, the internal monitoring system of Tokai Carbon Korea Co., Ltd. for the accounting year ending on December 31, 2021, is effectively functioning.	-

B. Internal Accounting Control System (IACS)

[Auditor's review/opinion of the IACS audit]

Business Year	Auditor	Auditor's review/opinion	Inadequacy	Classification
The 30th (Current) period	Samjong Accounting Corp.	We have audited the internal accounting management system of Tokai Carbon Korea Co., Ltd. (hereinafter referred to as "Company") based on the "Conceptual System for Designing and Operating IACS" as of December 31, 2024. Considering its significance, we believe the Company's internal accounting management system has been effectively designed and operated in accordance with the "Conceptual System for Designing and Operating IACS" as of December 31, 2024.	-	Auditors
The 29th (Previous) period	Samjong Accounting Corp.	We have audited the internal accounting management system of Tokai Carbon Korea Co., Ltd. (hereinafter referred to as "Company") based on the "Conceptual System for Designing and Operating IACS" as of December 31, 2023. Considering its significance, we believe the Company's internal accounting management system has been effectively designed and operated in accordance with the "Conceptual System for Designing and Operating IACS" as of December 31, 2023.	-	Auditors
The 28th (Year prior to previous) period	Samjong Accounting Corp.	We have audited the internal accounting management system of Tokai Carbon Korea Co., Ltd. (hereinafter referred to as "Company") based on the "Conceptual System for Designing and Operating IACS" as of December 31, 2022. Considering its significance, we believe the Company's internal accounting management system has been effectively designed and operated in accordance with the "Conceptual System for Designing and Operating IACS" as of December 31, 2022.	-	Auditors

VI. Matters Related to Company Organizations, Including the Board of Directors

1. Matters Related to the Board of Directors

A. Overview of the Composition of the Board of Directors

As of the reporting date, our Board consists of four directors, including three internal directors and one external director. According to our Articles of Incorporation, Mr. Shin Hideo, the Representative Director and Chairman, serves as Chairman of the Board.

The Board of Directors deliberates and makes decisions on matters specified by laws, regulations, and Articles of Incorporation, as well as matters delegated by the general meeting of shareholders, fundamental policies related to the Company's management, and important matters regarding business execution. It also receives reports on the execution of such matters.

Please refer to 'Chapter 8, Matters Related to Executives, Employees, Etc.' for the key backgrounds and responsibilities of each director.

▲ Our Company does not have separate committees within the Board of Directors.

B. External Directors and Status of Changes

(Unit: person)

Number of Directors	Number of External Directors	Status of External Director Changes		
		Appointment	Dismissal	Resignation (mid-term)
4	1	-	-	-

C. Key Decision Matters

Session	Meeting Date	Agenda	Result of the Vote	Name of directors					
				Shin Hideo (Attendance Rate: 100%)	Younghee Kim (Attendance Rate: 80%) (Note 1)	Changmin Oh (Attendance Rate: 100%) (Note 2)	Takahashi Hiroshi (Attendance Rate: 100%) (Note 3)	Sato Akihiko (Attendance Rate: 100%) (Note 4)	Shiotsubo Aceke (Attendance Rate: 100%)
1st	March 29, 2024	① Appointment of respective representative directors	Approved	Approve	Approve	-	Approve	-	Approve
		② Approval of concurrent appointment of executives in other companies		Approve	Approve	-	Approve	-	Approve
		③ Approval of the conclusion of the advisory contract		Approve	Approve	-	Approve	-	Approve
		④ Approval of promotion and change of position		Approve	Approve	-	Approve	-	Approve
		⑤ Approval of the revision of welfare support regulations		Approve	Approve	-	Approve	-	Approve
2nd	April 19, 2024	① Approval of partial cancellation of investment in SiC product manufacturing facilities	Approved	Approve	Approve	-	-	Approve	Approve
3rd	May 9, 2024	① Approval of investment in TaC product manufacturing facilities	Approved	Approve	Approve	-	-	Approve	Approve
4th	July 19,	① Approval of the additional approval of	Approved	Approve	Approve	-	-	Approve	Approve

Session	Meeting Date	Agenda	Result of the Vote	Name of directors					
				Shin Hideo (Attendance Rate: 100%)	Younghee Kim (Attendance Rate: 80%) (Note 1)	Changmin Oh (Attendance Rate: 100%) (Note 2)	Takahashi Hiroshi (Attendance Rate: 100%) (Note 3)	Sato Akihiko (Attendance Rate: 100%) (Note 4)	Shiotsubo Aceke (Attendance Rate: 100%)
	2024	transaction limit with stakeholders for the 30th term							
		② Approval of the amendment to delegated decision-making regulations		Approve	Approve	-	-	Approve	Approve
5th	August 23, 2024	① Approval of hiring of executives	Approved	Approve	Unattended	-	-	Approve	Approve
		② Approval of the conclusion of the advisory contract		Approve	Unattended	-	-	Approve	Approve
		③ Approval of reference date for the 30th extraordinary general meeting of shareholders		Approve	Unattended	-	-	Approve	Approve
		④ Approval of convocation of the 30th extraordinary general meeting of shareholders and agenda items		Approve	Unattended	-	-	Approve	Approve
6th	October 8, 2024	① Appointment of each representative director	Approved	Approve	-	Approve	-	Approve	Approve
7th	October 24, 2024	① Approval of cancellation of investment in TaC product manufacturing facilities	Approved	Approve	-	Approve	-	Approve	Approve
		② Purchase of a golf membership		Approve	-	Approve	-	Approve	Approve
8th	December 26, 2024	① Approval of 31st business plan and T-2027	Approved	Approve	-	Approve	-	Approve	Approve
		② Approval of transaction limit with stakeholders for the 31st term		Approve	-	Approve	-	Approve	Approve
9th	January 31, 2025	① Approval of the conclusion of the trust contract for the acquisition of treasury stocks	Approved	Approve	-	Approve	-	Approve	Approve
10th	February 5, 2025	① Approval of 30th financial statements (draft)	Approved	Approve	-	Approve	-	Approve	Approve
		② Approval of 30th business report		Approve	-	Approve	-	Approve	Approve
		③ 30th Approval of the convocation of the regular shareholders' meeting and agenda items		Approve	-	Approve	-	Approve	Approve
		④ Approval of the 31st business plan and T-2027 amendment (draft)		Approve	-	Approve	-	Approve	Approve

▲ It is based on the 30th period

Note 1) CEO Younghee Kim resigned on August 23, 2024, due to personal reasons.

Note 2) CEO Changmin Oh was newly appointed on October 8, 2024.

Note 3) Inside Director Takahashi Hiroshi retired on March 29, 2024, after his term expired.

Note 4) Inside Director Sato Akihiko was newly appointed on March 31, 2024.

D. Independence of Directors

(1) Appointment of directors

Directors are appointed at the general meeting of shareholders, and director candidates to be appointed at the general meeting of shareholders are selected by the Board of Directors and are finalized as an agenda to be submitted to the general meeting of shareholders. If there is a shareholder proposal regarding the appointment of directors, the Board of Directors submits it to the general shareholders meeting as a proposal within the legal limits. Directors appointed through this process are as follows:

[Base date: As of December 31, 2024]

Name of position	Name	Referrer	Area of Activity (Assigned tasks)	Transaction with the Company	Relationship with the largest shareholder or major shareholders	Term of Office	Status of consecutive terms	Number of consecut ive terms
Internal Director (Representative Director, Chairman)	Shin Hideo	Board of directors	Overall management of the Company	Not applicable	Employees of the largest shareholder	March 31, 2023 Until March 31, 2025	O	2
Internal Director (Representative Director, CEO)	Changmin Oh	Board of directors	Overall management of the Company		Not applicable	October 8, 2024 until October 8, 2025	X	-
Internal Director	Sato Akihiko	Board of directors	Overall management of the Company		Employees of the largest shareholder	March 31, 2023 Until March 31, 2025	X	-
External Director	Shiotsubo Aceke	Board of directors	Overall management of the Company		Not applicable	March 31, 2023 until March 31, 2024	O	2

(2) External Director Candidate Recommendation Committee

Our Company does not have a separate External Director Candidate Recommendation Committee.

E. Expertise of External Directors

(1) There is no separate support organization within our Company to assist in the performance of duties by external directors.

(2) Details on not providing the external director education

Status of providing the external director education	Reasons for not providing the external director education
Not provided	Note 1)

Note 1) The appointed external directors in our Company are experts in the fields of finance, accounting, economics, management, finance, and legal affairs. They possess sufficient expertise in their respective fields and have not received specific education or training targeted at external directors or completed any training provided by external organizations. If there are important business matters or management-related issues in the future, we plan to conduct internal training.

2. Matters related to the Audit System

A. Audit Committee

As of December 31, 2024, our Company does not have a separate audit committee in place due to the size of our assets not meeting the requirements.

B. Auditors

(1) Matters related to Audits

As of December 31, 2024, our Company has one auditor appointed by a resolution of the general meeting of shareholders, who performs audit works.

The auditor attends the Board of Directors to supervise the directors' activities independently and has the authority to request relevant departments to submit books and documents related to their overall duties.

Additionally, the auditor can receive reports on business matters from the Company and access management information through appropriate means.

Our auditor is granted the following powers for accessing management information necessary for audit works:

- Reviewing the integrity, validity, and accuracy of corporate financial activities and financial reporting.
- Reviewing the validity of major accounting principles, accounting estimates, and changes.
- Evaluating internal accounting control systems, etc.

The auditor may also seek assistance from experts at the Company's expense for matters related to their audit duties. If necessary, the auditor can submit a written request to the director (or the convener, if applicable), specifying the purpose and reasons for convening the Board of Directors. If the director fails to convene the requested Board of Directors promptly, the auditor who made the request may convene the Board of Directors themselves.

Please refer to 'Chapter 8, Matters Related to Executives, Employees, Etc.' for the key backgrounds and responsibilities of auditors.

(2) Auditor's Personal Information

Name	Major Career Experience		Notes
	Period	Career	
Jeonghoon Lee (July 2, 1960)	March 2019 - Present	Auditor at Tokai Carbon Korea Co., Ltd.	Full-time
	March 2017 - March 2019	Auditor at LOTVACUUM Co., Ltd.	Full-time

C. The Duties and Authorities of the Auditors

The duties and authorities of the auditors in our Company are determined under the Articles of Incorporation and the Audit Job Regulations. The following are the details:

(1) Duties

1) Formulation, execution, evaluation, reporting, and follow-up of the audit plan

2) Evaluation of the overall internal control system within the Company

3) Matters related to the appointment and performance of external auditors
4) Evaluation of the activities of external auditors
5) Confirmation of actions taken regarding audit findings
6) Handling of matters prescribed by relevant laws or the Articles of Incorporation
7) Audit of matters deemed necessary by the auditor

(2) Authorities
1) Right to demand business reports, investigation of the Company's operations, properties, and financial condition from directors, etc.
2) Right to access all information within the Company
3) Right to request attendance and responses from associated individuals
4) Inspection of warehouses, safes, books, and assets
5) Request and examination of data from the Company's business partners
6) Any other necessary requests related to the performance of audit duties

D. Independence of Auditors

The appointment of auditors in our Company follows the procedures outlined in the Commercial Act and other relevant laws. Candidates without disqualifications under the law are selected, and their personal information is disclosed prior to the general meeting of shareholders. An agenda is presented to the general meeting of shareholders for the final confirmation of the appointment. Additionally, under relevant laws and regulations, shareholders who own more than 3% of the voting shares are prohibited from exercising their voting rights regarding the appointment of auditors for shares exceeding that threshold. This ensures compliance with the procedures for the appointment of auditors and maintains their independence.

E. Expertise of Auditors

(1) Status of Auditor Education Implementation

Date of Training	Training Provider	Key Training Topic
Jun 21, 2024	Samjeong KPMG	Supervisory measures for internal audit and risks

(2) Status of Auditors Supporting Organization

Name of the Department (Team)	Number of Employees (person)	Position (Job Tenure)	Major Activities
Internal Control Team	3	Junior Executive Director (14 years of experience), one Deputy Department Head (3 year of experience), and one Manager (4 years of experience)	- Support for overall management audit works - Activities related to internal accounting control system

▲ As of December 31, 2024.

(3) Status of Compliance Officer Supporting Organization

- Not applicable

3. Matters Related to General Meeting of Shareholders, Etc.

A. Status of Voting Systems

(Base Date: December 31, 2024)

Types of voting systems	Concentrated Voting System	Voting in Writing	Electronics Voting
Status of introduction	Excluded	Not introduced	Introduced
Status of implementation	Not provided	Not provided	30th (2024) Regular General Meeting

B. Exercise of minority shareholder rights

- Not applicable

C. Competition for management rights

- Not applicable

D. Status of Voting Rights

According to the Articles of Incorporation, the total number of shares issued by the Company is 11,675,000 common shares, which represents 48.65% of the total number of shares authorized for issuance. As of December 31, 2024, 11,675,000 common shares are eligible for exercising voting rights.

(Base Date: December 31, 2024) (Unit: shares)

Classification	Type of shares	Number of shares	Notes
Number of issued shares (A)	Common Share	11,675,000	-
	Preferred Share	-	-
Number of shares without voting rights (B)	Common Share	-	-
	Preferred Share	-	-
Number of shares whose voting rights were excluded according to the Articles of Incorporation (C)	Common Share	-	-
	Preferred Share	-	-
Number of shares whose voting rights were excluded according to the other relevant laws and regulations (D)	Common Share	-	-
	Preferred Share	-	-
Number of shares whose voting rights were revived (E)	Common Share	-	-
	Preferred Share	-	-
The number of shares eligible for exercising voting rights (F = A - B - C - D + E)	Common Share	11,675,000	-
	Preferred Share	-	-

E. Summary of the minutes of the shareholders' meeting

Shareholders' meeting (date)	Agenda	Resolution	Remarks
•25th regular general shareholders’ meeting (March 25, 2020)	1. Approval of the 25th financial statements 2. Appointment of directors 3. Approval of the director compensation limit 4. Approval of the auditor compensation limit 5. Approval of amendments to the articles of incorporation	Original draft approved	- Shareholder proposal: None - Agenda amendments: None
•26th regular general shareholders’ meeting (March 31, 2021)	1. Approval of the 26th financial statements 2. Appointment of directors 3. Approval of the director compensation limit 4. Approval of the auditor compensation limit 5. Approval of amendments to the articles of incorporation	Original draft approved	- Shareholder proposal: None - Agenda amendments: None
•27th regular general shareholders’ meeting (March 29, 2022)	1. Approval of the 27th financial statements 2. Appointment of directors 3. Appointment of auditors 4. Approval of the director compensation limit 5. Approval of the auditor compensation limit 6. Approval of amendments to the articles of incorporation	Original draft approved	- Shareholder proposal: None - Agenda amendments: None
•28th regular general shareholders’ meeting (March 29, 2023)	1. Approval of the 28th financial statements 2. Appointment of directors 3. Approval of the director compensation limit 4. Approval of the auditor compensation limit	Original draft approved	- Shareholder proposal: None - Agenda amendments: None
•29th regular general shareholders’ meeting (March 29, 2024)	1. Approval of the 29th financial statements 2. Appointment of directors 3. Approval of the director compensation limit 4. Approval of the auditor compensation limit	Original draft approved	- Shareholder proposal: None - Agenda amendments: None

VII. Matters Related to Shareholders

1. Status of Share Ownership of the Largest Shareholder and Affiliate Person

(Base Date: December 31, 2024) (Unit: Shares, %)

Name	Relation	Type of shares	Number of Owned Shares and Equity Ownership				Notes
			Beginning of period		End of period		
			Number of shares	Equity Ownership	Number of shares	Equity Ownership	
Tokai Carbon Co., Ltd.	Largest shareholder	Common Share	5,533,250	47.4	5,883,250	50.4	-
Total		Common Share	5,533,250	47.4	5,883,250	50.4	-
		Preferred Share	-	-	-	-	-

2. Major Career and Overview of the Largest Shareholder

Our largest shareholder, Tokai Carbon Co., Ltd., is a comprehensive maker of carbon products that has been engaged in the development of carbon materials essential in various industries since its establishment in 1918. Some key products include carbon black, graphite electrodes, fine carbon, friction materials, and industrial furnace-related products.

1) Year of establishment: April 1918
2) Location: Minato, Tokyo, Japan
3) Industry: Manufacturing and sales of carbon black, graphite electrodes, fine carbon, friction materials, and industrial furnace-related products
4) Representative (as of December 31, 2024)

Classification	Details
Name	Nagasaka Hajime
Date of birth	January 9, 1950
Final education	Keio University, Department of Commerce and Economics
Position	Representative Director (CEO), Executive Officer

5) Financial Status (As of January 1, 2024 - December 31, 2024)

Classification	Amount (JPY million)
Total assets	640,753
Total liabilities	315,595
Total equities	325,158
Sales	350,114
Operating income	19,386
Current net income	(52,949)

▲ The above financial status is based on the consolidated financial statements as of December 31, 2024.

6) Major Shareholders

- Major shareholders (as of December 31, 2024)

(Unit: 1000 shares, %)

Shareholder	Shareholdings	Percentage
The Master Trust Bank of Japan, Ltd. (Trust Account)	42,300	19.82
Custody Bank of Japan, Ltd. (Trust Account)	16,115	7.55
MUFG Bank, Ltd.	5,827	2.73
STATE STREET BANK AND TRUST COMPANY 505001	5,033	2.36
NORTHERN TRUST GLOBAL SERVICES SE, LUXEMBOURG RE LUDU RE: UCITS CLIENTS 15.315 PCT NON TREATY ACCOUNT	4,732	2.22
Mitsubishi UFJ Trust and Banking Corporation	4,609	2.16
Mitsubishi UFJ Morgan Stanley	2,790	1.31
STATE STREET BANK AND TRUST COMPANY 505223	2,537	1.19
STATE STREET BANK WEST CLIENT - TREATY 505234	2,502	1.17
Tokio Marine & Nichido Fire Insurance Co., Ltd.	2,426	1.14

3. Overview of the largest shareholder (corporation or organization)

- Not applicable.

4. Ownership of Shareholders Owning 5% or More

As of December 31, 2024, the shareholders who hold more than 5% of the Company's shares are the largest shareholder, Tokai Carbon Co., Ltd., and KC Co., Ltd.

Status of Share Ownership

(Base Date: December 31, 2024) (Unit: shares)

Classification	Name of Shareholders	Number of Owned Shares	Equity ownership (%)	Notes
Shareholders with more than 5%	TOCAI CARBON CO., LTD.	5,883,250	50.4	-
	KC Co., Ltd.	955,250	8.2	-
Employee Stockholders' Association		-	-	-

5. Status of Minority Shareholders Owning Less than 1%

Status of Minority Shareholders

(Base Date: December 31, 2024) (Unit: shares)

Classification	Shareholder			Owned Shares			Remarks
	Number of Minority Shareholders	Total Number of Shareholders	Percentage (%)	Number of Minority Shares (Shares)	Number of Total Issued Shares	Percentage (%)	
Minority shareholders	12,656	12,662	99.9	3,767,417	11,675,000	32.3	-

6. Share Affairs

<table>
<tr><td>Details related to new shares in the Articles of Incorporation</td><td colspan="3">Article 10 (New shares)
① Shareholders of this Company have the right to receive new shares in proportion to the number of shares they own in issuing new shares.
② Notwithstanding the provisions of Paragraph 1, in the following cases, the allocation of new shares to persons other than the shareholders may be made by resolution of the Board of Directors:
1. Deletion (March 20, 2008)
2. When issuing new shares through a general public offering method within the range not exceeding 20% of the total issued shares under Article 165-6 of the "Financial Investment Services and Capital Markets Act"
3. When allocating shares preferentially to our shareholders' association members within the range not exceeding 20% of the total issued shares
4. When issuing new shares due to the exercise of the share purchase option under Article 542-3 of the Commercial Act
5. Deletion (March 20, 2008)
6. When issuing new shares to domestic or foreign financial institutions or institutional investors within the range not exceeding 20% of the total issued shares for urgent funding
7. When issuing new shares to the counterparty for the introduction of technology, research and development, production, sales, or equity alliance, which are critical to the business, within the range not exceeding 20% of the total issued shares
③ When issuing new shares under any of the provisions of Paragraph 2, the type, quantity, and issuance price of the shares to be issued shall be determined by the resolution of the Board of Directors.
④ The method of handling fractional shares resulting from the waiver or loss of subscription rights and the allocation of new shares shall be determined by the resolution of the Board of Directors.
⑤ In the case of allocating new shares to persons other than the shareholders under Paragraph 2, the Company shall notify the shareholders or publicly announce the matters specified in Article 416, Paragraph 1, Subparagraph 1, 2, 2-2, 3, and 4 of the Commercial Act by two weeks before the payment date.</td></tr>
<tr><td>Settlement date</td><td>December 31</td><td>Regular general meeting of shareholders</td><td>Year-end closing Within 3 months after the end of the fiscal year</td></tr>
<tr><td>Period of closing the shareholder registry</td><td colspan="3">Determined by board resolution</td></tr>
<tr><td>Transfer Agency</td><td colspan="3">Kookmin Bank Securities Agency</td></tr>
<tr><td>Shareholder's benefits</td><td>-</td><td>Medium of announcement</td><td>Company website http://www.tck.co.kr or MoneyToday</td></tr>
</table>

7. Share Prices and Trading Volume in the Recent 6-month

A. Domestic Securities Market

(Unit: KRW, shares)

Type		July 2024	August 2024	September 2024	October 2024	November 2024	December 2024
Common Share	Highest	136,800	113,700	98,100	92,800	86,000	72,100
	Lowest	109,400	95,000	85,300	81,500	69,700	67,500
Monthly trading volume		921,737	889,819	653,684	489,290	766,688	707,149

B. Overseas Securities Market

▲ Not applicable.

VIII. Matters Related to Executives, Employees, Etc.

1. Status of Executives, Employees, Etc.

A. Status of Executives

As of December 31, 2024, the Company has a total of 14 executives, including 5 registered executives and 9 unregistered executives. The detailed status of the executives is as follows:

(Base Date: December 31, 2023) (Unit: shares)

Name	Gender	DOB	Position	Executive Registration Status	Full-time Status	Assigned Tasks	Major Career Experience	Number of Owned Shares		Association with the Largest Shareholder	Tenure of Office	Termination Date of the Term
								Shares with Voting Rights	Shares without Voting Rights			
Shin Hideo	Male	August 1969	Representative Director (Chair-man)	Internal Director	Non-resident	Overall management	Osaka University, major in Engineering Science, (Current) FC Business Director of Tokai Carbon Co., Ltd.	-	-	Employee of TOKAI CARBON (largest shareholder)	1 year or more	March 31, 2025
Changmin Oh	Male	February 1965	Representative Director (CEO)	Internal Director	Full-time	Overall management	Seoul National University Graduate School, Department of Business Administration (Former) Samsung Electronics Japan Co., Ltd., CEO	-	-	Not applicable	Less than 1 year	October 8, 2025
Sato Akihiko	Male	July 1965	Internal Director	Internal Director	Non-resident	Overall management	(Current) Tokai Carbon Co., Ltd., Department of Accounting, Faculty of Commerce, Chuo University (Current) Tokai Carbon Co., Ltd. Director of Management Planning Department and Head of Management Planning Department	-	-	Employee of largest shareholder	Less than 1 year	March 31, 2025
Shiotsubo Aceke	Male	August 1952	External Director	External Director	Non-resident	External Director	Tokyo Technical High School, Department of Industrial Chemistry, (Former) Management Head of TOKAI Co., Ltd.	-	-	Not applicable	1 year or more	March 31, 2025
Jeonghoon Lee	Male	July 1960	Auditors	Auditors	Full-time	Auditors	Yonsei University, major in Business Administration, (Former) Auditor of LOTVACUUM Co., Ltd.	-	-	Not applicable	5 years or more	March 29, 2025
Kwangjae Park	Male	September 1965	Executive Director	Unregistered	Full-time	Head of Management Strategy Department	Yonsei University Graduate School, (Former) Management Strategy Manager of KCENC Co., Ltd.	-	-	Not applicable	15 years or more	-
Geuntae Kim	Male	January 1965	Executive Director	Unregistered	Full-time	Head of Production Department	Seoul School of Integrated Sciences & Technologies, (Former) Production General Manager of LG Siltron Co., Ltd.	-	-	Not applicable	10 years or more	-
Jeongil Kim	Male	October 1971	Junior Executive Director	Unregistered	Full-time	Head of Development Department	Yonsei University Graduate School, Doctor of Advanced Materials Engineering, (Former) Korea Atomic Energy Research Institute	-	-	Not applicable	15 years or more	-
Taeil Kim	Male	January 1969	Junior Executive Director	Unregistered	Full-time	Production Control Team Leader	Jeonnam National University, major in Metallurgical Engineering, (Former) Process Team of Barun Electronics	-	-	Not applicable	5 years or more	-
Inseok Cha	Male	February 1970	Junior Executive	Unregistered	Full-time	Internal Control	Korea University, major in Business	-	-	Not applicable	10 years or more	-

Name	Gender	DOB	Position	Executive Registration Status	Full-time Status	Assigned Tasks	Major Career Experience	Number of Owned Shares		Association with the Largest Shareholder	Tenure of Office	Termination Date of the Term
								Shares with Voting Rights	Shares without Voting Rights			
			Director			Team Leader	Administration, (Former) Accountant of LG Electronics Co., Ltd.					
Kiwon Kim	Male	March 1969	Junior Executive Director	Unregistered	Full-time	Head of Production Technology Department	Hankyung University, major in Environmental Engineering, (Former) Production Division of Oriental Industry Co., Ltd.	-	-	Not applicable	20 years or more	-
Hyeongil Noh	Male	March 1972	Junior Executive Director	Unregistered	Full-time	Head of the Quality Department	Hanyang University Graduate School, (Former) Sales Team Leader of Tokai Carbon Korea Co., Ltd.	-	-	Not applicable	25 years or more	-
Younghwa Kim	Male	May 1969	Junior Executive Director	Unregistered	Full-time	Head of Facilities and Environmental Safety Division	Suwon Science College, major in Architectural Facilities, (Former) Environmental Safety Team Leader of Tokai Carbon Korea Co., Ltd.	-	-	Not applicable	15 years or more	-
Jonghyeon Kim	Male	April 1969	Junior Executive Director	Unregistered	Full-time	Head of Sales Department 2	Dankook University, Department of Physics (Former) Team Leader, New Business Development Team, TCK Co., Ltd.	-	-	Not applicable	25 years or more	

B. Status of Candidates for Appointment and Individuals Subject to Dismissal of Registered Executives

(Base Date: December 31, 2024)

Classification	Name	Gender	DOB	Eligibility of External Director Candidate	Major Career Experience	Appointment/ Dismissal date	Association with the Largest Shareholder
Appointment	Shin Hideo	Male	August 1969	Internal Director	September 2022 - Present: Representative Director (Chairman), Tokai Carbon Korea Co., Ltd. January 2020 - Present: Fine Carbon Business Director, Tokai Carbon Co., Ltd. October 2017 - December 2019: Tanoura Plant Manager, Tokai Carbon Co., Ltd. March 2013 - October 2017: Tokai Fine Carbon Co., Ltd.	March 28, 2025	Executives and employees
Appointment	Changmin Oh	Male	February 1965	Internal Director	August 2024- Present: Representative Director (CEO), Tokai Carbon Korea Co., Ltd. February 2020-November 2023 Samsung Electronics Japan Co., Ltd., CEO December 2015-January 2020 Samsung Electronics Co., Ltd. Managing Director	March 28, 2025	-
Appointment	Satou Akihiko	Male	July 1965	Internal Director	March 2023 - Present: Executive Director, Management Planning Department Officer & Head, Tokai Carbon. Ltd March 2021 – March 2023: Executive Director, Financial Management Department & Information System Office Officer & Head, Tokai Carbon. Ltd March 2019 – March 2021: Financial Department Head, Tokai Carbon. Ltd October 2018 – March 2019: Financial Department Vice Head, Tokai Carbon. Ltd	March 29, 2024	Executives and employees
Appointment	Miyazaki Atsushi	Male	June 1959	External Director	April 2020-March 2024 Executive Director, Carbon Black Association March 2013-March 2020 Management Planning Division Vice Head, Tokai Carbon Co., Ltd.	March 28, 2025	-
Appointment	Jeonghoon Lee	Male	July 1960	Auditor	March 2019-Present: Auditor, TCK Co., Ltd. March 2017-March 2019: Auditor, LOTVACUUM Co., Ltd. April 2015-April 2017: CEO, JL Enterprise	March 28, 2025	-

Note 1) Inside Director (CEO) Changmin Oh will resign and be reappointed for a term adjustment.

▲ Following the submission date of this report, the company has selected the aforementioned directors as candidates for appointment as an agenda item for the upcoming 30th regular general meeting of shareholders. If there are any rejections or modifications regarding the approval of the financial statements at the future regular general meeting of shareholders, the amended report will include the details, reasons, and other relevant information.

C. Status of Employees, Etc.

(Base Date: December 31, 2024) (Unit: KRW)

<table>
<tr><th colspan="11">Employees</th><th colspan="3">External Employees</th><th rowspan="4">Notes</th></tr>
<tr><th rowspan="3">Business Section</th><th rowspan="3">Gender</th><th colspan="5">Number of Employees</th><th rowspan="3">Average Years of Service</th><th rowspan="3">Total Annual Compensation</th><th rowspan="3">Average Compensation per Employee</th><th rowspan="3"></th><th rowspan="3">Male</th><th rowspan="3">Female</th><th rowspan="3">Total</th></tr>
<tr><th colspan="2">Permanent Employee</th><th colspan="2">Fixed-term Employee</th><th rowspan="2">Total</th></tr>
<tr><th>Total</th><th>(Short-term Employee)</th><th>Total</th><th>(Short-term Employee)</th></tr>
<tr><td>Registered Executive Directors</td><td>Male</td><td>5</td><td>-</td><td>-</td><td>-</td><td>5</td><td>2.8 years</td><td>316,919,480</td><td>63,383,896</td><td></td><td rowspan="6">-</td><td rowspan="6">-</td><td rowspan="6">-</td><td>-</td></tr>
<tr><td>Production Staff</td><td>Male</td><td>297</td><td>-</td><td>3</td><td>-</td><td>300</td><td>6.2 years</td><td>23,745,610,911</td><td>79,152,036</td><td></td><td>-</td></tr>
<tr><td>Production Staff</td><td>Female</td><td>1</td><td>-</td><td>1</td><td>-</td><td>2</td><td>3.1 years</td><td>64,237,770</td><td>32,118,885</td><td></td><td>-</td></tr>
<tr><td>Management Staff</td><td>Male</td><td>120</td><td>-</td><td>-</td><td>-</td><td>120</td><td>8.2 years</td><td>11,030,606,523</td><td>91,921,721</td><td></td><td>-</td></tr>
<tr><td>Management Staff</td><td>Female</td><td>20</td><td>-</td><td>1</td><td>-</td><td>21</td><td>3.4 years</td><td>1,482,696,035</td><td>70,604,573</td><td></td><td>-</td></tr>
<tr><td colspan="2">Total</td><td>443</td><td></td><td>5</td><td>-</td><td>448</td><td>6.5 years</td><td>36,640,070,719</td><td>81,785,872</td><td></td><td>-</td></tr>
</table>

▲ The total salary amount and average salary per person are based on the criteria for employment income according to Article 20 of the Income Tax Law.

D. Status of Use of Childcare Support System

(Unit: Person, %)

Division	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Number of parental leave users (Male)	8	5	3
Number of parental leave Users (Female)	-	1	1
Number of parental leave users (total)	8	6	4
Parental leave use rate (male)	25%	13%	0%
Parental leave use rate (female)	0%	0%	7%
Parental leave use rate (all)	25%	13%	7%
Employees who have worked for more than 12 months after returning from parental leave (male)	3	1	1
Employees who have worked for more than 12 months after returning from childcare leave (female)	2	1	1
Employees who have worked for more than 12 months after returning from childcare leave (total)	5	*2*	2
Number of users of short work hours during childcare period	-	-	-
Number of spouses using maternity leave	16	15	15

▲ Calculation method for childcare leave usage rate: Workers who used parental leave within 1 year after giving birth in the current year/Workers with children born within 1 year of the current year

F. Status of Flexible Work System Use

(Unit: Person, %)

Division	The 30th (Current) period	The 29th (Previous) period	The 28th (Year prior to previous) period
Whether flexible work system is used	Female	Female	Female
Number of users of flexible work hours	27	15	11
Number of users of flexible work hours	-	-	-
Number of users of remote work system (including telecommuting)	-	-	-

F. Status of Compensation of Unregistered Executives

(Base Date: December 31, 2024) (Unit: KRW)

Classification	Number of Persons	Total Annual Compensation	Average Compensation per Employee	Notes
Unregistered Executive Directors	9	1,940,033,442	215,559,271	-

▲ The number of personnel is as of the end of 2024

▲ The total annual salary and average salary per person were calculated by including the salary of directors who retired during the current fiscal year, and are the standards for earned income according to Article 20 of the Income Tax Law.

2. Compensation for Executives, Etc.

A. Status of Compensation for All Directors and Auditors

(1) Approved Amount at the General Meeting of Shareholders

(Unit: KRW)

Classification	Number of Persons	Approved Amount at the General Meeting of Shareholders	Notes
Registered Director (including External Director)	4	1,500,000,000	-
Members of the audit committee or auditors	1	200,000,000	-

(2) Amount of Compensation Payment

(2-1)All Directors/Auditors

(Unit: KRW)

Number of Persons	Total Compensation	Average Compensation Per Person	Notes
5	830,104,900	166,020,980	-

▲ Total compensation is calculated by including the compensation amount of newly appointed or retired directors during the current fiscal year, and is the sum of earned income as defined in Article 20 of the Income Tax Law, other income as defined in Articles 21 and 22 of the Income Tax Law, and retirement income.

(2-2) By Type

(Unit: KRW)

Classification	Number of Persons	Total Compensation	Average Compensation Per Person	Notes
Registered Director (excluding external directors and members of the audit committee)	3	708,810,140	236,270,047	-
External Directors (excluding members of the audit committee)	1	36,000,000	36,000,000	-
Members of the Audit Committee	-	-	-	-
Auditors	1	85,294,760	85,294,760	-

▲ Total compensation is calculated by including the compensation amount of newly appointed or retired directors during the current fiscal year.

B. Individual Compensation Status of Directors/Auditors Whose Compensation Amount Is Over KRW 500 Million

(1) Compensation Payment Amount Per Individual

- Not applicable

(Unit: KRW)

Name	Position	Total Compensation	Compensation Excluded from Total Compensation
-	-	-	-

C. Individual Compensation Status of Top 5 Persons Whose Compensation Amount Is Over KRW 500 Million

(1) Compensation Payment Amount Per Individual

- Not applicable

(Unit: KRW)

Name	Position	Total Compensation	Compensation Excluded from Total Compensation
-	-	-	-

IX. Matters Related to Subsidiary Companies, Etc.

A. Status of Subsidiary Companies (Summary)

(1) Business Group to which the Company Belongs

▲ Not applicable.

(Base Date: December 31, 2024) (Unit: Company)

Name of Company	Number of Subsidiary Companies		
	Listed	Non-listed	Total
-	-	-	-

※ For detailed status, refer to 'Detailed Table-2. Status of Subsidiary Companies (Details)'

(2) Shareholding Status

(50.4%) (8.2%)

Tokai Carbon Co., Ltd. → Tokai Carbon Korea Co., Ltd. ← KC Co., Ltd.

▲ As of December 31, 2024.

▲ The largest shareholder, Tokai Carbon Co., Ltd., and the second-largest shareholder, KC Co., Ltd., acquired 217,500 shares and 174,000 shares (total of 391,500 shares), respectively, out of the 783,000 shares of TCCK Corporation held by Schunk Carbon Technology Ltd. through off-hours block trading on February 14, 2011.

▲ Tokai Carbon Co., Ltd. acquired 1,050,750 shares out of the 3,306,000 shares held by the second-largest shareholder, KC Co., Ltd., through over-the-counter trading on May 28, 2018.

▲ On September 4, 2020, the second-largest shareholder, KC Co., Ltd., sold 600,000 shares out of the 2,255,250 shares of Tokai Carbon Korea Co., Ltd. through a block deal on the stock exchange.

▲ Tokai Carbon Co., Ltd. acquired 350,000 shares out of the 1,655,250 shares held by the second-largest shareholder, KC Co., Ltd., through over-the-counter trading on May 11, 2022.

▲ The largest shareholder, Tokai Carbon Co., Ltd., acquired 350,000 shares out of the 1,305,250 shares held by the second largest shareholder, KC Co., Ltd., through an over-the-counter transaction on April 23, 2024.

B. Status of Investments in Other Companies (Summary)

- Not applicable

(Base Date: December 31, 2024) (Unit: KRW)

Purpose of Investment	Number of Mutual Investment Companies			Investment amount			
	Listed	Non-listed	Total	Book value at beginning of period	Increase (Decrease)		Book value at end of period
					Acquisition (Disposition)	Valuation Profit and Loss	
Management participation	-	-	-	-	-	-	-
General investment	-	-	-	-	-	-	-
Passive investment	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

※ For detailed status, refer to 'Detailed Table-3. Status of Investments in Other Companies (Details)'

X. Transaction Content with Largest Shareholders, Etc.

1. Transaction Content with Largest Shareholders, Etc. (Business transactions with major shareholders)

▲ Purchase of raw materials (high-purity graphite), etc.

(1) Counterparty: Tokai Carbon Co., Ltd.

(2) Transaction type: Purchase of raw materials and sales of products, etc.

(3) Transaction date: Throughout the year

(4) Transaction details: Purchase of raw materials required for the production of high-purity graphite products

The 30th (Current) period (Unit: KRW 1,000)

Company Name	Revenues	Other revenues	Purchase	Other expenses, etc.	Dividends
Tokai Carbon Co., Ltd.	138,130	-	26,012,506	6,667,563	6,639,900

2. Transaction details with shareholders (excluding major shareholders), executives, employees, and other stakeholders

The 30th (Current) period (Unit: KRW 1,000)

Company Name	Revenues	Other revenues	Purchase	Other expenses, etc.	Dividends
KC Co., Ltd.	-	-	-	3,735,897	1,566,300

XI. Other Necessary Matters to Protect Investors

1. Disclosure Progress and Changes

A. Status of Disclosure Progress and Changes

Reporting Date	Title	Details of Reporting	Progress of Reporting
April 25, 2022	New facility investment, etc.	Investment in product production facilities (KRW 34.26 billion) ▲ Aiming to expand product production capacity in response to increased customer demand	Progress completed (July 31, 2024) April 19, 2024: Completed correction announcement due to change in investment amount (Existing KRW 34.26 billion - Changed to KRW 24.28 billion)
May 27, 2022	New facility investment, etc.	Investment in new factory site (KRW 25.69 billion) ▲ Aiming to secure a site for new factory construction	Ongoing May 3, 2024: Completion of correction announcement due to change in investment completion schedule (Existing June 30, 2024—Changed to December 31, 2025)

2. Matters Related to Contingent Liability, Etc.

A. Major Lawsuits

- Lawsuit for Prohibition of Trade Secret Infringement and Compensation

  On February 27, 2019, our Company filed a civil lawsuit with the Seoul Central District Court against one former employee of our outsourcing Company, two former employees of our Company, FerroTec Advanced Materials Korea (FTAK, subsidiary of FerroTec in Japan), and GJ Korea Co. Ltd., seeking a prohibition of trade secret infringement and compensation for damages. The trade secrets that require protection are related to core components used in the Etcher process of semiconductor companies, which our Company has commercialized through over six years of research and development.

  The individuals among the defendants were prosecuted for violation of the Unfair Competition Prevention and Trade Secret Protection Act and embezzlement in the course of duty in connection with the unauthorized acquisition, use, or disclosure of our Company's trade secrets on February 8, 2019, and the Pyeongtaek Branch of the Suwon District Court has convicted them.

- Patent Infringement Lawsuit

  On September 23, 2019, our Company filed a lawsuit for the prohibition of patent infringement against Company D at the Seoul Central District Court, and as of December 31, 2023, the lawsuit is still ongoing. On December 30, 2020, our Company filed a lawsuit for the prohibition of patent infringement against Companies YMC and WYCOM at the Seoul Central District Court, and as of December 31, 2023, the second trial is ongoing as of December 31, 2024.

B. Status of Promissory Note/Check for Collateral

- Not applicable

C. Status of Guarantee Liabilities

- Not applicable

D. Status of Takeover of Liabilities Agreement

- Not applicable

E. Other Contingent Liabilities, Etc.

- Not applicable

F. Issuance of Debt Securities Recognized as Equity

- Not applicable

3. Matters Related to Sanctions, Etc.

- Not applicable

4. Other Matters Including Major Matters Occurring After the Base Date

A. Major Matters Occurring After the Base Date

To stabilize stock prices and enhance shareholder value, we entered into a trust agreement for the acquisition of treasury stocks worth KRW 50 billion on January 31, 2025. The contract period is from January 31, 2025 to January 30, 2026, and the trustee is Samsung Securities Co., Ltd.

B. Status of Foreign Holding Company's Subsidiary Company, Etc.

- Not applicable

XII. Detailed Table

1. Status of Subsidiary Companies Subject to Consolidation (Details)

☞ Move to the location of the text

(Unit: KRW)

Company Name	Date of Establishment	Address	Major Businesses	Total Assets at the End of Last Business Year	Basis for Dominant Relationship	Existence of Major Subsidiary Companies
-	-	-	-	-	-	-

2. Status of Subsidiary Companies (Details)

☞ Move to the location of the text

(Base Date: December 31, 2024) (Unit: Company)

Listing Status	Number of Companies	Company Name	Corporate Registration Number
Listed	-	-	-
		-	-
Non-listed	-	-	-
		-	-

3. Status of Investments in Other Corporations (Details)

☞ Move to the location of the text

(Base Date: December 31, 2024) (Unit: KRW, share, %)

Company Name	Listing Status	Initial Acquisition Date	Purpose of Investment	Initial Acquisition Amount	Balance at the Beginning of Period			Increase (Decrease)			Remaining Balance at the End of Period			Financial Status of the Latest Business Year	
					Quantity	Equity Ownership	Book Value	Acquisition (Disposition)		Valuation Profit and Loss	Quantity	Equity Ownership	Book Value	Total Assets	Net Income or Loss
								Quantity	Amount						
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total					-	-	-	-	-	-	-	-	-	-	-

[Confirmation of the Expert]

1. Confirmation of the Expert

- Not applicable

2. Interests Regarding the Expert

- Not applicable