

Table of Contents

Business Report.....	3
Disclaimer.....	4
【CEO's Verification etc.】	5
I. Company Overview	7
1. Overview	7
2. Company history.....	9
3. Changes in paid-in capital.....	14
4. Total number of shares, etc.....	14
5. History of Articles Incorporation.....	15
II. Business Overview	22
1. Overview	22
2. Key products and services	23
3. Production materials and production facilities.....	30
4. Revenue and long-term contracts.....	32
5. Risk Management and Derivative Transactions	37
6. Major contracts and R&D activities	40
7. Other information	43
III. Financial Statements	48
1. Abridged Financial Statements	48
2. Consolidated Financial Statements	50
2-1. Consolidated Statements of Financial Position	50
2-2. Consolidated Statements of Comprehensive Income.....	52
2-3. Consolidated Statements of Changes in Equity	53
2-4. Consolidated Statements of Cash Flows	54
3. Notes to Consolidated Financial Statements.....	56
4. Financial Statements	97
4-1. Financial Statements	97
4-2. Comprehensive income statement	99
4-3. Changes in Equity	100
4-4. Cash flow.....	101
5. Notes for Financial Statements	103
6. Dividends.....	140
7. Matters related to Financing through the Issuance of Securities	142
7-1. Status of Financing through Issuance of Securities	142
7-2. Usage Status of Funds raised through Issuance of Securities	144
8. Other Financial Matters	145
IV. The Board's Managerial Diagnosis and Analysis	150
V. Auditor's Report.....	150
1. Matters Concerning External Audit.....	150
2. Matters Concerning Internal Control.....	152
VI. Matters Regarding Executive Organizations Including the Board of Directors.....	153
1. Matters Regarding the Board of Directors.....	153
2. Matters Regarding Audit System.....	156
3. Matters regarding the General Meeting of Shareholders	159
VII. Matters Regarding Shareholders.....	162

VIII. Matters Regarding Executive Directors and Employees.....	164
1. Overview of Executive Directors and Employees	164
2. Remuneration of Executive Directors.....	166
IX. Matters Regarding the Affiliated Companies.....	169
X. Transactions with Major Shareholders	172
XI. Other Matters Required for Investor Protection.....	173
1. Progress and Changes in Disclosures.....	173
2. Matters Regarding Contingent liabilities.....	173
3. Matters Regarding Regulation	174
4. Other Matters Regarding Significant Events Occurring After Report Creation Date.....	174
XII. Detailed Table	177
1. Overview of Consolidated Subsidiary Companies (Details).....	177
2. Overview of Affiliated Companies (Details)	177
3. Overview of Investment in Other Corporations(Details)	178
【 Expert Confirmation】	
1. Expert Confirmation.....	179
2. Conflict of Interests of Expert.....	179

Business Report

(The 23rd Annual Report)

Business FY From January 1, 2024
To June 30, 2024

SUBMITTED TO
Financial Services Commission

August 13, 2024

Type of corporation subject to submission: Stock-listed corporation

Reason for exemption: N/A

Company name: SILICON2 Co., LTD.

CEO: Kim Sung-woon

HQ Address:

S-907, H-SQUARE 231, Pangyoyeok St , Bundang-Gu, Seongnam-City,
Gyeonggi-Do, Republic of Korea

(Phone) +82-31-789-3850

(Website) <http://www.siliconii.com>

Personnel in charge

(Title) Vice President

(Name) SON ROBERT INHO

(Contact) 070-8622-5114

Disclaimer

This document is an English translation based on the disclosed business report (quarterly/half-year report).

It has been prepared for the convenience of international investors through our own translation process and may differ in some respects from the published report.

Silicon2 and its officers and employees shall not be held liable for any losses or damages arising from the use of this document.

【CEO's Verification etc.】

대표이사 등의 확인·서명

확 인 서

우리는 당사의 대표이사 및 신고업무담당이사로서 이 공시서류의 기재내용에 대해 상당한 주의를 다하여 직접 확인·검토한 결과, 중요한 기재사항의 기재 또는 표시의 누락이나 허위의 기재 또는 표시가 없고, 이 공시서류에 표시된 기재 또는 표시사항을 이용하는 자의 중대한 오해를 유발하는 내용이 기재 또는 표시되지 아니하였음을 확인합니다.

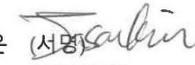
또한, 당사는 「주식회사의 외부감사에 관한 법률」제8조에 따라 내부회계관리제도를 마련하여 운영하고 있음을 확인합니다.

2024년 8월 13일

주식회사 실리콘투

대 표 이 사

김 성 운 (서명)



신고업무담당이사

손 인 호 (서명)



Approval and signature of the CEO, etc.

Letter of Approval

As the CEO and director in charge of reporting affairs, we personally checked and reviewed the contents of this disclosure document with great care, and as a result, we found that there were no omissions or false entries or indications of important information. We confirm that no information has been written or displayed in the disclosure documents that could cause significant misunderstanding by those using the information or indications.

In addition, we confirm that we have established and are operating an internal accounting management system in accordance with Article 8 of the “Act on External Audit of Stock Companies.”

August 13, 2024

SILICON2 Co., Ltd.
CEO Seongwoon Kim
Director in charge of reporting affairs

I. Company Overview

1. Overview

1. Overview of subsidiaries subject to consolidation (limited to cases where a listed corporation that prepares consolidated financial statements submits business reports and quarterly/semi-annual reports)

Status of consolidated subsidiaries (Summary)

(Unit: Company)

Category	Number of companies subject to consolidation				Number of major subsidiaries
	Base	Increased	Decreased	Final	
Listed	-	-	-	-	-
Unlisted	4	-	-	4	1
Total	4	-	-	4	1

Note: For detailed information, see 'Detailed Table-1. Refer to 'Status of Consolidated Subsidiaries (Details)'

1-1. Changes in consolidated companies

Category	Subsidiary	Reason
New consolidation	-	-
	-	-
Excluded from consolidation	-	-
	-	-

2. Legal and commercial name of the company

The Company's name is 주식회사 실리콘투. In English, it is written as 'SILICON2 Co., Ltd.', and in short form, it is written as (주)실리콘투.

3. Date of establishment and period of existence

The Company was founded on January 19, 2002, and does not set a separate period of existence.

4. Head office address, phone number, and website address

Category	Description
HQ Address	S-907, H-SQUARE 231, Pangyoyeok St , Bundang-Gu, Seongnam-City, Gyeonggi-Do, Republic of Korea
Phone	+82-31-789-3850
Website	http://www.siliconii.com

5. Laws that serve as the basis for conducting company's business

As of the date of submission of this report, it is not applicable.

6. If the company is classified as small and medium-sized businesses, etc.

Classified as an SME?	Yes
Classified as a venture company?	N/A
Classified as a middle-sized company?	N/A

발급번호 : 0010-2024-384413

중소기업 확인서

[중기업]

기업명 : 실리콘투

사업자등록번호 : 214-87-03359 법인등록번호 : 110111-2425448

대표자명 : 김성운

주소 : 경기 성남시 분당구 판교역로 231, S동 906,906,907,911호
(삼평동, 에이치스퀘어 에스동)

유효기간 : 2024-04-01 ~ 2025-03-31

용도 : 공공기관 입찰 이외 용도

위 기업은 「중소기업기본법」 제2조에 의한 중소기업임을 확인합니다.

2024년 04월 23일

중소벤처기업부장관인



- 발급사실 및 발급취소 등 변동사항은 중소기업현황정보시스템(sminfo.mss.go.kr)을 통해 확인 가능.
- 유효기간 중이라도 발급일 이후 합병, 분할 및 관계기업 변동시 중소기업 지위를 상실할 수 있음.
- 거짓 자료등 통해 발급받은 경우 중소기업기본법 제28조에 따라 500만원 이하의 과태료 및 시책기관의 지원무효 등의 조치가 취해질 수 있음.

7. If there is an agent in Korea, name (representative), address and contact information
As of the date of submission of this report, it is not applicable.

8. A brief description of the contents of the main business (including major products and services, etc.) and new businesses to be promoted in the future

The Company exports K-Beauty brands to about 170 countries around the world through E-Commerce cross-country sales and sells to corporate customers through the platform 'Stylekorean.com' and conducts distribution business based on overseas branches and logistics centers. For further details, please refer to "II. Business Details" in this disclosure document.

9. Matters related to credit evaluation

As of the date of submission of this report, it is not applicable.

10. Particulars of abnormal incorporation under Article 290 of the Commercial Act

As of the date of submission of this report, it is not applicable.

11. Matters related to the company's stock listing (or registration/designation) and special listing

Status of company's stock listing (or registration/designation)	Date of company's stock listing (or registration/designation)	Type of special listing
Listed on the KOSDAQ market	September 29, 2021	N/A

2. Company History

A. Company highlights

Date	Milestone	Description
Jan. 2002	Establishment	- Company name: SILICON2 CO., LTD.
		- Location: 1812 Korea Business Center, 1388-21 Seocho-dong, Seocho-gu, Seoul, Korea
		- CEOs: Sungwoon Kim, Sangho Lee
Oct. 2002	Relocation of the HQ	- New location: 301, 302, Duckin Building, 537-2 Yatap-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
June 2003	Change of CEO	- Resignations due to the abolition of the co-leadership rule: Sungwoon Kim and Sangho Lee
		- Inauguration of CEO : Sungwoon Kim
Nov. 2004	Awards	- Named "5 Million Dollar Exporter" at the 41st Annual Trade Day hosted by the Korea International Trade Association
May 2006	Relocation of the HQ	- New location: 1003 Parkview Office Tower 6, Jeongdong-dong, Bundang-gu, Seongnam-si, Republic of Korea
Nov. 2006	Awards	- Named "20 Million Dollar Exporter" at the 43rd Annual Trade Day hosted by the Korea International Trade Association
May 2009	Setting up a Branch Office	- Branch Name: Silicon2 Yongsan Office
		- Location: #969, 40, Hangang-ro 3-ga, Yongsan-gu, Seoul, Republic of Korea, Room 55, 4F, Terminal Electronics Shopping Center

Nov. 2009	Certification	<ul style="list-style-type: none"> - Gyeonggi Regional Small and Medium Business Administration - Designated as business innovation small and medium sized companies (MAIN BIZ)
Aug. 2010	Setting up a Branch Office	<ul style="list-style-type: none"> - Branch name: Silicon2 Guro Office - Location: Room 4405, Dongjak Distribution Complex, 1258 Guro-dong, Guro-gu, Seoul, Korea
Feb. 2011	Branch Closure	<ul style="list-style-type: none"> - Branch name: Silicon2 Guro Office
Apr. 2011	Setting up a Branch Office	<ul style="list-style-type: none"> - Branch Name: Silicon2 Daejeon Office - Location: 306, Techno 2-ro 302-1, Yuseong-gu, Daejeon, Korea (Taplip-dong)
Jul. 2011	Relocation of the HQ	<ul style="list-style-type: none"> - New location: S-907, H-SQUARE 231, Pangyoeyeok St , Bundang-Gu, Seongnam-City, Gyeonggi-Do, Republic of Korea
Jan. 2013	Branch Closure	<ul style="list-style-type: none"> - Branch Name: Silicon2 Daejeon Office
Nov. 2014	Branch Establishment	<ul style="list-style-type: none"> - Established branch in Hong Kong (SILICON2 (HK) CO., Ltd)
Apr. 2015	Branch Establishment	<ul style="list-style-type: none"> - Established branch in the East Distribution Center in the US (StyleKorean, Inc.)
Dec. 2015	Awards	<ul style="list-style-type: none"> - Named "30 Million Dollar Exporter" at the 52nd Annual Trade Day hosted by the Korea International Trade Association
Feb. 2016	Certification	<ul style="list-style-type: none"> - Small and Medium Business Administration - Designated as business innovation small and medium sized companies (MAIN BIZ) - Valid from Feb. 29, 2016 to Feb. 27, 2019
Mar. 2016	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the brand 'Heimish' of ONEAND Ltd.
Oct. 2016	Certification	<ul style="list-style-type: none"> - Korea SMEs and Startups Agency - Designated as a venture - Valid from Oct. 31, 2016 to Oct.30, 2018
Nov. 2016	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the brand 'Benton' of Benton Co., Ltd.
Feb. 2017	Branch Closure	<ul style="list-style-type: none"> - Branch Name: Silicon2 Yongsan Office
Aug. 2017	Branch Establishment	<ul style="list-style-type: none"> - Established New Jersey Warehouse, USA
Dec. 2017	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the brand 'Pyunkang Yul' of Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.
Feb. 2018	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the 'JUMISO' brand of HELLO SKIN Co.,Ltd.
Oct. 2018	Subsidiary Establishment	<ul style="list-style-type: none"> - Established PT. StyleKorean INDONESIA JV
Oct. 2018	Certification	<ul style="list-style-type: none"> - Korea Venture Capital Association - Designated as a venture - Valid from Oct. 31, 2018 to Oct. 30, 2020
Dec. 2018	Awards	<ul style="list-style-type: none"> - Minister of Employment and Labor - Commendation (Developed overseas markets through cosmetics distribution services)

Dec. 2018	Awards	<ul style="list-style-type: none"> - Presidential Industrial Service Medal - Medal of Honor (Contributing to national industrial development through trade promotion)
Feb. 2019	Certification	<ul style="list-style-type: none"> - Ministry of SMEs and Startups - Designated as business innovation small and medium sized companies (MAIN BIZ) - Valid from Feb. 28, 2019 to Feb. 27, 2022
July 2019	Certification	<ul style="list-style-type: none"> - Ministry of Trade, Industry and Energy, Korea International Trade Association - Designated as a Specialized Trading Company (Designation period: July 1, 2019 - June 30, 2021)
Nov. 2019	Overseas Investments	<ul style="list-style-type: none"> - Equity investment in ARUMI in Chile
Jan 2020	Overseas Investments	<ul style="list-style-type: none"> - Equity Investment in SEOULKOOL, Kuwait
Oct. 2020	Certification	<ul style="list-style-type: none"> - Korea Venture Capital Association - Designated as a venture - Valid from Oct. 31, 2020 to Oct. 30, 2022
Feb 2021	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the 'Be the Skin' brand of Be The Skin Co., Ltd.
May 2021	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the 'TOCOBO' brand of TOCOBO Ltd .
July 2021	Name Change	<ul style="list-style-type: none"> - US Corporate changed its name from StyleKorean US, LLC to StyleKorean Inc.
Jul 2021	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the 'JC& Company' brand of JC&Company Co., Ltd.
July 2021	Brand Investments	<ul style="list-style-type: none"> - Invested in equity in 'The Plant Base' brand of Plant Base Co., Ltd.
Oct. 2021	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the 'Aid Korea Company' brand of Aid Korea Company Co., Ltd.
Mar. 2022	Subsidiary Establishment	<ul style="list-style-type: none"> - Established SILICON2 JAPAN CO., LTD (JV) in Japan
May 2022	Subsidiary Establishment	<ul style="list-style-type: none"> - Established StyleKorean MY SDN. BHD. in Malaysia
Aug. 2022	Brand Investments	<ul style="list-style-type: none"> - Additional equity investment in the 'Aid Korea Company' brand of Aid Korea Company Inc.
Aug. 2022	Brand Investments	<ul style="list-style-type: none"> - Additional equity investment in the TOCOBO ' brand of TOCOBO Co.,Ltd.
Dec. 2022	Awards	<ul style="list-style-type: none"> - Named "70 Million Dollar Exporter" at the 59th Annual Trade Day hosted by the Korea International Trade Association
Dec. 2022	Awards	<ul style="list-style-type: none"> - Recipient of the Ministerial Commendation for Outstanding Achievement in the Promotion of Venture Capitalism from the Ministry of SMEs and Startups
Jan 2023	Subsidiary Establishment	<ul style="list-style-type: none"> - Established SKO SP.Z.O.O. in Poland
Mar. 2023	Subsidiary Establishment	<ul style="list-style-type: none"> - Established StyleKorean EU B.V. in the Netherlands
Mar. 2023	Brand Investments	<ul style="list-style-type: none"> - Additional equity investment in the ' TOCOBO' brand of TOCOBO Co., Ltd.
July 2023	Subsidiary Establishment	<ul style="list-style-type: none"> - Established MOIDA Limited Liability Company in Russia
Dec. 2023	Overseas Investments	<ul style="list-style-type: none"> - Equity investment in Sukoshi Mart Holdings Inc. in Canada

June 2024	Subsidiary Establishment	- Established STYLEKOREAN UK LTD. in England
June 2024	Subsidiary Establishment	- Established STYLEKOREAN SG PTE. LTD. in Singapore

B. Company location and changes

Date	Location	Remarks
Jan. 19, 2002	1812, Korea Business Center, 1388-21 Seocho-dong, Seocho-gu, Seoul, Korea	Establishment
Oct. 1, 2002	301,302, Duckin Building, 537-2, Yatap-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea	Relocation
May. 1, 2006	1003, Parkview Office Tower 6, Jeongdong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea	Relocation
Jul. 1, 2011	S-907, H-SQUARE 231, Pangyoyeok St , Bundang-Gu, Seongnam-City, Gyeonggi-Do, Republic of Korea	Relocation

C. Important changes in management executives and auditors

Date of change	Type of shareholder meeting	Appointed		Terms expired or dismissed
		Newly appointed	Reappointed	
Jan. 18, 2002	AGM	Inside Director Sungwoon Kim	-	-
		Inside Director Sangho Lee		
		Inside Director Eunha Shin		
		Inside Director Jieun Cho		
		Auditor Jaebok Kim		
Jun. 30, 2003	AGM	Inside Director Kyungja Lee	-	Inside Director Sangho Lee Inside Director Jieun Cho
Jan. 18, 2005	AGM	-	Inside Director Sungwoon Kim Inside Director Eunha Shin Auditor Jaebok Kim	-
Jun. 30, 2006	AGM	-	Inside Director Kyungja Lee	-
Jan. 18, 2008	AGM	-	Inside Director Sungwoon Kim Inside Director Eunha Shin Auditor Jaebok Kim	-
Jun. 30, 2009	AGM	-	Inside Director Kyungja Lee	-
Jan. 18, 2011	AGM	-	Inside Director Sungwoon Kim Inside Director Eunha Shin Auditor Jaebok Kim	-
Feb. 22, 2012	AGM	Inside Director Kyungja Lee	-	Inside Director Kyungja Lee
Feb. 1, 2014	AGM	Inside Director Sungwoon Kim	-	Inside Director Kyungja Lee
		Inside Director Sangho Lee		
		Inside Director Eunha Shin		
		Inside Director Jieun Cho		
		Auditor Jaebok Kim		
Feb. 1, 2017	AGM	Inside Director Yeonkyu Park	Inside Director Sungwoon Kim	Inside Director Kyungja Lee
		Inside Director Jinho Choi		Inside Director Eunha Shin
		Inside Director Robert Inho Son (American)		Auditor Jaebok Kim
		Auditor Joonkyu Kang		
Dec. 31, 2017	AGM	-	-	Inside Director Yunkyu Park
Mar. 29, 2018	AGM	Non-Executive Director Namhyuk Cho	-	-
Mar. 31, 2020	AGM	-	Inside Director Sungwoon Kim	-
			Inside Director Jinho Choi	
			Inside Director Robert Inho Son (American)	
			Auditor Joonkyu Kang	
Nov. 30, 2020	AGM	-	-	Non-Executive Director Namhyuk Cho

Mar.29, 2021	AGM	Outside Director Yoon Mark Manjoong (American)	-	-
Mar.30, 2022	AGM	Outside Director Sehoon Lee	-	Outside Director Yoon Mark Manjoong
		Outside Director Taeksoon Lee		
Mar.30, 2023	AGM	Auditor Obin Kwon	Inside Director Sungwoon Kim	Auditor Junkyu Kang (Term expiration)
			Inside Director Jinho Choi	
			Inside Director Robert Inho Son (American)	

D. Changes in the major shareholder

Date of change	Before the change			After the change			Remarks
	Name of major shareholder	Number of Shares owned	Share ratio	Name of major shareholder	Number of shares owned	Share ratio	
Jun. 30, 2003	Sangho Lee	8,000	40.00%	Sungwoon Kim	14,000	70.00%	Inheritance

E. Company name changes

The Company has no history of name changes from the date of incorporation to the submission date of this report.

F. If the company has undergone or is currently undergoing a reconciliation, corporate reorganization or other similar proceedings, the contents and results thereof

None as of the date of filing of this report.

G. If the company has undergone a merger, etc.

Not applicable as of the date of this report.

H. Important changes in the company's industry or principal business

Drawing on his experience in semiconductor companies, the Company's CEO, Sungwoon Kim, founded Silicon2 to capitalize on expanding the semiconductor distribution market. Initially focusing on distributing semiconductors and related digital products in Hong Kong and China, the Company experienced steady growth. However, with the emergence of smartphones and the increasing amount of semiconductor manufactures turning to direct export, the Company recognized the challenges of sustaining growth in the intermediate distribution market. Consequently, the Company made the strategic decision to withdraw from the semiconductor business.

In 2012, amidst the burgeoning K-Beauty trend in China, the Company started distributing K-Beauty products overseas using existing investment channels based on its expertise in the semiconductor distribution business. Although the regulatory environment for cosmetics and cosmetics customs clearance differs around the world, with an extensive experience in distribution and logistics, the Company has been able to cope with various issues around the world by continuously building up its expertise from inventory management to logistics delivery. The Company has been able to reduce the dependence of existing K-Beauty brands on the Chinese market and develop its business by building a global platform that enables it to reach consumers in markets around the world.

I. Other important matters related to the management activities

None as of the date of submission of this report.

3. Changes in Paid in Capital

Changes in paid-in capital

(Units: Won, Shares)

Type of stock	Classification	23rd (June 30, 2024)	22nd (December 31, 2023)	21st (December 31, 2022)
Common	Number of issued shares	60,873,234	60,389,234	60,177,234
	Par value	500	500	500
	Paid-in capital	30,537,340,000	30,295,340,000	30,189,340,000
Preferred	Number of issued shares	-	-	-
	Par value	-	-	-
	Paid-in capital	-	-	-
Others	Number of issued shares	-	-	-
	Par value	-	-	-
	Paid-in capital	-	-	-
Total	Paid-in capital	30,537,340,000	30,295,340,000	30,189,340,000

4. Total Number of Shares, etc.

Total number of shares

(As of: June 30, 2024)

(Unit: Shares)

Classification	Types of stocks			Remarks	
	Common	Preferred	Total		
I. Authorized shares	100,000,000	-	100,000,000	-	
II. Issued shares (cumulative)	61,074,680	1,261,520	62,336,200	-	
III. Decrease in number of shares (cumulative)	201,446	1,261,520	1,462,966	-	
	1. Capital reduction	-	-	-	
	2. Cancellation	201,446	-	201,446	Canceled treasury shares once previously acquired
	3. Redemption	-	-	-	-
	4. Other	-	1,261,520	1,261,520	Converted to RCPS
IV. Issued shares (II-III)	60,873,234	-	60,873,234	-	
V. Treasury shares	-	-	-	-	
VI. Outstanding shares(IV-V)	60,873,234	-	60,873,234	-	

5. History of Articles of Incorporation

A. Recent changes to Articles of Incorporation

The Articles of Incorporation have recently been changed during the Annual General Meeting held on March 30, 2023.

B. Changes to Articles of Incorporation

Date of Change	Type of Shareholder Meeting	Major changes	Reason for change
Jan. 18, 2018	AGM	- Changed the type and number of preferred stocks - Changed to require board approval for rights issues	Purpose of changing the type and number of preferred stocks
Sep.10, 2020	EGM	- Stock split (face value of 5,000 won → 500 won) - Added the English company name - Changed the announcement method to the company's website - Changed the total number of authorized shares to 100,000,000 - Changed stock option descriptions	Compliance with the standard articles of incorporation for public companies
Mar.29, 2021	AGM	- Article 8, paragraphs 11 and 12 → Article 8, paragraphs 12 and 13 to correct typographical errors - New section prohibiting the granting of stock options to the major shareholder - New section on delegation of bond issuance	Compliance with the standard articles of incorporation for public companies
Mar.30, 2022	AGM	- Added business purpose: Information and Communication Business	For media expansion purposes
Jul.22, 2022	EGM	- Added business purposes: Management business, entertainment-related business, manufacturing of cosmetics and beauty-related products	To expand business related to influencer activities and cosmetics manufacturing
Mar.30, 2023	AGM	- Added business purposes: Wholesaler of books, magazines, and other printed materials; wholesaler of food, beverages, and health functional food products; apparel products and clothing accessories, costume jewelry; sporting goods wholesale and retail trade - Article 43: Number of audits - Article 44: Appointment of Auditor - Article 53: Profit dividends	To expand distribution items Appointed full-time auditor Improved dividend process

C. Purpose of Business

No.	Business Purpose	Status
1	Import/Export, Trade and Wholesale/Retail of Cosmetics	Operating
2	E-commerce	Operating
3	International Logistics Arrangements	Operating
4	Transportation and Warehousing	Operating
5	Software Development and Supply	Not operating
6	Real Estate Rental Business	Operating
7	Semiconductor Import and Export	Not operating
8	Import and Export of Digital Products	Not operating
9	Information and communications	Operating
10	Management	Not operating
11	Entertainment-related Businesses	Not operating
12	Manufacturing Cosmetics and Beauty-related Products	Not operating
13	Books, Magazines, and Other Printed Materials Wholesalers	Operating
14	Food, Beverage, and Health Functional Food Wholesalers	Operating
15	Wholesale and Retail Trade in Apparel Products and Accessories, and Costume, Jewelry	Operating
16	Sporting Goods Wholesale and Retail	Not operating

D. Changes in business purpose

Category	Date of Change	Business purpose	
		Before the change	After the change
Added	Mar. 30, 2022	-	1. Information and communications
Added	Jul. 29, 2022	-	1. Management
			1. Entertainment-related Businesses
Added	Mar. 30, 2023	-	1. Manufacturing Cosmetics and Beauty-related Products
			1. Books, Magazines, and Other printed materials Wholesalers
			1. Food, Beverage, and Health Functional Food Wholesalers
			1. Wholesale and Retail Trade in Apparel Products and Accessories, and costume jewelry
			1. Sporting Goods Wholesale and Retail

1. Reason for change

Business purpose	Purpose and necessity of change	Proposed by	Impact of the change of purpose on the company's core business
Information and communications	Expanding to media business	Board of Directors	Not applicable
Management	Expanding to influencer business	Board of Directors	Not applicable
Entertainment-related Businesses	Expanding to influencer business	Board of Directors	Not applicable
Manufacturing cosmetics and beauty related products	Expanding to cosmetics manufacturing business	Board of Directors	Not applicable
Books, magazines, and other printed materials wholesale/retail business	Expanding distribution items	Board of Directors	Not applicable
Food, beverage, and Health Functional Food wholesalers	Expanding distribution items	Board of Directors	Not applicable
Apparel products and clothing accessories and costume jewelry	Expanding distribution items	Board of Directors	Not applicable
Sporting goods wholesale and retail	Expanding distribution items	Board of Directors	Not applicable

E. Statement of additional business purposes in articles of incorporation

No.	Business purpose	Date Added
1	Information and communications	Mar.30, 2022
2	Management	Jul.29, 2022
3	Entertainment-related businesses	Jul.29, 2022
4	Manufacturing cosmetics and beauty-related products	Jul.29, 2022
5	Books, magazines, and other printed materials wholesalers	Mar.30, 2023
6	Food, beverage, and Health Functional Food wholesalers	Mar.30, 2023
7	Apparel products and clothing accessories and costume jewelry	Mar.30, 2023
8	Sporting goods wholesale and retail	Mar.30, 2023

1. Business sector (industry, products and services, etc.) and purpose of entry

Information and communications: To expand media business utilizing global marketing media such as Youtube, Tiktok, Instagram, etc.

Management: To strengthen sales power by signing a contract and managing influencers for global marketing and supplying various media contents to the market through management.

Entertainment-related businesses: To expand various marketing businesses through influencer-related marketing businesses.

Manufacturing cosmetics and beauty-related products: To understand what the global market wants and respond quickly to new needs.

Books, magazines, and other printed materials wholesale and retail business: To expand overseas distribution channels for printed materials, including those featured in K-Pop albums, to meet growing international demand.

Food, beverage, and Health Functional Food wholesale and retail: To expand its overseas distribution business of K-Food, which has become a global phenomenon through Korean content, and health functional foods, which have emerged in the post-COVID-19 era.

Apparel products and clothing accessories and costume jewelry: To expand the overseas distribution business of Korean sports apparel (training, leggings, etc.) and fast-growing accessories (press on nails, colored lenses, etc.) with world-class design capabilities as the global participation rate in sports is increasing.

Sports goods wholesale and retail business: To expand the overseas distribution business of sports goods (home training equipment, elastic bands, etc.) required for the construction of home gyms due to increasing demand for home gyms.

2. Key characteristics, size and growth of the market

A. Information and communications

The global social media user base is estimated to be 4.88 billion as of July this year, and social media ad spend is expected to reach \$247 billion by 2024. The increase of internet usage and the rising number of social media users across the globe are driving the market growth, which is also expected to accelerate in the coming years as various platforms are evolving with constant feature changes.

B. Management business

The global influencer marketing market has reached \$16.4 billion in 2022. Marketing with influencers and celebrities is an effective form of communication and marketing strategy for many brands. As a result, the management of influencers and celebrities is becoming increasingly important, and their effective management is helping to maximize marketing.

C. Entertainment-related businesses

The global marketing market for influencers has grown from \$1.7 billion in 2016 to \$16.4 billion in 2022. Influencer marketing is recognized as an effective form of brand communication, with more than 70% of brands using influencers as part of their marketing strategy. Influencer marketing is being used for a variety of purposes, including reaching new or targeted audiences (74%), improving brand advocacy (69%), and increasing sales (46%).

D. Manufacturing of cosmetics and beauty-related products

According to a report by market analyst firm Statista, the global beauty market was valued at \$53.65 billion in 2022 and is expected to reach \$68.89 billion by 2028, with a CAGR of approximately 3.53%. The demand for cosmetics is also growing in countries such as the Americas, Japan, Southeast Asia, and the Middle East, and there is a growing interest in K-beauty around the world.

E. Wholesale and retail of books, magazines, and other printed materials

The K-POP market has achieved a market size of over KRW 1 trillion and is also a business with a high annual growth rate. Currently, 52.7% of K-POP consumers have purchased albums to collect merchandise, and K-POP albums are typically packaged with various printed materials such as photo cards and posters. Merchandise is becoming the main reason for purchasing the product rather than an add-on. The number of albums sold has more than tripled in just three years, from 25 million in 2019 to 77 million in 2022, and the demand for printed merchandise is growing along with it.

F. Wholesale of food, beverage, and health functional food

The Ministry of Agriculture, Livestock, Food and Rural Affairs and the Ministry of Oceans and Fisheries report that agricultural and fisheries exports reached \$12 billion in 2023, up 0.5% from the previous year.

In addition, according to the market research company Euromonitor, the health functional food market is expected to reach \$141.1 billion in 2024, \$148.7 billion in 2025, \$156.5 billion in 2026, and \$164.6 billion in 2027, with a growing rate of more than 5% each year.

G. Apparel products and clothing accessories and costume jewelry

The sportswear market is experiencing increased demand due to the growing awareness of healthy lifestyles in the wake of COVID-19. In addition, women's participation in sports is on the rise, which is driving demand for womenswear. According to a recent report by U.S. market research firm "Market.US", the global sportswear market totaled \$185.9 billion last year and is expected to reach over \$356 billion (KRW 241.391 trillion) by 2032, with an average annual growth rate of 6.9%. In addition, Korean accessories and costume jewelry have been successfully introduced overseas based on Korea's unique crafts, and exports have been recovering since 2020.

H. Sporting goods wholesale and retail

According to market research firm Cision, the global sporting goods market shrank to \$60.2 billion in 2020 as a result of COVID-19, but is expected to recover to \$70.6 billion by 2026, growing at a CAGR of 2.6%. The pandemic has also led to a 70% increase in the number of people exercising at home compared to before, which has increased the demand for sports equipment.

3. Investment and expected capital requirements related to new business (total, annualized), sources of financing, expected payback period, etc.

For media marketing in the information and communications, the Company built a filming studio in 2019, incurring construction costs of KRW 212,300,000. This business purpose was added to increase the accessibility of its main business, K-beauty, and its brand, rather than to pursue direct profits through media marketing.

Both the management and entertainment businesses were added to support influencer marketing. Costs will be incurred when contracting influencers and managers, and these costs will vary depending on the contract period and number of people. The Company's goal is to increase awareness of its main business, K-beauty, through these efforts.

The information and communication, management, and entertainment businesses do not generate sales as individual businesses but play a marketing role that drives K-beauty sales. They operate on an inventory turnover basis of about 60 to 90 days, which affects overall sales.

The estimated capital requirements for manufacturing cosmetics and beauty-related products vary depending on the type of product to be manufactured. Sources of financing include funds from public offerings and financial institutions. The expected payback period will be calculated once the business becomes fully operational.

The wholesale and retail trade in books, magazines, and other printed materials; food, beverages, and health functional foods; apparel products, accessories, and costume jewelry; and sporting goods were all added as business purposes to distribute new categories of goods. As a distributor, the Company does not incur manufacturing costs related to these new businesses.

Additionally, the amount of inventory purchased gradually increase with sales, so the initial investment is not high. The inventory turnover period is around 60 to 90 days.

4. Business implementation status (organization and personnel composition, R&D activities, product and service development progress and commercialization, revenue generation, etc.)

Information and communications business: The Company currently is operating a media team under the marketing headquarters, with a total of six team members working on media-related tasks.

The management business, entertainment-related business, and manufacturing of cosmetics and beauty-related products are not currently in operation. The Company plans to invest in manpower and research and development once these businesses are fully launched.

The wholesale and retail trade of books, magazines, and other printed materials; food, beverages, and health functional foods; apparel products, clothing accessories, and costume jewelry; and sporting goods are all businesses added to distribute new categories of goods. These activities are conducted through the existing sales organization.

However, the K-POP goods business currently operates a separate K-POP sales team under the CA headquarters, with a total of six team members.

5. Relevance to the existing business

Information and communications, management industry, and entertainment-related businesses can utilize various marketing tools such as media and influencers to effectively increase the global awareness and accessibility of the Company's core businesses, K-Beauty and K-Culture.

As a manufacturer of cosmetics and beauty-related products, the Company's global sales infrastructure enables it to identify consumer needs, produce new products, and distribute them reliably and efficiently around the world through its established B2B and B2C channels and large distribution centers.

The wholesale and retail trade of books, magazines, and other printed materials; food, beverages, and health functional foods; apparel products, clothing accessories, and costume jewelry; and sporting goods are all businesses added to distribute new categories of goods. Through its distribution network (CA, PA, branch business), the Company can expand its K-Culture business through various avenues in addition to K-Beauty.

6. Key risks

Information and communications, management business, and entertainment-related businesses may face risks related to inappropriate content selection, social issues involving influencers who have signed exclusive contracts, etc. These issues can lead to reputational damage. To mitigate this risk, the Company takes multiple steps to verify content uploads and influencer contracts before signing them.

As of 2022, there were 32,000 K-Beauty manufacturers and distributors of cosmetics and beauty-related products. Entering such a saturated market poses risks, including procedural issues such as manufacturing facilities and permits, storage, and distribution. The company plans to minimize these risks by leveraging existing storage and distribution processes and intends to start the business with products that require minimal manufacturing.

The wholesale and retail trade of books, magazines, and other printed materials; food, beverages, and health functional foods; apparel products, clothing accessories, and costume jewelry; and sporting goods may procure inventory as an additional business purpose to distribute new categories of products and manage inventory. The risk associated with this practice is not high, as the initial order sizes are not large, and inventory is managed by the system.

Furthermore, the Company's international operations expose it to market risk, credit risk, and liquidity risk. However, systematic procedures are in place to minimize these risks.

7. Future plans

For the information and communications, the Company is currently conducting global content marketing through various social media platforms such as YouTube and TikTok. It plans to conduct extensive and efficient marketing of K-Beauty and K-Culture through the establishment and operation of social media channels classified by country and product. Accordingly, the Company is continuously expanding the manpower of the strategic marketing team under the marketing division.

The management business, entertainment-related business, and manufacturing of cosmetics and beauty-related products are currently not in operation. Please review the following reasons for this inactivity.

The wholesale and retail trade of books, magazines, and other printed materials; food, beverages, and health functional foods; apparel products, clothing accessories, and costume jewelry; and sporting goods may procure inventory as an additional business purpose to distribute new categories of products. The Company plans to increase sales through distribution to more than 160 countries overseas using the existing distribution network of CAs, PAs, and branch offices.

In the future, the Company plans to utilize its sales distribution network by expanding into various categories other than K-Beauty products.

8. Reasons for not operating certain businesses

The Company is not currently pursuing the management and entertainment-related businesses because it utilizes external influencers for marketing rather than developing its own. The Company plans to pursue this avenue after identifying influencers that can synergize with its business.

The manufacturing of cosmetics and beauty-related products is currently not in operation as the Company does not have a manufacturing facility. The Company is continuing discussions regarding new product items, manufacturing facilities, etc., and will proceed once it has confirmed the feasibility and sustainability of the business.

The sporting goods wholesale and retail business was added as a business purpose to expand into the distribution of leisure sports apparel, but it is currently on hold due to inventory management and purchasing issues. The Company plans to proceed with inventory management and securing purchasing partners after solidifying its business plans.

II. Business Overview

1. Overview

The Company exports K-Beauty brand products worldwide through its platform 'StyleKorean.com', catering to approximately 170 countries via e-commerce cross-country sales (retail) and corporate customer exports (wholesale). Pioneering advanced logistics services, the Company operates Korea's first retail/wholesale platform with an AGV (Automated Guided Vehicle) logistics robot system, utilizing overseas branches and domestic distribution networks for localization.

Additionally, the Company curates various K-brand products in Korea, operating an e-commerce online store (StyleKorean retail platform) tailored to consumer needs. It also manages a StyleKorean wholesale platform for real-time inventory checks and bulk orders, alongside local marketing efforts tailored to each country's preferences. A large logistics center, supported by Automated Guided Vehicles (AGVs), enhances convenience for global consumers interested in Korean brands.

Furthermore, the Company provides solutions for small and medium-sized enterprises and brands looking to expand overseas. Through equity investments, the Company helps them adapt to the evolving e-commerce sales and distribution environment such as facilitating overseas sales channels, acting as sales agencies, and conducting marketing on social media platforms such as TikTok, Facebook, Instagram, and YouTube.

The Company categorizes its activities into Corporate Account (CA), Personal Account (PA), Fulfillment and Sales Agency Services, and Brand Management (BM), operating various businesses within the K-Brand value chain as mentioned above. For a detailed description of its offerings, please refer to "II Description of the Company - 2. Major Products and Services".

2. Key Products and Services

[Definition of Terms]

Terminology	Description
K-Beauty	Short for Korean Beauty, a term coined as South Korea's beauty industry gained traction overseas. Encompasses all areas of Korean beauty including foot makeup, skincare, haircare, bodycare, fragrance, etc.
E-Commerce	E-Commerce is an abbreviation for electronic commerce, which is a transaction conducted using electronic devices in cyberspace, such as advertisements, orders, goods and services conducted by companies or consumers on computer communication networks. Any economic activity, including purchases that takes the form of digitized commerce between businesses, organizations, and individuals.
Gray Market	Parallel imports, markets that are imported by third parties other than official importers.
3PL	Third Party Logistics, a term used to describe the process of outsourcing logistics operations from a company to an outside logistics company.
Fulfillment	It goes beyond simple delivery and refers to the process of picking, packing, and delivering products at a warehouse according to a customer's order, as well as exchanging or refunding products at the customer's request. The Company provides various agency services such as sales agency, logistics agency, etc.
Sales Agency	A service that manages and operates various costs that K-Beauty Brand companies may incur when entering overseas open markets by utilizing an invested system.
AGV (Automated Guided Vehicle)	An unmanned robot for automated logistics, a material handling system that operates independently under its own power and travels along a defined path.
Wholesale	Wholesalers, Buying in Bulk
BM	Short for Brand Manager, a person who is in charge of managing a brand, including planning, events, public relations, advertising, and marketing.
CA	Short for Corporate Account, a business that supplies products to corporate customers.
PA	Short for Personal Account, a country-specific cross-border e-commerce business serving individual customers.
DS	Short for Drop Shipping, a system that allows producers to ship cargo directly to the customer's desired destination.
China Risk	The risk to companies or countries that rely heavily on exports to China if China's economic growth slows.
Long tail business	The business theory that the long tail, the 80% of non-mainstream items, can be a profitable market in any number of ways. The business theory that 80% creates more value than 20%.
Affiliate Business	Affiliate marketing, sales and promotional activities. A sales technique in which businesses partner with each other to increase sales by dividing roles to capitalize on each other's strengths.
Incubating	Nurturing budding entrepreneurs and startups by providing them with the basic infrastructure they need for their business, as well as total services related to manpower, funding, promotion, etc.
Brand sourcing	The partial outsourcing of processes of the Company's business to a third party to handle, identify and procure appropriate brands as a way to maximize management effectiveness and efficiency.
Cross-border e-commerce	An international consumer purchases a product from a domestic(Korean) online store.
Curation	Process of collecting and filtering quality information in order to add and disseminate value. Originally, it referred to the collection, preservation, and exhibition of works of art or artistic works, but recently it has been used more widely.
One Brand Shop	A cosmetics store that sells only one brand
Roadshop	Stores located primarily along streets and sidewalks, rather than in large buildings like department stores.
SKU	Abbreviation of Stock Keeping Unit, a unit of goods.
Visual marketing	Sales efforts that utilize "visuals" to differentiate its brand/product
Media commerce	E-commerce, a combination of media and commerce, is a method of creating various media content and using social media channels such as YouTube, Instagram, and Facebook to promote and sell products.
Video commerce	A combination of video and commerce that uses video to drive purchases and sell products.
Live commerce	A combination of the words live-streaming and commerce, a distribution channel that combines live broadcasting on the Internet and shopping.
Open Market	E-commerce conducted by a large number of individual sellers who post information about their goods or services directly on the Internet, as opposed to traditional online stores.

A. Status of key products (services), etc.

(Unit: mil KRW)

Revenue type	Features	Services (Customer)	June 30, 2024 (23 rd)		2023 (22 nd)		2022 (21 st)	
			Revenue	Portion	Revenue	Portion	Revenue	Portion
CA	A platform for Enterprise clients to introduce and operate their brands in different countries.	Company A	38,695	11.68%	33,927	9.9%	16,056	9.71%
		Company B	10,085	3.04%	15,515	4.53%	8,471	5.13%
		Company C	6,971	2.10%	5,026	1.47%	3,831	2.32%
		Other	224,097	67.66%	217,497	63.43%	99,391	60.14%
		Subtotal	279,848	84.48%	271,965	79.33%	127,749	77.3%
PA	Cross-border e Commerce stores by country that supply products to individual customers who buy K-Beauty products	Company A	9,536	2.88%	13,855	4.04%	14,042	8.5%
		Company B	768	0.23%	3,321	0.97%	5,731	3.47%
		Company C	223	0.07%	274	0.08%	1,486	0.9%
		Other	9	0.00%	90	0.02%	2,120	1.28%
		Subtotal	10,536	3.18%	17,540	5.11%	23,379	14.15%
Fulfillment	K-Beauty products on external online platforms Sales agency and shipping agency business	Company A	22,878	6.91%	33,244	9.7%	4,434	2.68%
		Company B	3,954	1.19%	8,557	2.5%	2,523	1.53%
		Company C	3,456	1.04%	2,877	0.84%	2,074	1.25%
		Other	10,502	3.17%	8,553	2.48%	4,871	2.95%
		Subtotal	40,790	12.31%	53,231	15.52%	13,902	8.41%
Other revenue	Rental revenue, etc.	-	114	0.03%	125	0.04%	242	0.14%
Revenue Total			331,288	100.00%	342,861	100.00%	165,272	100.00%

Note 1) Based on audited K-IFRS consolidated financial statements.

Note 2) Revenue for each business unit represents the revenue from the top three major customers for each business unit by year.

Note 3) Other revenue for each business unit includes the sum of customer revenue excluding the top three major customers for each business unit.

Note 4) Other revenues include rental revenues and other similar income.

(a) Brand Management (BM) business

1) Product sourcing



*운영 SKU=SKU in Operations

As the brand management (BM) business is one of the fastest to respond to changes in the market, the work of the BM business and its teams is conducted in a very step-by-step and detailed manner. First, the Company categorizes brands according to the type of cosmetics they want to sell in the local market. Then, the Company adjusts the unit price and organizes selling points based on the brands' products in the store to create a sales strategy. In the BM business, the Company effectively manages the brand's product line by operating inventory that reflects seasonal characteristics, as well as limited products such as special editions.

With 12,000 SKUs in operation as of June 30, 2024, preparing a diverse portfolio to meet the varied needs of global markets is at the core of its business. Through continuous SKU management, the BM business aims to select products that will succeed in overseas markets and organize the portfolio accordingly.

2) Brand management

Next, the main task of the BM business is brand management. the Company supports the brand's export process through its know-how and capabilities of relevant employees, including preparing and issuing various documents for each country, obtaining export-related licenses, and obtaining customs clearance. Additionally, the marketing department conducts publicity and promotions by collecting information from brand companies and organizing selling points to help its brands communicate better with the market.

The Company also provides direction for brands to succeed in international markets by constantly communicating with them to align their goals with market demands.

(b) Corporate Account (CA) business

[The Company's StyleKorean Wholesale platform]

Cart Management

		Paste Product		Add Selected to Wishlist		Remove Selected		
<input checked="" type="checkbox"/>	Image	Product Code	Product Name	Retail Price	Weight	Qty	Amount	Select
<input checked="" type="checkbox"/>		PeriPCM01-AD0010	[Peripera] INK AIRY VELVET 010 Twinkle Pinkism (AD) Bar Code: 8809644492859 Stock 98 ea (Pieces per box : 360 ea)	KRW-9,000 USD 7.40	50g	100 ea	740.00	Wishlist Remove
<input checked="" type="checkbox"/>		PeriPCM01-AD0009	[Peripera] INK AIRY VELVET 009 100Point Coral (AD) Bar Code: 8809644492842 Stock 42 ea (Pieces per box : 360 ea)	KRW-9,000 USD 7.40	50g	100 ea	740.00	Wishlist Remove
<input checked="" type="checkbox"/>		PeriPCM29-L09	[Peripera] [PERIPERA] Peripera Ink the gelato #009 Bar Code: 8809598294042 Stock 10 ea (Pieces per box : 10 ea)	KRW-9,000 USD 7.40	60g	100 ea	740.00	Wishlist Remove
<input checked="" type="checkbox"/>		PeriPCM29-gelato02	[Peripera] [PERIPERA] Peripera Ink the gelato #002 Bar Code: 8809598291638 Stock 1 ea (Pieces per box : 10 ea)	KRW-9,000 USD 7.40	35g	100 ea	740.00	Wishlist Remove

CA 고객들의 실시간 주문 서비스 제공

Brands

Search Condition

Brand Function

Available Stock



Select All Products

K-뷰티 브랜드들의 실시간 재고 상태 확인 가능

*CA 고객들의 실시간 주문 서비스 제공 Real-time ordering for CA customers

*K-뷰티 브랜드들의 실시간 재고 상태 확인 가능 Real-time inventory status for K-beauty brands (Source: Company data)

The Company's CA business unit supports local marketing to expand existing brands and grow new brands. It also assists in obtaining the necessary documentation and materials required for proper customs clearance and sales in each country.

The CA business pursues small-volume sales of various products, manages inventory for diversified management, and proposes a sales portfolio with strategies tailored to each country's characteristics. It sells cosmetics to local wholesalers and partners through its own StyleKorean Wholesale platform.

The Company's wholesale site provides customers in more than 130 countries with real-time inventory and unit price checks, order delivery confirmations, account management for each customer, and slightly lower prices than its PA (e-commerce platform for personal customers) site, attracting demand from global corporate customers. The Company also supports its local business partners with customized product recommendations and curation based on sales data for each country.

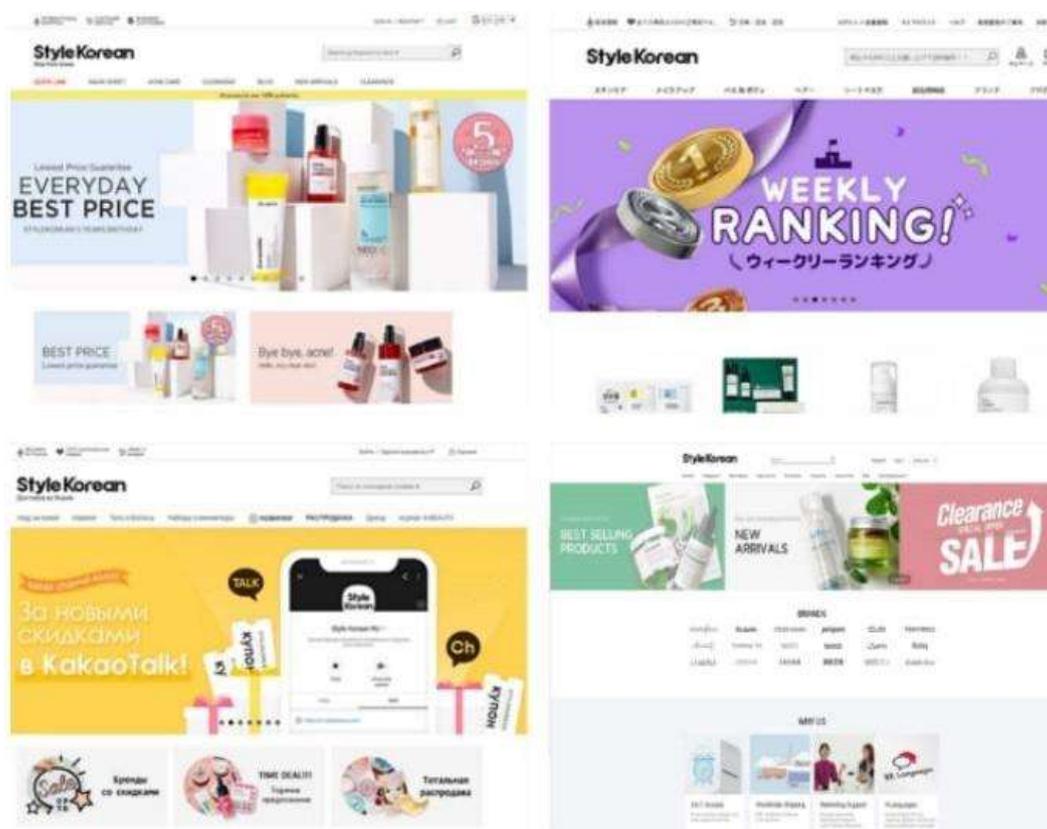
Additionally, to help CA partners succeed in their local business, the Company provides not just product supply, but also sales strategy support and marketing resources in order to enable CA partners to grow and support K-Beauty's local expansion, rather than being partners for simple sales.

(c) Personal Account (PA) business

The PA business operates StyleKorean.com (<https://www.stylekorean.com>), which sells K-Beauty products in more than 110 countries worldwide, supplying these products to individual customers in each country. To quickly meet the beauty needs of global customers, the PA business is divided into a global team, a Japanese team, and a Russian team. Each department opens spin-off sites for specific countries, such as Japan and Russia, and manages the sites by optimizing them for local needs.

The site is not just a literal multilingual translation from the Korean version, but a fully localized site tailored to each country's market. Since its inception, the StyleKorean site has been designed to be easily exposed through Google and other search engines using SEO (Search Engine Optimization), increasing its accessibility to consumers.

[The Company's country-specific StyleKorean retail platform]



(Source: Company data)

For the PA business, the Company recommends products according to the locally desired cosmetics lines, product types, and trends in the selected local market. After analyzing sales data and selling points, the Company devises a strategy tailored to each country's sales platform. By applying different payment systems and shipping carriers for each country, the Company offers an efficient solution to ensure that product searches lead directly to cross-border e-commerce sales. The Company has introduced different payment systems tailored to each locale, offering customers the most convenient payment services to increase accessibility to StyleKorean.

In addition, PA Headquarters conducts local marketing in the United States, Australia, Europe, Russia, Southeast Asia, and other regions worldwide. The Company operates country-specific social media channels to attract new members through live broadcasts, content planning, and advertisements. Google keyword advertisements are also utilized for efficient brand exposure. Furthermore, the Company manages StyleKorean's 1 million members by tier and VIP promotions to retain existing customers and strengthen its relationships.

To expand the K-POP goods distribution business in 2024, the Company is not only selling K-POP goods, albums, and organizing joint purchases but also expanding sales of the general K-Culture through various events such as online fan meetings.

(d) Fulfillment business

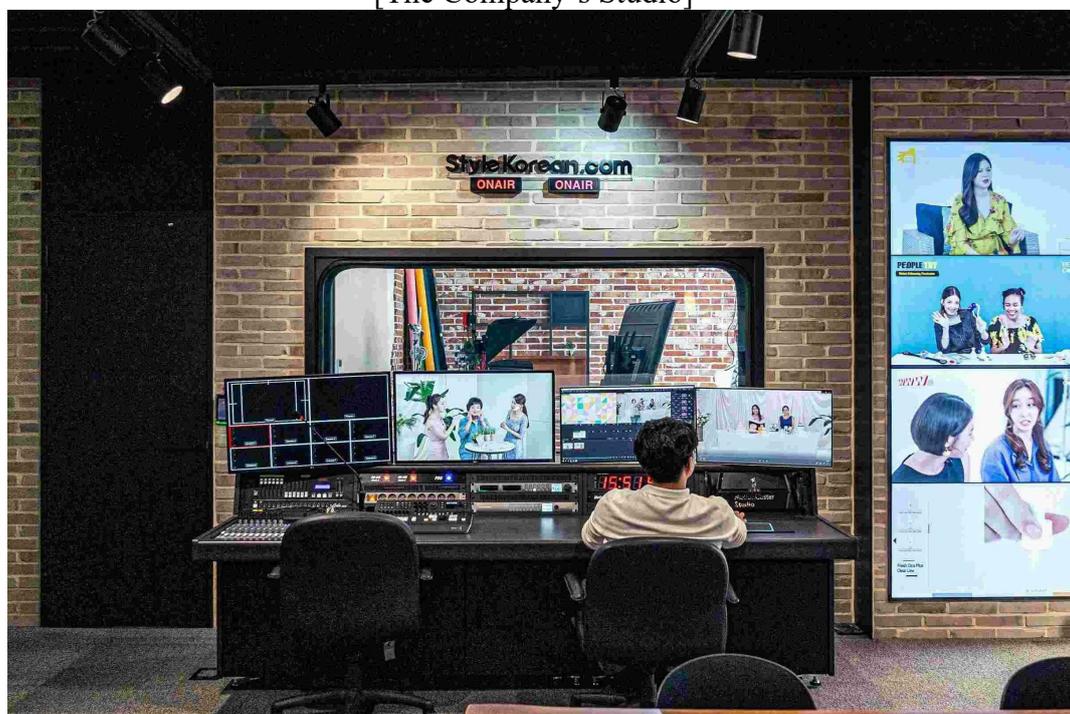
The fulfillment business is a business that provides operation outsourcing and consignment/delivery for small K-beauty brands that have difficulties entering and managing operations the open market on its own. Additionally, the Company facilitates entry into open markets tailored to each brand's characteristics. To facilitate the entry and sales of K-Beauty brands in overseas online marketplaces, the brands deliver their products to the Company, which then manages all subsequent sales activities.

Utilizing its advanced logistics system, the Company provides customized services tailored to customer needs, including 3PL and drop shipping. It operates open markets based on its distribution expertise to ensure consistent sales.

(e) Marketing business

To capitalize on the global spread of the K-beauty trend, the Company is prioritizing influencer marketing, content marketing, and various cultural marketing initiatives. The establishment of its own content studio has particularly strengthened its ability to execute seamless content marketing strategies.

[The Company's Studio]



(Source: Company data)

The Company is conducting diversified content marketing on multiple platforms, including the YouTube channel Beauty Cookie, which features specialized beauty content, and StyleKorean Instagram and TikTok, focusing on branded content. In addition to online marketing, the Company is organizing offline events to introduce K-Beauty to countries where it is less familiar, providing an opportunity to experience the full range of K-Beauty products.

The strategic and systematic marketing strategy for K-Beauty aims to establish a strong online presence, complemented by offline marketing to enhance brand awareness. This approach effectively increases local accessibility to K-Beauty through tailored marketing strategies.

Additionally, the Company operates a V-commerce business utilizing local influencers in the expanding global influencer marketing market. An affiliate marketing strategy is used to share revenue generated from influencers as well as utilizing a video commerce business to provide in-house video production services to K-Beauty brands.

B. Average selling price changes of major products (services), etc.

As a platform company, its role is to establish a platform facilitating interaction and connection between brands and consumers, generating mutual value and benefits. This occurs through market-oriented pricing tailored to customer size, market conditions, currency exchange rates, and SKU variations across different countries.

Moreover, with approximately 12,000 SKUs, the Company does not have a set price of its services on a per-SKU basis, making it challenging to predict price unit trends over time.

3. Production Materials and Production Facilities

A. Purchase status

(Unit: mil KRW, %)

Classification	June 30, 2024 (23rd)		December 31, 2023 (22nd)		December 31, 2022 (21st)	
	Amount	Portion	Amount	Portion	Amount	Portion
CA	218,239	84.50%	228,566	79.35%	94,034	77.41%
PA	8,216	3.18%	14,741	5.12%	17,209	14.17%
Fulfillment	31,810	12.32%	44,736	15.53%	10,233	8.42%
Total	258,265	100.00%	288,043	100.00%	121,476	100.00%

Note 1) The Company records purchases based on total purchases rather than revenue type. Purchases are allocated based on the percentage of revenue recognized by each revenue type.

B. Changes in production material prices

Unlike the general manufacturing industry, the Company's business model revolves around purchasing and selling goods rather than manufacturing through the acquisition of raw materials. Therefore, calculating production capacity and production performance is challenging.

C. Production and Facilities, Capacity and quality of production, etc.

(1) Production and Quality of facilities, etc.

Unlike the general manufacturing industry, the nature of its business is to purchase and sell goods rather than produce them through production facilities, so it is difficult to calculate production capacity and production performance.

(2) Matters concerning Key Facilities

(a) Key facilities for production

(Unit: mil KRW)

Operations	Asset type	Owned (Leased)	Location	Beginning book value (Jan. 2024.01)	Gain or loss for the period	Depreciation for the period	Ending book value (2024.06.30)	Location
Headquarters	Land	Owned	Rooms 905 through 911	5,822	-	-	5,822	231, Pangyo Yeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea Room 905,906,907,908,909,910, and 911
	Buildings			17,046	-	239	16,807	
	Land, buildings	Leased	Room 904	205	-	56	150	231, Pangyo Yeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea Room 904
STYLEKOREA N INC	Land	Owned	10928 Bloomfield Ave	4,769	369	-	5,138	10928 Bloomfield Ave. Santa Fe Springs CA 90670
	Buildings			3,301	232	24	3,509	
Warehouse	Warehouse	Leased	Opo CS Warehouse	2,381	947	901	2,427	650-23, Opo-ro, Opo-eup, Gwangju-si, Gyeonggi-do, Republic of Korea
	AGV	Owned		1,103	-	279	824	
Warehouse (under construction)	Land	Owned	Hakwoon Complex 5	19,297	351	-	19,648	1170, Hanun-ri, Yangcheon-eup, Gimpo-si, Gyeonggi-do, Republic of Korea

(b) Changes in the last three years

(Unit: mil KRW, 1,000 USD)

Asset name	Acquisition (disposal) value	Acquisition (disposal) date	Reason for acquisition (disposition)	Purpose	Acquired (disposed of) by
Land 911	602	Apr. 19, 2019	Headquarters expansion	Office	Doing C&s Co., Ltd.
Building 911	1,405	Apr. 19, 2019	Headquarters expansion	Office	Doing C&s Co., Ltd.
AGV Construction	16	Sep. 20, 2019	Build an automated logistics facility	Logistics automation	SHINSEGAE E&C.
AGV Equipment	2,634	Dec. 28, 2020	AGV installation and Operation	Logistics automation	SHINSEGAE E&C.
US office building	6,480	Dec. 1, 2020	Branch office expansion	Offices and warehouses	Voit Real Estate Services
Warehouse land	14,098	May. 4, 2022	Warehouse expansion	New warehouse	Hakwoon 5 General Industrial Complex Co.,Ltd.
Lot 701	1,258	May. 24, 2022	Headquarters expansion	Office	UNI-SOLUTIONS
Building 702	4,546	May. 24, 2022	Headquarters expansion	Office	UNI-SOLUTIONS
Warehouse land	18,784	Nov. 30, 2022	Warehouse expansion	New warehouse	Hakwoon 5 General Industrial Complex Co.,Ltd.
908,909,910 Land	3,430	May. 31, 2023	Headquarters expansion	Office	Doing C&s Co., Ltd.
Building 908,909,910	12,491	May. 31, 2023	Headquarters expansion	Office	Doing C&s Co., Ltd.
701,702 parcels of land	(1,258)	May. 31, 2023	New office replacement	Office	Doing C&s Co., Ltd.
Building 701,702	(4,546)	May. 31, 2023	New office replacement	Office	Doing C&s Co., Ltd.

(3) Plans for construction or acquisition of equipment and facilities

(Unit mil KRW)

Classification	Purpose and details of investments	Duration	Total funds required	Expenditures	Expected outcomes	Note
Facilities	Strengthen logistics capabilities by building warehouses	2022 - 2026	100,000	32,882	Increase product availability and accelerate fulfillment business	-
	Build automated facilities such as AGV systems	2022 - 2026	10,000	-	Increase logistics inventory management and shipping efficiency	-

The Company intends to utilize the proceeds from the public offering and financing to invest in acquiring its own warehouse, replacing the current leased warehouse in Gwangju, Gyeonggi-do. Expanding its logistics base is crucial to meet the increasing volume of global customer orders and the growing diversity of brands and product SKUs.

In May 2022, the Company acquired land valued at 20 billion won located at 1169 Hakwoon-ri, Yangchon-eup, Gimpo-si, Gyeonggi-do. The warehouse investment is slated for completion by 2026, which the Company believes will significantly enhance its operational capabilities by expanding its product range and boosting its fulfillment business.

Additionally, the Company plans to invest approximately 10 billion won in new warehouses to implement automated cargo flow systems, including AGV systems, creating an environment similar to its existing logistics warehouse in Gwangju. This strategic investment is expected to reduce labor costs in logistics and inventory management while enhancing overall efficiency in inventory control and logistics operations.

4. Revenue and Long-term Contracts

A. Sales

(Unit: mil KRW)

Business unit	Revenue types	Services (Customer)	Classification	June 30, 2024 (23rd)		December 31, 2023 (22nd)		December 31, 2022 (21st)	
				Sales	Portion	Sales	Portion	Sales	Portion
CA (Corporate Account)	Product sales	Company A	Export	38,695	11.68%	33,927	9.9%	16,056	9.71%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	38,695	11.68%	33,927	9.9%	16,056	9.71%
		Company B	Export	10,085	3.04%	15,515	4.53%	8,471	5.13%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	10,085	3.04%	15,515	4.53%	8,471	5.13%
		Company C	Export	6,971	2.10%	5,026	1.47%	3,831	2.32%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	6,971	2.10%	5,026	1.47%	3,831	2.32%
		Other	Export	199,180	60.14%	187,976	54.82%	86,032	52.05%
			Domestic	24,917	7.52%	29,521	8.61%	13,359	8.08%
			Subtotal	224,097	67.66%	217,497	63.43%	99,391	60.14%
		Subtotal	Export	254,931	76.95%	242,444	70.71%	114,390	69.21%
			Domestic	24,917	7.52%	29,521	8.61%	13,359	8.08%
			Subtotal	279,848	84.48%	271,965	79.33%	127,749	77.3%

PA (Personal Account)	Product sales	Company A	Export	9,536	2.88%	13,855	4.04%	14,042	8.5%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	9,536	2.88%	13,855	4.04%	14,042	8.5%
		Company B	Export	768	0.23%	3,321	0.97%	5,731	3.47%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	768	0.23%	3,321	0.97%	5,731	3.47%
		Company C	Export	223	0.07%	-	0.00%	1,486	0.9%
			Domestic	-	0.00%	274	0.08%	-	0.00%
			Subtotal	223	0.07%	274	0.08%	1,486	0.9%
		Other	Export	-	0.00%	90	0.02%	1,760	1.06%
			Domestic	9	0.00%	-	0.00%	360	0.22%
			Subtotal	9	0.00%	90	0.02%	2,120	1.28%
		Subtotal	Export	10,527	3.18%	17,266	5.04%	23,019	13.93%
			Domestic	9	0.00%	274	0.08%	360	0.22%
			Subtotal	10,536	3.18%	17,540	5.11%	23,379	14.15%
Fulfillment	Product sales	Company A	Export	22,878	6.91%	33,244	9.7%	4,434	2.68%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	22,878	6.91%	33,244	9.7%	4,434	2.68%
		Company B	Export	3,954	1.19%	8,557	2.5%	2,523	1.53%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	3,954	1.19%	8,557	2.5%	2,523	1.53%
		Company C	Export	3,456	1.04%	2,877	0.84%	2,074	1.25%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	3,456	1.04%	2,877	0.84%	2,074	1.25%
		Other	Export	10,405	3.14%	8,361	2.43%	4,386	2.66%
			Domestic	97	0.03%	192	0.05%	485	0.29%
			Subtotal	10,502	3.17%	8,553	2.48%	4,871	2.95%
		Subtotal	Export	40,693	12.28%	53,039	15.47%	13,417	8.12%
			Domestic	97	0.03%	192	0.06%	485	0.29%
			Subtotal	40,790	12.31%	53,231	15.52%	13,902	8.41%
Others	Other revenues	-	-	114	0.03%	125	0.04%	242	0.14%
Total				331,288	100.0%	342,861	100.0%	165,272	100.0%

Note 1) Based on audited K-IFRS consolidated financial statements.

Note 2) Revenue for each business unit includes revenues from Company A, B, and C, the top three largest customers for each year.

Note 3) Other revenue for each business unit comprises revenues from customers excluding Company A, B, and C, the top three largest customers for each business unit.

Note 4) Other revenues encompass advertising revenues.

B. Sales channels

(As of June 30, 2024)

(Unit: mil KRW)

Revenue type	Item	Classification	Sales channel	Revenue, by channel	Ratio
CA Revenue	Cosmetics	Revenue	Revenue from supply contracts through the wholesale site, which serves retail partners worldwide	279,848	8.48%
PA Sales			Revenue from direct sales to consumers worldwide via the StyleKorean Retail platform, operational across global, Japan, Russia, Indonesia, and U.S. websites.	10,536	3.18%
Fulfillment sales			Revenue from fulfillment services, including operations outsourcing and drop shipping (DS).	40,790	12.31%
Others	Others		Ad revenue, etc.	114	0.03%
Total				331,288	100.00%

Note) Revenue is based on IFRS consolidated financial statements for June 30, 2024.

Of its sales, CA sales are generated through the wholesale platform, and PA sales are generated through the StyleKorean platform (Global, Japan, Russia, etc.), and sales activities are based on purchased inventory.

In the case of fulfillment revenue, K-Beauty generates revenue from outsourcing overseas e-commerce operations of K-Beauty brands and consignment, such as drop shipping.

C. Sales methods

The Company's sales methods by business segment are as follows:

(1) CA business

In the CA division, the Company collaborates with brand partners from its headquarters to develop tailored brand strategies and leverage local market insights. Continuously scouting new markets, they engage local influencers and YouTubers to promote and launch new products. Upon market discovery, the Company registers with local regulatory bodies such as the respective FDAs, facilitating customs clearance and document preparation accordingly for each country.

The success of the CA business hinges on differentiated marketing strategies that align with each country's unique characteristics. To achieve this, the division supports local marketing efforts to expand existing brands and foster the growth of new ones. Customized portfolios are provided based on sales data and assist in procuring necessary documents and materials for official customs clearance and sales in each market.

Operating with a focus on small-volume sales across diverse products, the Company manages inventory for varied product offerings. Sales are conducted through the StyleKorean wholesale platform, where they devise country-specific sales strategies and curate product portfolios tailored to local market demands.

(2) PA business

In addition to StyleKorean.com (www.StyleKorean.com), which sells K-beauty products in over 110 countries worldwide, the PA division operates spin-offs like StyleKorean.jp and StyleKorean.ru for Japan and Russia. These platforms are managed with optimized systems for local markets, including tailored delivery and payment options. Sales are also facilitated through a mobile application that was developed last year.

The Company offers customized payment systems and shipping carriers tailored to nearly 110 countries worldwide to optimize sales. Each country has its own payment systems with varying rates, and systems have been implemented accordingly to provide the most convenient payment services for customers, thereby enhancing StyleKorean's accessibility.

In addition to its primary markets such as the U.S., Russia, and Southeast Asia, the Company actively promotes its products and brands globally, adapting them to meet the specific demands of each market. The Company's social media strategy includes active engagement on Instagram, YouTube, TikTok, and Facebook, attracting new members through targeted content and advertisements. The Company also utilizes Google Keywords ads to effectively boost brand visibility.

With over 4 million social media followers and subscribers, marketing content encompasses brand sales news, StyleKorean magazine features (covering fashion, trends, vlogs, and dining), authentic product reviews, and influencer-driven promotional content. Local staff are employed in each country to ensure accurate and timely identification of market needs, trends, and analysis.

(3) Fulfillment businesses

The Company's Fulfillment business division specializes in assisting companies entering major online platforms like Amazon, Qoo10, and Shopee. The Company primarily provides services to K-beauty companies seeking entry into these platforms, managing their sales and delivery processes. Additionally, the Company supports firms that have difficulty entering these markets directly.

The Company also offers tailored strategies for entering each platform based on brand characteristics, recommending Korean cosmetics brands suitable for overseas online marketplaces. Furthermore, the Company facilitates local delivery through drop shipping to alleviate inventory burdens for its international partners.

D. Sales strategy

The Company's sales strategies are centered around leveraging the wholesale platform of the CA division and the retail platform of the PA division. These efforts are supported by localized strategies tailored for each country, aimed at pioneering both B2B and B2C sales in local markets, detailed as follows:

(1) Localized strategy with country-specific sales organizations

The Company employs local personnel and operates country-specific sales organizations to offer tailored consulting services to local CA partners, facilitating their local business operations. Additionally, the Company recommends products aligned with national trends to every consumer accessing the StyleKorean website.

(2) Real-time order fulfillment via StyleKorean platform

The Company has implemented a system allowing consumers and overseas partners to check inventory and place orders in real-time through the StyleKorean platform, ensuring prompt product availability.

(3) Social media marketing and influencer collaborations

The Company enhances brand awareness and supports the growth of various small and medium-sized brands through strategically planned content tailored for global marketing. This includes leveraging its own channels to promote marketing efforts and sharing self-generated content with its extensive follower base of over 4 million. Additionally, the Company extends its reach through partnerships with over 25,000 global influencers across 68 countries and engages in localized marketing initiatives through collaborations with local CA partners.

(4) Export, customs, and logistics expertise

The Company offers expertise in export, customs clearance, and logistics to support K-Beauty brands seeking to expand overseas, facilitating entry into challenging international markets that may be difficult to navigate independently.

(5) Building a global distribution chain with logistics and operational excellence

Utilizing its e-commerce expertise, the Company facilitates the entry of K-Beauty brands into overseas platforms, manages their operations abroad, and optimizes logistics. This allows brands to focus on producing high-quality products. The Company has implemented a pioneering logistics system using automated guided vehicles (AGV), enhancing systematic inventory management and operational efficiency.

(6) Driving trends with localization strategies

With a global presence spanning countries such as the United States, Indonesia, Malaysia, the Netherlands, and Poland, the Company shares its platform and network to drive worldwide market expansion of K-Beauty brands.

E. Major customers

(As of June 30, 2024)

(Unit: mil KRW)

Revenue types	Customer	Revenue amount	Revenue ratio
CA sales	iHerb, Inc	38,695	11.68%
Fulfillment sales	Amazon.com	22,878	6.91%
PA sales	Style Korea USA (formerly Independent online store)	9,536	2.88%
	Other	260,179	78.53%
	Total	331,288	100.00%

Major customers are defined as those contributing 2% or more to the Company's revenue. Given the Company's business model, which involves sales to both the general public and trade partners, estimating the number of other revenue sources is challenging.

F. Long-term contracts

Not applicable as the Company's business model does not involve ordering contracts.

5. Risk Management and Derivative Transactions

A. Market Risk

(1) Foreign Exchange Risk

The consolidated entity operates internationally and is therefore exposed to foreign exchange risk, particularly due to fluctuations in USD and JPY exchange rates. These foreign exchange risk arises from anticipated future transactions and recognized assets and liabilities.

The management of the consolidated entity has established policies to manage foreign exchange risk for each currency, aiming to mitigate this risk. Foreign exchange risk occurs when anticipated future transactions and recognized assets and liabilities are denominated in currencies other than the functional currency. The consolidated entity prohibits speculative foreign exchange transactions and regularly monitors, evaluates, and manages foreign exchange risk.

As of the end of the reporting period, the book value of monetary assets denominated in major foreign currencies other than the functional currency are as follows.

(Unit: KRW, USD, EUR, etc.)

Account	June 30, 2024			December 31, 2023		
	Currency	Foreign currency	KRW equivalent	Currency	Foreign currency	KRW equivalent
Cash equivalent assets	USD	16,050,053.71	22,296,734,613	USD	6,495,166.38	8,374,867,529
	EUR	1,193,805.60	1,775,272,493	EUR	1,229,544.31	1,754,055,617
	Others	14,243,219.80	410,824,791	Others	21,820,726.86	272,978,638
Accounts receivable	USD	64,289,354.68	89,310,771,487	USD	42,970,427.49	55,406,069,192
	EUR	12,649,234.85	18,810,297,666	EUR	3,839,967.64	5,478,059,435
	Others	104,552,903.74	820,468,162	Others	168,552,239.53	489,055,311
Total	-	212,978,572.38	133,424,369,212	-	244,908,072.21	71,775,085,722

Assuming all other variables remain constant, the impact of a 10% change in the exchange rates of each foreign currency against the functional currency on profit before tax for the first half of the current year and the previous year is as follows.

(Unit: KRW)

Item	June 30, 2024		December 31, 2023	
	FX increase	FX decrease	FX increase	FX decrease
Increase (decrease) in profit and loss before tax	13,342,436,921	(13,342,436,921)	7,177,508,572	(7,177,508,572)

The sensitivity analysis above focuses on the monetary assets denominated in foreign currencies other than the functional currency of the consolidated entity as of the end of the reporting period.

(2) Interest Rate Risk

The consolidated entity's exposure to interest rate risk arises primarily from deposits and floating rate borrowings. The entity has established and put in place policies to manage uncertainties and minimize financial costs resulting from interest rate fluctuations.

As of the end of the reporting period, no floating rate borrowings are exposed to interest rate risk.

Assuming all other variables remain constant, the impact of a 1% change in interest rates on profit before tax for the current and previous years is as follows.

(Unit: KRW)

Item	June 30, 2024		December 31, 2023	
	1% Increase	1% Decrease	1% Increase	1% Decrease
Increase (decrease) in profit and loss before tax	(389,181,068)	389,181,068	(49,315,068)	49,315,068

B. Credit Risk

(1) Risk Management

To manage credit risk, the consolidated entity only conducts transactions with counterparties that maintain at least a specific level of creditworthiness. The entity also has policies and procedures in place to enhance the creditworthiness of its financial assets.

Credit risk refers to the potential financial loss that the consolidated entity could incur if a counterparty fails to meet its contractual obligations. This risk arises not only from counterparties but also from cash and cash equivalents and deposits with financial institutions.

Regarding financial institutions, the consolidated entity transacts with counterparties with good credit ratings. Therefore, credit risk stemming from financial institutions is limited. In terms of general counterparties, the entity deals with those with a certain level of creditworthiness, has established policies and procedures to enhance the credit quality of financial assets, and evaluates the creditworthiness of counterparties.

The entity's level of credit risk exposure as of the end of the reporting period is as follows.

(Unit: KRW)

Item	June 30, 2024	December 31, 2023
Accounts receivable	40,625,572,797	21,282,743,325
Short-term other financial assets	16,688,784,647	17,103,561,266
Other financial assets	1,773,623,594	1,296,330,857
Total	59,087,981,038	39,682,635,448

C. Liquidity Risk

The consolidated entity maintains an adequate level of unused borrowing capacity and continuously monitors liquidity forecasts to ensure there are no breaches of borrowing limits or covenants, thereby meeting operational funding requirements.

The table below categorizes the consolidated entity's financial liabilities based on their maturities from the end of the reporting period to contractual maturity. The cash flows presented in the table are undiscounted amounts. Balances maturing within 12 months are shown at their book value as the effect of discounting is not significant.

1) As of June 30, 2024

(Unit: KRW)

June 30, 2024	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Non-derivatives				
Accounts payable	3,442,329,306	-	-	3,442,329,306
Other current financial liabilities	3,837,835,647	-	-	3,837,835,647
Short-term borrowings	151,191,632,593	-	-	151,191,632,593
Current portion of long-term debt	248,912,895	-	-	248,912,895
Long term borrowings (*)	-	252,851,693	3,878,116,300	4,130,967,993
Lease liabilities	3,893,520,617	2,067,117,803	2,099,471,224	8,060,109,644
Total Non-derivatives	162,614,231,058	2,319,969,496	5,977,587,524	170,911,788,078
Derivatives				
FX Swap	(3,000,000,000)	-	-	(3,000,000,000)
Inflow	(44,682,000,000)	-	-	(44,682,000,000)
Outflow	41,682,000,000	-	-	41,682,000,000
Total Derivatives	(3,000,000,000)	-	-	(3,000,000,000)

(*) Includes cash flows from the current portion of long-term debt.

D. Capital Risk Management

The objective of the consolidated entity's capital management is to safeguard its ability to providing ongoing benefits to shareholders and stakeholders while minimizing the cost of capital by maintaining an optimal capital structure. In order to maintain or adjust the capital structure the entity may adjust dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The entity manages its capital based on the gearing ratio, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings less cash and cash equivalents, and total capital is the sum of equity as shown in the balance sheet plus net debt.

As of the end of the reporting period, the consolidated entity's gearing ratio is as follows.

(Unit: KRW)

Item	June 30, 2024	December 31, 2023
Total Borrowings	150,690,987,373	58,762,207,426
Deductions: Cash and cash equivalents	(92,868,993,443)	(17,217,510,020)
Net liabilities (a)	7,821,993,930	41,544,697,406
Total stockholders' equity (b)	196,195,076,790	134,951,936,183
Total Assets (c=a+b)	254,017,070,720	176,496,633,589
Gearing ratio (a/c)	22.76%	23.54%

E. Status of Derivative Transactions and Putback Options

As of the submission date of this report, the Company has no such relevant transactions.

6. Major Contracts and R&D Activities

A. Major Contracts and R&D Activities

As of the date of this report, the Company's significant non-recurring contracts outside the ordinary course of business are as follows:

Contractual counterparty	Purpose of the contract	Details of the contract	Contract date	Acquisition Amount
Oneand Inc.	Enhance brand image through share subscription agreements	Acquisition of shares through stock purchase agreements (number of shares) : 80,000 shares (23.39%)	Mar 10, 2016	400,000,000 KRW
Benton, Inc.	Enhance brand image through share subscription agreements	Acquisition of shares under stock purchase agreements (number of shares): 645,000 shares (25%)	1st: November 18, 2016	1st : 200,100,000 KRW
			2nd: Jan 5, 2021	2nd : 99,905,000 KRW
Pyunkang Oriental Medicine Dermatology Research Institute	Enhance brand image through share subscription agreements	Acquisition of shares through stock purchase agreements (number of shares) : 8,889 shares (10%)	Dec 15 , 2017	300,002,750 KRW
Hello Skin, Inc.	Enhance brand image through share subscription agreements	Acquisition of shares through stock purchase agreements (number of shares) : 6,667 shares (25%)	Feb 7, 2018	50,002,500 KRW
Be The Skin Co., Ltd.	Enhance brand image through share subscription agreements	Acquisition of shares through stock purchase agreements (number of shares) : 8,572 shares (30%)	Feb 8, 2018	100,000,952 KRW
TOCOBO Corporation	Enhance brand image through share subscription agreements	Acquisition of shares under stock purchase agreement (number of shares) : 30,000 shares (30%)	May 24, 2021	30,000,000 KRW
Corporation JC&Company	Enhance brand image through share subscription agreements	Acquisition of shares under stock purchase agreement (number of shares) : 3,000 shares (20%)	July 23, 2021	99,999,000 KRW
Corporation Plant Base	Enhance brand image through share subscription agreements	Acquisition of shares under stock purchase agreement (number of shares): 500 shares (20%)	July 28, 2021	200,000,000 KRW
Aid Korea Company	Enhance brand image through share subscription agreements	Acquisition of shares under stock purchase agreement (number of shares): 20,000 shares (25%)	Oct 28, 2021	1,000,000,000KRW
Hanteo Global, Inc.	Launch new business through new and existing share subscription agreements	Acquisition of shares through stock purchase agreements (number of shares) : 91,227 (12.23%)	Feb 28, 2022	5,000,072,828KRW
Aid Korea Company	Elevate the brand image through existing share subscription agreements	Acquisition of shares under stock purchase agreement (number of shares) : 5000 (6.25%)	Aug 4, 2022	300,000,000 KRW
TOCOBO Corporation	Elevate the brand image through new share subscription agreements	Acquisition of shares under stock purchase agreements (number of shares): 270,000 shares (27%)	Aug 12, 2022	270,000,000 KRW
TOCOBO Corporation	Elevate the brand image through new share subscription agreements	Acquisition of shares under stock purchase agreements (number of shares): 400,000 shares (29.70%)	Mar 24, 2023	700,000,000 KRW
Sukoshi Mart	Acquisition of overseas distribution channel through share subscription agreements	Acquisition of shares under stock purchase agreements (number of shares): 1,315,789 shares (11.83%)	Dec. 31, 2023	2,999,998,92 USD
Sukoshi Mart	Acquisition of overseas distribution channel through share subscription agreements	Acquisition of shares under stock purchase agreements (number of shares): 1,184,211 shares (20.33%)	June 11, 2024	2,700,001.08 USD

B. Research and Development Activities

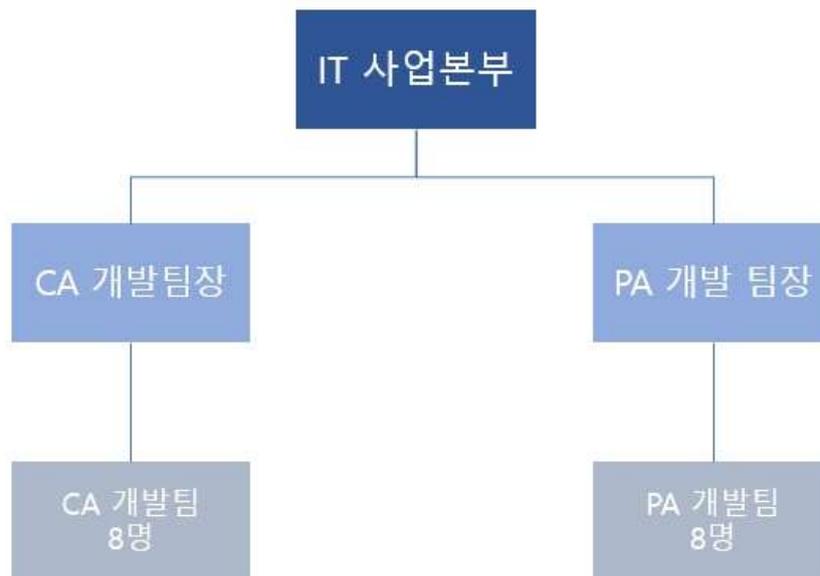
(1) Overview of R&D activities

The Company has an internal IT team R&D organization that focuses on developing and maintaining its own ERP, building and maintaining its own store, and improving the quality of its mobile application services, among other projects.

The IT team's R&D personnel are organized into the PA development team and the CA development team. Both teams strive to produce optimal results by directly engaging with marketing experts from each other from the initial construction, planning, and implementation of new business projects.

In addition to new business projects, the Company is also focusing on improving the quality of the service of using StyleKorean's online store by providing various development and maintenance services such as cross-border shopping and overseas logistics services, overseas delivery agency, and mobile application development.

(2) R&D organizations



*그림파일

IT 사업본부	IT Business Division
CA 개발팀장	CA Development Team Lead
PA 개발팀장	PA Development Team Lead
CA 개발팀 8명	CA Development Team (8 members)
PA 개발팀 8명	PA Development Team (8 members)

Organizations	Main tasks
CA Development Team	<ul style="list-style-type: none"> - Development and maintenance of in-house developed ERP systems. - Development of the StyleKorean wholesale platform - Development and integration of warehouse management system including logistics reorganization for AGV logistics system
PA Development Team	<ul style="list-style-type: none"> - Development and maintenance of StyleKorean retail platform features and functionality - Mobile app development - Server management - Development of middleware that works with external programs

(3) Research and development expenses

(Unit: 1,000 KRW)

Subject	June 30, 2024 (23rd)	December 31, 2023 (22nd)	December 31, 2022 (21st)	Remarks
Research and development expense account (*1)	489,003	871,345	657,815	-
(Government subsidy)	-	-	-	-
R&D expense as a percentage of sales [R&D expense /current FY sales×100].	0.16%	0.26%	0.41%	-

Note 1) R&D expenses are calculated based on the labor costs of the Company's IT team personnel.

Note 2) Includes labor costs for employees who have resigned from the Company.

(4) R&D performance

The PA Development Team and CA Development Team operate as separate units. The PA Development Team focusing on developing and maintaining features of StyleKorean.com, the retail platform, and is also developing a mobile app of the site. Meanwhile, the CA Development Team is developing and maintaining its own ERP system and conducting various IT-related R&D, including logistics reorganization through the newly introduced AGV logistics system in 2020.

StyleKorean has established three in-house online stores(GLOBAL, JAPAN, and RUSSIA), each tailored to its respective country and optimized for SEO (Search Engine Optimization). This ensures the site ranks high for relevant search terms, making it easy for overseas customers to access. Additionally, a CS system has been developed to handle customer service inquiries through automatic responses. To facilitate overseas purchases, the Company is continually integrating various international payment methods and unifying logic for easier site management.

The CA Development Team introduced a new logistics model by implementing an AGV system at the logistics center and developing related programs. They also developed the StyleKorean Wholesale platform, allowing overseas buyers to check inventory and place orders in real time. This system enables sales representatives to confirm and deliver orders, ensuring processing within 24 hours from order to delivery.

7. Other Information

A. Significant business impact of trademark management policies, customer care policies, etc.

There are none as of the date of filing this report.

B. Status of intellectual property rights such as patents, utility model rights, design rights, trademarks, and copyrights

The Company does not have any intellectual property rights as of the date of filing this report.

C. Laws and regulations that materially affect business operations

There are various regulations on finished cosmetic products and customs clearance in different countries, including regulations on the ingredients used in cosmetics. Although regulations vary from country to country, the main purpose is consumer safety and the provision of accurate information. Specifically in light of recent chemical scandals, consumer safety regulations for cosmetics are becoming increasingly stringent.

The Company helps K-Beauty brands manage distribution to various countries through its pool of local employees who can handle cosmetics and customs clearance in each country. With certifications such as BPOM and many years of know-how and experience, the Company ensures smooth distribution operations.

Country	Regulatory matters
Korea	The Ministry of Food and Drug Safety (MFDS) serves as the primary regulatory authority. General finished cosmetics products can be sold immediately after completing the required notification process. However, for functional cosmetics (including types like whitening, wrinkle reduction, and sun protection) certified by the MFDS, a formal license is mandatory before they can be sold. This makes the regulation for functional products slightly stricter.
Japan	In Japan, local companies (e.g. from prefectures) must obtain a “Manufacturing and Sales License (For Cosmetic Products)” while satisfying three key requirements simultaneously: adequate human resources (including a designated manufacturing and sales manager), compliance with GQP (Good Quality Practice) and GVP (Good Clinical Practice for Drugs). Each manufacturing and sales business license remains valid for five years post-renewal. Additionally, for cosmetics manufactured and sold abroad to enter the Japanese market, registration with the Overseas Pharmaceuticals and Medical Devices Agency (PMDA) is mandatory. Japan customs oversees the customs clearance process for imported cosmetics, involving several stages: pre-departure report and manifest submission, import declaration, customs inspection, payment of duties, and obtaining an import license. Nippon Automated Cargo and Port Consolidated System (NACCS) is integral to each step of pre-departure reporting, import declaration, and document inspection, necessitating familiarity with its procedures and methods.
United States	Although cosmetic products do not require FDA approval before entering the market, the FDA imposes strict regulations on their ingredients. The use of prohibited ingredients or the sale of improper products can lead to legal action by the FDA. In essence, while the FDA does not pre-regulate cosmetics, it holds manufacturers fully accountable for any unsafe or incorrect products. One effective strategy to mitigate these risks is to obtain OTC certification. OTC, or over-the-counter, products like sunscreen in the U.S. are classified under this category rather than as cosmetics. Therefore, exporting OTC products to the U.S. requires compliance with U.S. drug GMP regulations and rigorous FDA standards for safety and efficacy. Importing cosmetics into the U.S. involves several steps: pre-submission of a manifest to CBP, declaration of goods for an export license, FDA inspection, tax filing, and payment of duties. Understanding the inspections conducted by U.S. Customs and Border Protection (CBP) for imported cosmetics and complying with FDA labeling regulations are crucial. Products failing these inspections are deemed non-compliant and barred from entry. Adherence to cosmetic import and export requirements is essential to prevent such import bans.

Europe	CPNP registration is the initial step for Korean cosmetics companies preparing to enter the European market. CPNP, which stands for 'Cosmetic Products Notification Portal,' is an online registration platform established in response to new regulations from the European Union (EU) Parliament. Since July 11, 2013, it has been mandatory to register all cosmetic products on CPNP before selling them in Europe. This system enables the EU to oversee and regulate the ingredients of cosmetic products distributed across EU and partner countries.
Russia	Russia has distinct regulations for cosmetics marketing, differing from those in the EU. These regulations involve TRCU (Technical Regulation of the Customs Union) certification. TRCU certification is part of the unified certification system of the Eurasian Economic Union, which initially included Russia, Kazakhstan, and Belarus, and now encompasses five countries, including Belarus, Kyrgyzstan, and Armenia. It applies to consumer goods, including cosmetics and perfumes that are not intended for inhalation or injection.
Indonesia	In Indonesia, obtaining BPOM certification is mandatory for importing and selling food, drugs, and cosmetics directly related to human health. BPOM stands for Badan Pom, which translates to the Indonesian Food and Drug Agency. Compliance with its certification regulations is necessary to distribute cosmetics within Indonesia. Non-compliance may lead to the revocation of certification for unlawfully distributed items. Additionally, the Indonesian government has a rigorous system that includes publicizing violations of BPOM regulations on local government websites, underscoring the critical importance of BPOM certification for entering the Indonesian market.
India	The Company has enrolled in the "Korea-India Simplified Certified Exporter" program, which enables the export of products to India without requiring six specific types of documents. This program is designed to facilitate trade by granting benefits to exporters certified by customs authorities, streamlining the issuance of certificates of origin and other necessary documents. Being certified as an exporter under this program provides the simplified documentation benefit.

D. Sales of environmental substances or compliance with regulations related to environmental protection in connection with business operations and capital expenditure plans for environmental improvements

None as of the date of filing of this report.

E. Overview of market conditions and business

(1) Industry characteristics

(a) Products that sell culture and image

K-Beauty products have evolved beyond mere functionality to embody cultural narratives and image appeal. Fashion and cosmetics exemplify products where cultural resonance significantly influences pricing and sales volumes. The perceived image and added value of the product play a pivotal role in consumer purchasing decisions, often outweighing considerations of price-performance ratios. Therefore, effective marketing strategies should leverage cultural narratives and imagery, going beyond product quality alone.

The Korean Wave, extending beyond Asia to include global audiences, has propelled Korean idols like BTS and Stray Kids to international stardom, acknowledged by Billboard, a globally renowned music ranking platform. Similarly, acclaimed Korean content such as Squid Game and Parasite has garnered global acclaim. This cultural phenomenon has heightened global interest in Korean cosmetics, particularly K-Beauty.

Alongside their technological advancements, K-Beauty products have gained cultural cachet through associations with Korean pop culture icons appearing in K-Pop, K-Movies, and K-Dramas. As a result, K-Beauty products, blending technology with cultural appeal, are rapidly expanding into markets across Southeast Asia, Japan, the United States, Europe, and Africa.

(b) A strong manufacturing base

The Korean cosmetics market boasts world-class cosmetics manufacturing infrastructure and technology, with major global cosmetics Original Design Manufacturers (ODMs) based in the country. This robust manufacturing infrastructure supports the creation of cosmetics products from innovative concepts. In the Korean cosmetics industry, the process of planning (by brands/venture brands), production (ODM/OEM), and distribution (various companies) are often separated. This environment has fostered the emergence of numerous small and medium-sized companies known for their innovative planning capabilities, competing vigorously in the industry by constantly launching new products with cutting-edge designs.

Since 2017, this trend has been notably accentuated, marked by the introduction of numerous venture brands that leverage rich creative ideas supported by skilled talent pools and ODM capabilities. These venture brands have played a pivotal role in driving growth in the domestic cosmetics market over the past three to four years.

2) Industry growth

(a) Growth in the size of the cosmetics market

The global beauty industry was valued at \$536.5 billion in 2022, reflecting a 5% increase YoY. It is projected to maintain a CAGR of 5.2% from 2024 to 2032.

(b) Growth in e-commerce distribution channels

As the non-luxury, mid-to-low priced cosmetics market launched by venture brands has grown, there has been an increasing need for outsourced distribution channels of most products due to the market's pricing structure. Consequently, a robust distribution channel is essential for their sale. E-commerce has emerged as a prominent distribution platform for venture-backed companies. With the ascent of e-commerce, there is a notable separation between branding and distribution. The growth rate of single-brand stores, which traditionally managed both distribution and branding, has slowed due to increased fixed costs.

The COVID-19 pandemic has accelerated the shift towards non-face-to-face transactions, influencing consumer behavior towards preferring online purchases of cosmetics over offline options.

Moreover, given the tactile nature of cosmetics, live commerce—a form of contactless marketing that enhances consumer engagement through real-time interactions during e-commerce sessions—is gaining traction. Unlike conventional home shopping or online channels, live commerce allows for direct consumer engagement through live comments, particularly appealing to younger demographics.

Despite the surge in e-commerce during the COVID-19 era, the offline market, which had previously stagnated, is now experiencing revitalization. This resurgence is seen as complementary rather than a complete shift from e-commerce to offline channels.

3) Domestic economic fluctuations

In the past, the cosmetics market was characterized as a luxury consumer goods industry directly influenced by the domestic economy. This meant it was a typical domestic industry affected by economic indicators, with the growth of the cosmetics market being directly proportional to domestic economic growth.

However, since 2007, the growth rate of the cosmetics market has shown mixed and inelastic responses to economic fluctuations, especially when compared to GDP growth. This is analyzed as a result of consumers expanding their spending on value, as cosmetics have become essential consumer goods.

While the cosmetics market exhibits variations in growth due to industry competition, distribution, and regional specificity, the industry as a whole has remained robust and resilient against economic fluctuations.

4) Seasonal factors

In the beginning of each year, the sales growth rate staggers due to relatively large sales spike during the year-end events in December.

The cosmetics market typically experiences seasonal fluctuations in sales, with sales generally decreasing in the winter compared to the summer. However, the Company does not experience significant seasonal fluctuations as its operations are conducted globally. In the southern hemisphere, seasons are opposite to those in the northern hemisphere, and regions like the Middle East and Southeast Asia experience minimal winter temperature drops, further mitigating seasonal impacts.

Moreover, the recent surge in demand for sun blocks has offset much of the decline in summer sales, leading the Company to believe that seasonal impacts are now minimal.

F. Domestic and international market conditions

(1) Market stability

According to the Ministry of Trade, Industry and Energy, exports of Korean cosmetics are poised to grow in the coming years. This is attributed to several factors, including the strong brand value and unique product concepts of Korean cosmetics, heightened awareness of K-beauty in the U.S. market, diversified marketing strategies utilizing influencers and social media, and favorable economic conditions in the U.S., China, and the ASEAN region.

Additionally, the Ministry of SMEs and Startups has observed an increase in demand for cosmetic exports, particularly in the U.S. and Japan, focusing on basic cosmetics. Furthermore, the expansion of exports to emerging markets such as Vietnam and Russia have significantly contributed to market growth. Consequently, the cosmetics industry, expanding actively into markets like the U.S., Japan, Vietnam, and Russia, is anticipated to continue its growth trajectory and achieve notable milestones in the future.

(2) Competition

The Company distributes K-Beauty products globally through its e-commerce platform. Unlike domestic cosmetics distribution markets such as department stores, hypermarkets, and road shops, etc., global distribution of Korean cosmetics involves duty-free and e-commerce channels. However, for individual K-Beauty brands aiming to enter the global market via direct export or to supply duty-free stores in Korea, strong global brand recognition and financial stability are essential. Many venture brands, benefiting from the capabilities of cosmetics OEMs in producing diverse cosmetic products, aspire to export globally but face challenges due to limited brand awareness and sales volume.

To address these challenges, the Company focuses on globally distributing these K-Beauty venture brand products through e-commerce. The entire business process from product planning and production to logistics management is overseen, including overseas customs clearance, inventory control, and brand marketing management.

For K-Beauty brand companies, production can be facilitated through OEMs, making it relatively accessible to start a business with modest funds. As a result, various small and medium-sized brands, as well as venture brands, have emerged and flourished. Unlike these brand companies, which face low entry barriers in the local market, global distribution platforms for K-Beauty brands present significant hurdles to entry.

This is primarily due to the need for a global customer base interested in K-Beauty products, a network of brand companies seeking distribution, and comprehensive capabilities in sales, logistics, and

marketing across multiple countries. Establishing such a platform involves significant investments in infrastructure, including logistics systems and warehouses to ensure timely product delivery.

Given the challenges in building such capabilities independently, many brand companies opt to distribute their products through established platforms like one from the Company. Consequently, the high entry barriers contribute to an oligopoly in the K-Beauty global distribution platform, limiting opportunities for new entrants to emerge.

(3) Market share trends

The Company operates as a comprehensive K-beauty platform and a global distributor of K-beauty products. However, there is no specific market share data available from recognized organizations for this particular business segment. The Company believes it is unique in Korea for specializing in the global distribution of K-beauty products through e-commerce channels.

To estimate its market share, the Company has derived its sales figures from the general statistics on cosmetics exports published by the Korea Cosmetic Industry Institute.

(Unit: 100 million KRW)

Classification	June 30, 2024	2023	2022	2021
Direct international sales of cosmetics products online (*1)	64,946	110,958	103,268	105,156
Revenue of the Company	3,313	3,429	1,653	1,310
Market share estimation	5.10%	3.09%	1.6%	1.25%

Note 1) Source: Korea Cosmetic Industry Institute, 2021-2024 cosmetics exports (annual average exchange rate applied)

Note 2) The Company's sales figures are based on audited K-IFRS consolidated financial statements.

III. Financial Statements

1. Abridged Financial Statements

A. Abridged Consolidated Financial Statements

1. Statement of Financial Position - Consolidated Financial Statements

(Unit: KRW)

	23rd	22nd	21st
	June 30, 2024	Dec. 31, 2023	Dec. 31, 2022
[Current assets]	303,379,908,687	136,394,594,980	73,230,909,481
• Quick assets	163,793,018,077	57,857,995,621	44,628,603,354
• Inventories	139,586,890,610	78,536,599,359	28,602,306,127
[Non-current assets]	89,331,590,203	78,875,966,099	55,985,406,547
• Investment assets	20,757,901,835	16,230,428,752	10,354,117,315
• Property, plant, and equipment	62,952,595,944	59,208,762,860	44,113,068,737
• Intangible assets	1,563,174,798	660,690,211	90,829,875
• Other non-current assets	4,057,917,626	2,776,084,276	1,427,390,620
Total Assets	392,711,498,890	215,270,561,079	129,216,316,028
[Current liabilities]	187,319,524,919	74,179,193,067	28,605,613,290
[Non-current liabilities]	9,196,897,181	6,139,431,829	4,223,839,431
Total Liabilities	196,516,422,100	80,318,624,896	32,829,452,721
[Capital stock]	30,537,340,000	30,295,340,000	30,189,340,000
[Capital surplus]	30,803,107,255	30,176,344,833	29,625,573,816
[Accumulated other comprehensive income]	4,844,632,335	2,836,862,823	2,708,863,492
[Other capital items]	319,588,599	837,480,621	1,070,382,365
[Retained earnings]	129,690,408,601	70,805,907,906	32,792,703,634
Total Capital	196,195,076,790	134,951,936,183	96,386,863,307
How to evaluate invested stocks of subsidiaries, associates, and joint ventures	Equity Method	Equity Method	Equity Method

2. Statement of Comprehensive Income – Consolidated Financial Statements

(Unit: KRW)

	23 rd 2Q	22 nd 2Q	22 nd	21 st
	(Jan. 1, 2024 - June 30, 2024)	(Jan. 1, 2023 - June 30, 2023)	(Jan. 1, 2023 - Dec. 31, 2023)	(Jan. 1, 2022 - Dec. 31, 2022)
Revenue	331,287,657,415	136,232,221,853	342,860,997,946	165,272,164,547
Operating profit (loss)	68,390,173,058	17,798,799,846	47,809,343,470	14,239,439,136
Profit from continuing operations (loss)	73,021,774,944	19,159,565,956	48,123,416,307	14,267,181,469
Net profit (net loss)	58,884,500,695	14,894,314,826	38,013,204,272	11,155,656,520
Comprehensive income	60,892,270,207	15,438,856,652	38,013,204,272	11,155,656,520
Earnings per share (loss per share)	974	247	631	186
Number of companies subject to consolidation accounting	5	4	5	3

Note: The above financial statements have been prepared in accordance with the Korean International Financial Reporting Standards. (K-IFRS)

B. Abridged Separate Financial Statements

1. Statement of Financial Position – Separate Financial Statements

(Unit: KRW)

Year of business	23rd	22nd	21st
	June 30, 2024	Dec. 31, 2023	Dec. 31, 2022
[Current assets]	237,833,598,838	129,371,378,163	69,027,574,235
• Quick assets	171,137,029,170	91,540,763,997	52,040,768,483
• Inventories	66,696,569,668	37,830,614,166	16,986,805,752
[Non-current assets]	109,907,665,489	70,043,994,534	51,365,849,563
• Investment assets	59,693,309,996	20,619,683,508	15,289,526,692
• Property, plant, and equipment	47,087,451,957	47,473,752,480	34,791,858,327
• Intangible assets	1,487,053,780	658,708,790	60,092,400
• Other non-current assets	1,639,849,756	1,291,849,756	1,224,372,144
Total Assets	347,741,264,327	199,415,372,697	120,393,423,798
[Current liabilities]	174,635,035,347	72,085,450,258	27,539,175,282
[Non-current liabilities]	1,667,377,641	1,231,673,218	466,746,574
Total Liabilities	176,302,412,988	73,317,123,476	28,005,921,856
[Capital stock]	30,537,340,000	30,295,340,000	30,189,340,000
[Capital surplus]	30,803,107,255	30,176,344,833	29,625,573,816
[Accumulated other comprehensive income]	2,036,595,837	2,036,595,837	2,036,595,837
[Other capital items]	319,588,599	837,480,621	1,070,382,365
[Retained earnings]	107,742,219,648	62,752,487,930	29,465,609,924
Total Capital	171,438,851,339	126,098,249,221	92,387,501,942
How to evaluate invested stocks of subsidiaries, associates, and joint ventures	Cost Method	Cost Method	Cost Method

2. Statement of Comprehensive Income – Separated Financial Statements

(Unit: KRW)

	23 rd 2Q	22 nd 2Q	22 nd	21 st
	(Jan. 1, 2024 - June 30, 2024)	(Jan. 1, 2023 - June 30, 2023)	(Jan. 1, 2023 - Dec. 31, 2023)	(Jan. 1, 2022 - Dec. 31, 2022)
Revenue	310,796,110,560	132,272,746,939	331,539,726,901	161,752,951,005
Operating profit (loss)	50,682,608,951	14,625,327,326	42,331,865,455	12,851,672,041
Profit from continuing operations (loss)	54,851,336,121	15,403,671,883	40,583,254,539	12,665,275,140
Net profit (net loss)	44,989,731,718	12,436,800,273	33,286,878,006	10,061,775,418
Comprehensive income	44,989,731,718	12,436,800,273	33,286,878,006	10,061,775,418
Earnings per share (loss per share)	744	206	552	167

Note: The above financial statements have been prepared in accordance with the Korean International Financial Reporting Standards. (K-IFRS)

2. Consolidated Financial Statements

2-1. Consolidated Financial Statements

23rd (As of June 30, 2024)

22nd (As of December 31, 2023)

(Unit: KRW)

	23 rd June 30, 2024	22 nd December 31, 2023
Asset		
Current assets	303,379,908,687	136,394,594,980
Cash and cash equivalents (Notes 5, 6, 7)	92,868,993,443	17,217,510,020
Accounts receivable (Notes 5, 6, 7, 8, 32)	40,625,572,797	21,282,743,325
Short-term other financial assets (Notes 5, 6, 7, 8, 32)	16,688,784,647	17,103,561,266
Other current assets (Note 14)	4,837,310,136	1,316,781,292
Current income tax assets	8,772,357,054	937,399,718
Inventories (Note 9)	139,586,890,610	78,536,599,359
Non-current assets	89,331,590,203	78,875,966,099
Other financial assets (Notes 5, 6, 7, 8)	1,773,623,594	1,296,330,857
Equity investments in associates (Note 10)	20,757,901,835	16,230,428,752
Property, plant, and equipment (Note 11)	55,613,006,254	54,127,549,015
Right-of-use assets (Note 12)	7,339,589,690	5,081,213,845
Intangible assets (Note 13)	1,563,174,798	660,690,211
Deferred income tax assets (Note 24)	2,284,294,032	1,479,753,419
Total assets	392,711,498,890	215,270,561,079
Liabilities		
Current liabilities	187,319,524,919	74,179,193,067
Accounts payable (Notes 5, 6, 7, 18, 32)	3,442,329,306	501,545,548
Contract liabilities (Note 16)	1,223,220,287	1,231,347,058
Short-term borrowings (Notes 5, 6, 7, 17)	146,703,000,000	55,000,000,000
Current portion of long-term liabilities (Notes 5, 6, 7, 17)	136,967,757	125,053,387
Short-term other financial liabilities (Notes 5, 6, 7, 18)	3,837,835,647	2,356,176,495
Other current liabilities (Note 19)	9,826,170,169	4,620,604,383
Current income tax liabilities	19,051,112,721	7,642,136,185
Current lease liabilities (Notes 5, 6, 7, 12)	3,098,889,032	2,702,330,011
Non-current liabilities	9,196,897,181	6,139,431,829
Long-term borrowings (Notes 5, 6, 7, 17)	3,851,019,616	3,637,154,039
Derivatives (Notes 5, 6,7)	696,931,767	
Non-current lease liabilities (Notes 5, 6, 7, 12)	4,459,850,917	2,330,484,542
Net defined benefit liabilities	65,298,387	50,261,766
Restoration provision (Note 15)	123,796,494	121,531,482
Total liabilities	196,516,422,100	80,318,624,896

Equity		
Equity attributable to owners of the parent company		
Issued capital (Note 20)	30,537,340,000	30,295,340,000
Capital surplus (Note 20)	30,803,107,255	30,176,344,833
Accumulated other comprehensive income (Note 21)	4,844,632,335	2,836,862,823
Other capital items (Note 20, 23)	319,588,599	837,480,621
Retained earnings (Note 22)	129,690,408,601	70,805,907,906
Non-controlling interest		
Total equity	196,195,076,790	134,951,936,183
Total liabilities and equity	392,711,498,890	215,270,561,079

2-2. Consolidated Statements of Comprehensive Income

23rd (January 01, 2024 - June 30, 2024)

22nd (January 01, 2023 - June 30, 2023)

(Unit: KRW)

	23rd (June 30, 2024)		22nd (June 30, 2023)	
	3 months	Accumulated	3 months	Accumulated
Revenue (Notes 4, 25, 32)	181,360,484,748	331,287,657,415	78,220,222,058	136,232,221,853
COGs (Note 26, 32)	119,769,505,291	219,101,101,286	53,131,551,771	92,219,749,331
Gross profit	61,590,979,457	112,186,556,129	25,088,670,287	44,012,472,522
Selling general and administrative expenses (Notes 26, 27, 32)	22,650,037,717	43,796,383,071	14,706,602,552	26,213,672,676
Operating profit	38,940,941,740	68,390,173,058	10,382,067,735	17,798,799,846
Non-operating profit(loss)	2,282,894,467	4,631,601,886	563,163,669	1,360,766,110
Interest income (Notes 7, 28, 32)	502,612,276	741,532,093	170,375,441	437,208,487
Other financial income (Notes 7, 28)	3,290,362,738	6,875,516,421	791,279,563	1,934,775,580
Interest expenses (Notes 7, 28)	(987,797,464)	(1,518,054,127)	(196,649,350)	(298,482,881)
Other financial expenses (Notes 7, 28)	(1,604,088,972)	(2,313,471,751)	(728,079,032)	(1,274,610,647)
Other income (Note 29)	90,034,132	116,434,426	16,919,434	36,642,784
Other expenses (Note 29)	(179,342,906)	(188,254,541)	(181,334,401)	(181,986,341)
Equity method profit(loss)	1,171,114,663	917,899,365	690,652,014	707,219,128
Equity method profit (Note 10)	974,525,484	1,299,959,259	706,998,296	1,066,518,890
Equity method loss (Note 10)	196,589,179	(382,059,894)	(16,346,282)	(359,299,762)
Net income before income tax expense	41,223,836,207	73,021,774,944	10,945,231,404	19,159,565,956
Income tax expense (Note 24)	7,874,883,033	14,137,274,249	2,377,659,894	4,265,251,130
Net Income	33,348,953,174	58,884,500,695	8,567,571,510	14,894,314,826
Ownership shares of the parent company	33,348,953,174	58,884,500,695	8,567,571,510	14,894,314,826
Non-controlling interest				
Other comprehensive income	1,016,006,291	2,007,769,512	111,504,139	544,541,826
Items that will not be reclassified to profit(loss) (other post-tax comprehensive income)				
Items that will be reclassified to profit(loss) (other post-tax comprehensive income)	1,016,006,291	2,007,769,512	111,504,139	544,541,826
Capital changes in equity method	4,963,539	28,898,340	18,665,071	118,404,099
Overseas business profit(loss) in KRW	1,011,042,752	1,978,871,172	92,839,068	426,137,727
Total comprehensive income	34,364,959,465	60,892,270,207	8,679,075,649	15,438,856,652
Ownership shares of the parent company	34,364,959,465	60,892,270,207	8,679,075,649	15,438,856,652
Earnings per share				
Basic EPS (Unit: KRW) (Note 33)	551.0	974.0	142.0	247.0
Diluted EPS (Unit: KRW) (Note 33)	552.0	970.0	140.0	244.0

2-3. Consolidated Statements of Changes in Equity

23rd (January 01, 2024 - June 30, 2024)

22nd (January 01, 2023 - June 30, 2023)

(Unit: KRW)

		Equity						
		Issued capital	Capital surplus	Accumulated other comprehensive income	Other components of equity	Retained earnings	Non-controlling interest	Total capital
Balance as of January 1, 2023		30,189,340,000	29,625,573,816	2,708,863,492	1,070,382,365	32,792,703,634		96,386,863,307
Total comprehensive income	Net Income					14,894,314,826		14,894,314,826
	Capital changes in equity method			118,404,099				118,404,099
	Overseas business profit(loss) in KRW			426,137,727				426,137,727
Transaction with owners	Exercise of stock options	76,925,000	421,271,814		(193,573,814)			304,623,000
	Stock-based compensation				30,072,833			30,072,833
Balance as of June 30, 2023		30,266,265,000	30,046,845,630	3,253,405,318	906,881,384	47,687,018,460		112,160,415,792
Balance as of January 1, 2024		30,295,340,000	30,176,344,833	2,836,862,823	837,480,621	70,805,907,906		134,951,936,183
Total comprehensive income	Net Income					58,884,500,695		58,884,500,695
	Capital changes in equity method			28,898,340				28,898,340
	Overseas business profit(loss) in KRW			1,978,871,172				1,978,871,172
Transaction with owners	Exercise of stock options	242,000,000	626,762,422		(517,892,022)			350,870,400
	Stock-based compensation							
Balance as of June 30, 2024		30,537,340,000	30,803,107,255	4,844,632,335	319,588,599	129,690,408,601		196,195,076,790

2-4. Consolidated Statements of Cash Flows

23rd (January 01, 2024 - June 30, 2024)

22nd (January 01, 2023 - June 30, 2023)

(Unit: KRW)

	June 30, 2024	June 30, 2023
Cash flow from operating activities	(15,270,643,357)	(23,035,121,323)
Cash flow generated from operating activities	(12,839,053,619)	(20,919,754,657)
Net Income	58,884,500,695	14,894,314,826
Profit(loss) adjustment (Note 30)	15,973,476,144	5,056,907,556
Increase or decrease in assets and liabilities (Note 30)	(87,697,030,458)	(40,870,977,039)
Interest received	741,532,093	98,650,285
Interest paid	(395,027,185)	(117,356,620)
Dividends paid	50,310,000	
Income tax paid	(2,828,404,646)	(2,096,660,331)
Cash flow from investing activities	567,703,529	(6,852,550,199)
Cash inflow from investing activities	274,099,560,555	83,009,007,221
Decrease in short-term financial instruments (Note 30)	273,773,354,240	77,448,720,769
Decrease in short-term loans (Note 30)	90,000,000	54,878,452
Disposal of property, plant, and equipment	236,206,315	5,500,000,000
Decrease in lease deposits		5,408,000
Cash outflow from investing activities	(273,531,857,026)	(89,861,557,420)
Increase in short-term financial instruments	(266,863,549,628)	(71,947,048,260)
Acquisition of invested stocks in subsidiaries (Note 30)		(58,720,500)
Acquisition of invested stocks in associates and joint ventures (Note 30)	(3,720,061,488)	(700,000,000)
Acquisition of property, plant, and equipment (Note 30)	(1,658,039,028)	(16,155,338,891)
Acquisition of intangible assets	(832,214,990)	(606,625,304)
Increase in lease deposit	(457,991,892)	(357,717,989)
Increase in other deposits		(36,106,476)
Cash flow from financing activities	90,359,019,359	14,484,779,307
Cash inflow from financing activities	107,055,836,000	35,461,623,000
Borrowing of short-term loans (Note 30)	106,703,000,000	35,000,000,000
Paid-in capital increase	352,836,000	304,623,000
Increase in lease deposits		157,000,000
Cash outflow from financing activities	(16,696,816,641)	(20,976,843,693)
Repayment of short-term borrowings (Note 30)	(15,000,000,000)	(20,001,462,147)
Repayment of long-term borrowings (Note 30)	(66,887,438)	(62,194,189)
Lease payments	(1,627,963,603)	(819,187,357)
Capital transaction costs	(1,965,600)	
Decrease in lease deposits		94,000,000

Change in cash assets due to foreign currency translation	(4,596,108)	(61,651)
Increase (or decrease) in cash and cash equivalents	75,651,483,423	(15,402,953,866)
Cash and cash equivalents (Beginning of the year)	17,217,510,020	21,188,944,927
Cash and cash equivalents (End of the year)	92,868,993,443	5,785,991,061

3. Notes to Consolidated Financial Statements

Ending of the 23rd (Current) Year: as of June 30, 2024

Ending of the 22nd (Current) Year: as of December 31, 2023

SILICON2 Co., Ltd. and its subsidiaries

1. General information

According to the “Consolidated Financial Statements” clause of K-IFRS No. 1110, “SILICON2 Co., Ltd.” (hereinafter referred to as the “Controlling Company”) and its “subsidiaries subject to the Consolidated Financial Statements” (hereinafter, including SILICON2, collectively referred to as “Consolidated Entity”) are both included in the Consolidated Financial Statements.

(1) Overview of the Controlling Company

SILICON2 was established on October 15, 2002, and its main business item is cosmetics distribution. SILICON2’s Headquarters is located at S-907, H-SQUARE 231, Pangyoyeok St , Bundang-Gu, Seongnam-City, Gyeonggi-Do, Republic of Korea.

The Controlling Company since its establishment went through a number of paid-in capital increases and free capital increases, and its capital at the closing of the current year is 30,537. (Unit: 1 million KRW) The status of major shareholders at the current closing is as follows:

(Unit: Shares)

Shareholder Type (Name)	Number of Shares	Percentage of Ownership	Note
Kim, Sung Woon	18,924,639	31.09 %	CEO
Shin, Eun-ha	4,916,111	8.08%	
SON ROBERT INHO	2,685,920	4.41 %	
Choi, Jin-Ho	1,073,348	1.76 %	
J.P.MORGAN SECURITIES PLC	960,560	1.58 %	
Securities Finance (distribution)	938,481	1.54 %	
Other shareholders	31,374,175	51.54 %	
Total	60,873,234	100.00 %	

(2) Status of subsidiaries applicable to Consolidated Financial Statements

The status of subsidiaries applicable to CFS as of the closing period is as follows:

(Unit: %)

Subsidiaries	Business Location	Percentage of Ownership (%)		Main Business
		June 30, 2024	Dec. 31, 2023	
StyleKorean Inc.	U.S.	100	100	Cosmetics sales & distribution
STYLEKOREAN MY SDN. BHD.	Malaysia	100	100	Cosmetics sales & distribution

STYLEKOREAN EU B.V.	The Netherlands	100	100	Cosmetics sales & distribution
SKO Sp. z o.o.	Poland	100	100	Logistics
MOIDA LLC (*1)	Russia	100	100	Cosmetics sales & distribution
STYLEKOREAN VIETNAM CO., LTD(*1)	Vietnam	100	100	Cosmetics sales & distribution

(*1) Excluded from the consolidation scope due to the low proportion regarding its representation in the consolidated financial statements.

(3) Key financial statements of subsidiaries applicable to Consolidated Financial Statements

The summarized status of subsidiaries applicable to CFS as of the closing period is as follows:

(Unit: KRW)

Classification	June 30, 2024			Dec. 31, 2023		
	Asset	Liabilities	Capital	Asset	Liabilities	Capital
StyleKorean Inc.	148,412,892,529	81,194,150,749	67,218,741,780	65,838,911,380	47,078,583,231	18,760,328,149
STYLEKOREAN MY SDN, BHD	13,662,352,031	12,686,961,820	975,390,211	8,315,243,436	8,324,576,719	(9,333,283)
STYLEKOREAN EU B.V.	6,466,874,441	2,760,192,675	3,706,681,766	8,001,811,944	6,412,702,807	1,589,109,137
SKO Sp. z o.o.	23,724,328,222	21,144,130,491	2,580,197,731	1,157,436,302	655,876,688	501,559,614
STYLEKOREAN VIETNAM CO.,LTD	1,019,805,123	585,762,616	434,042,507	21,645,560	1,360,590	20,284,970
MOIDA LLC	234,326,303	223,808,990	10,517,349	13,645,667	-	13,645,667

(Unit: KRW)

Classification	June 30, 2024		Dec. 31, 2023	
	Sales	Net Profit	Sales	Net Profit
StyleKorean Inc.	103,266,690,682	11,925,529,259	39,688,845,738	4,976,213,645
STYLEKOREAN MY SDN, BHD	12,512,409,965	955,987,251	4,427,545,269	(136,489,726)
STYLEKOREAN EU B.V.	22,448,554,011	2,011,985,486	198,911,357	7,649,701
SKO Sp. z o.o.	12,016,395,581	2,014,474,703	-	-
STYLEKOREAN VIETNAM CO.,LTD	296,741	(180,166,423)	-	-
MOIDA LLC	18,587,500	(4,354,747)	-	-

(4) Changes in the scope of consolidation target

Changes in the scope of consolidation target in the current year are as follows:

Company name	Change(s)
STYLEKOREAN EU B.V.	New investment
SKO Sp. z o.o.	New investment

2. Significant Accounting Policies

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

2.1 Criteria

The interim consolidated financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with Korean IFRS 1034, Interim Financial Reporting. These interim consolidated financial statements have been prepared in accordance with the Korean IFRS which is effective as of June 30, 2024.

(1) New and Amended Standards and Interpretations Adopted by the Consolidated Entity

The Company applied the following amended standards for the first time for the annual reporting period commencing January 1, 2024:

A. Amendments to Korean IFRS 1001, Presentation of Financial Statements

The amendments to Korean-IFRS 1001 clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also introduce a definition of settlement to make clear that settlement includes the transfer to the counterparty of the entity's own equity instruments, however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

B. Amendments to Korean IFRS 1007, Statement of Cash Flows, and 1107, Financial Instruments: Presentation

The amendments add to the disclosure objectives in Korean IFRS 1007, Statement of Cash Flows, that information about supplier financing arrangements should be disclosed to enable users of financial statements to assess the impact of those arrangements on the Company's liabilities and cash flows. The amendments also amend Korean IFRS 1107, Financial Instruments: Presentation, to add supplier financing arrangements as an example of a requirement to disclose information about an entity's exposure to concentrations of liquidity risk. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

C. Amendments to Korean IFRS 1116, Leases

The amendments add requirements for the subsequent measurement of sale-and-leaseback transactions that are accounted for as sales in accordance with Korean IFRS 1115, Revenue from Contracts with Customers. The amendments require the seller-lessee to calculate the 'lease payments' or 'revised lease payments' in a way that does not result in the seller-lessee recognizing any gain or loss for the rights of use that the seller-lessee continues to retain after the lease commences. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

D. Amendments to Korean IFRS 1001, 'Presentation of Financial Statements' - Disclosure of Crypto Assets

This amendment requires entities to disclose significant information about their accounting policies, the impact on financial statements, and other important information related to the holding, issuance,

or custody of crypto assets. Entities must disclose relevant information separately for directly held crypto assets, crypto assets held on behalf of customers, and issuances of crypto assets. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

- E. Amendments to Korean IFRS 1012, 'Income Tax' – National Tax Reform – Pillar 2 Rule
In order to implement the Pillar 2 Rules announced by the Organization for Economic Cooperation and Development (OECD), the enacted tax laws include provisions for exceptions regarding the recognition of deferred tax assets and liabilities as well as information that disclose income tax before and after the enactment of the rule. The application of amendment does not have a significant impact on the Company's interim consolidated financial statements.

(2) New and Amended Standards and Interpretations Not Yet Adopted by the Consolidated Entity

- A. Amendments to K-IFRS No. 1021 'Effect of Exchange Rate Fluctuations', No. 1101 'Initial Adoption of Korean International Financial Reporting Standards' - Lack of exchangeability

This amendment is intended to help users of financial statements understand the risks and impacts to which companies are exposed due to the lack of convertibility with other currencies. This amendment is effective for fiscal FYs beginning on or after January 1, 2025. Early application is permitted, and this fact must be disclosed. The application of amendments does not have a significant impact on the Company's interim consolidated financial statements.

2.2 Accounting Policies

Material accounting policies and method of computation used in the preparation of the interim consolidated financial statements are consistent with those of the annual consolidated financial statements for the year ended December 31, 2023, except for the changes due to the application of amendments of standards described below.

2.2.1 Income Tax Expense

Income tax expense for the interim period is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual effective income tax rate is applied to the pre-tax income of the interim period.

2.2.2 Borrowing Costs

For the consolidated entity, borrowing costs incurred for the acquisition or construction of qualifying assets are capitalized during the period necessary to prepare the qualifying assets for their intended use. Income arising from the temporary investment of specific-purpose borrowings obtained for the acquisition of qualifying assets is deducted from the capitalizable borrowing costs for the current accounting period. Other borrowing costs are recognized as current profit.

2.2.3 Retirement Benefits

The consolidated entity's retirement pension system is a defined contribution plan.

Under this plan, the consolidated entity pays fixed contributions into a separate fund, which are recognized as expenses when the employees render services. In the event of a plan amendment, curtailment, or settlement, the resulting past service expenses or gains/losses from settlement are recognized in profit or loss.

During the current reporting period, the amount recognized as an expense related to the defined contribution plan was KRW 454,019,000 (previous reporting period: KRW 326,451,000).

2.2.4 Scope of Exclusion from Consolidation

The consolidated entity excludes subsidiaries from the consolidation scope when the following three conditions are met.

- (1) The total assets of the subsidiary account for less than 1% of the total assets in the parent company
- (2) The subsidiary's profit before tax accounts for less than 1% of the parent company's consolidated income statement.
- (3) The qualitative elements, such as contingent liabilities and significant violations of relevant laws, are not material.

3. Significant Accounting Estimates and Assumptions

In preparing the interim consolidated financial statements, the consolidated entity Company makes judgements, estimates and assumptions on future matters. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, may not equal the related actual results.

Material accounting estimates and assumptions made in the preparation of the interim consolidated financial statements are consistent with those applied in the preparation of the annual consolidated financial statements for the year ended December 31, 2023, except for the estimates used to determine the income tax expense.

4. Segment Information

Management determines the operating segments based on the reporting information reviewed by the chief operating decision maker, who is responsible for developing business strategies. The chief operating decision maker reviews operational information from a product perspective within each business division.

The consolidated entity operates in a single segment, and the information provided to the chief operating decision-maker is the same as the disclosed information.

- (1) The consolidated entity's regional sales revenue for the current and previous fiscal years is as follows.

(Unit: KRW)

Region	June 30, 2024	June 30, 2023
United States	111,286,331,986	43,580,902,417
Netherlands	18,917,068,747	4,960,828,137
South Korea	25,012,907,546	14,165,002,360
Indonesia	11,563,086,012	6,371,293,448
Malaysia	14,241,743,297	6,990,005,182
Australia	9,796,744,583	6,069,345,037
Cambodia	7,749,873,993	6,548,978,260
Russia	3,338,635,351	3,048,655,911
Japan	1,332,407,530	3,120,904,506
Other countries	128,048,858,370	41,376,306,595
Total	331,287,657,415	136,232,221,853

- (2) External customers accounted for more than 10% of the Company's sales revenue in the current and previous fiscal years is as follows :

(Unit: KRW)

Region	June 30, 2024	June 30, 2023
Customer (A)	38,694,627,378	-

5. Risk Management /

The consolidated entity is exposed to various financial risks due to its activities, including market risk (e.g., foreign exchange risk, fair value interest rate risk, price risk), credit risk, and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and aims to minimize potential adverse effects on financial performance.

Risk management is conducted in accordance with policies approved by the Board of Directors. The Board reviews and approves documented policies for overall risk management, including policies addressing specific areas such as foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and investments exceeding liquidity requirements.

5.1 Market Risk

(1) Foreign Exchange Risk

Since the consolidated entity operates globally, it is exposed to foreign exchange risk, particularly from fluctuations in USD and EUR exchange rates. This risk arises from anticipated future transactions and recognized assets and liabilities.

The consolidated entity's management has established policies to manage foreign exchange risk for each currency, aiming to mitigate this risk. Foreign exchange risk occurs when anticipated future transactions and recognized assets and liabilities are denominated in currencies other than the functional currency. The consolidated entity prohibits speculative foreign exchange transactions and regularly monitors, evaluates, and manages foreign exchange risk.

As of the end of the reporting period, the book value of monetary assets and liabilities denominated in major foreign currencies other than the functional currency are as follows.

(Unit: KRW, USD, EUR, etc.)

Classification	June 30, 2024			June 30, 2023		
	Currency	Foreign currency	KRW equivalent	Currency	Foreign currency	KRW equivalent
Demand deposits	USD	16,050,053.71	22,296,734,613	USD	6,495,166.38	8,374,867,529
	EUR	1,193,805.60	1,775,272,493	EUR	1,229,544.31	1,754,055,617
	Others	14,243,220	410,824,791	Others	21,820,726.86	272,978,638
Accounts Receivable	USD	64,289,354.68	89,310,771,487	USD	42,970,427.49	55,406,069,192
	EUR	12,649,234.85	18,810,297,666	EUR	3,839,967.64	5,478,059,435
	Others	104,552,903.74	820,468,162	Others	168,552,239.53	489,055,311
Total			133,424,369,212	Total		71,775,085,722

As of the end of the reporting period, the impact of a 10% change in the exchange rate of each foreign currency against the functional currency on earnings before income tax, assuming all other variables remain constant, is as follows.

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	FX increase	FX decrease	FX increase	FX decrease
Increase (decrease) in profit and loss before tax	13,342,436,921	(13,342,436,921)	7,177,508,572	(7,177,508,572)

The sensitivity analysis above is based on the monetary assets denominated in foreign currencies other than the functional currency of the consolidated entity as of the end of the reporting period.

(2) Interest Rate Risk

The consolidated entity's exposure to interest rate risk arises primarily from deposits and floating rate borrowings. The entity has established and operates policies to minimize uncertainties and financial costs associated with interest rate fluctuations.

As of the end of the reporting period, there are no floating rate borrowings exposed to interest rate risk.

5.2 Credit Risk

(1) Risk Management

To manage credit risk, the consolidated entity only conducts transactions with counterparties that maintain at least a specific level of creditworthiness. The entity also has policies and procedures in place to enhance the creditworthiness of its financial assets.

Credit risk refers to the potential financial loss that the consolidated entity could incur if a counterparty fails to meet its contractual obligations. This risk arises not only from counterparties but also from cash and cash equivalents, and deposits with financial institutions.

Regarding financial institutions, the consolidated entity transacts with counterparties with good credit ratings. Therefore, credit risk stemming from financial institutions is limited. In terms of general counterparties, the entity deals with those that have a certain level of creditworthiness, has established policies and procedures to enhance the credit quality of financial assets, and evaluates the creditworthiness of counterparties.

The entity's level of credit risk exposure as of the end of the reporting period is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts Receivable	40,625,572,797	21,282,743,325
Short-term other financial assets	16,688,784,647	17,103,561,266
Other financial assets	1,773,623,594	1,296,330,857
Total	59,087,981,038	39,682,635,448

5.3 Liquidity Risk

The consolidated entity maintains an adequate level of unused borrowing capacity and continuously monitors liquidity forecasts to ensure there are no breaches of borrowing limits or covenants, thereby meeting operational funding requirements.

The table below categorizes the consolidated entity's financial liabilities based on their maturities from the end of the reporting period to contractual maturity. The cash flows presented in the table are undiscounted amounts. Balances maturing within 12 months are shown at their book value, as the effect of discounting is not significant.

1) As of June 30, 2024

(Unit: KRW)

June 30, 2024	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Non-derivatives				
Accounts payable	3,442,329,306	-	-	3,442,329,306
Other current financial liabilities	3,837,835,647	-	-	3,837,835,647
Short-term borrowings	151,191,632,593	-	-	151,191,632,593
Current portion of long-term debt	248,912,895	-	-	248,912,895
Long term borrowings (*)	-	252,851,693	3,878,116,300	4,130,967,993
Lease liabilities	3,893,520,617	2,067,117,803	2,099,471,224	8,060,109,644
Total Non-derivatives	162,614,231,058	2,319,969,496	5,977,587,524	170,911,788,078
Derivatives				
FX Swap	(3,000,000,000)	-	-	(3,000,000,000)
Inflow	(44,682,000,000)	-	-	(44,682,000,000)
Outflow	41,682,000,000	-	-	41,682,000,000
Total Derivatives	(3,000,000,000)	-	-	(3,000,000,000)

2) As of Dec. 31, 2023

(Unit: KRW)

Current Year End	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Accounts payable	501,545,548	-	-	501,545,548
Other current financial liabilities	2,356,176,495	-	-	2,356,176,495
Short-term borrowings	56,050,804,384	-	-	56,050,804,384
Current portion of long-term debt	230,984,127	-	-	230,984,127
Long term borrowings (*)	-	234,901,083	3,719,730,829	3,954,631,912
Lease liabilities	2,702,330,011	1,459,287,011	316,706,485	4,478,323,507
Total	61,841,840,565	1,694,188,094	4,036,437,314	67,572,465,973

(*) Includes cash flows from current portion of long-term debt.

The cash flows included in the maturity classification based on the remaining period until the contract expiration date are amounts that include interest expenses.

5.4 Capital Risk Management

The objective of the consolidated entity's capital management is to safeguard its ability to continue as a going concern and to continuously provide benefits to shareholders and other stakeholders while maintaining an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the entity may adjust dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The consolidated entity manages capital based on the gearing ratio, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings less cash and cash equivalents, and total capital is the sum of equity as shown in the balance sheet plus net debt.

As of the end of the reporting period, the consolidated entity's gearing ratio is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Total borrowings	150,690,987,373	58,762,207,426
Deductions: Cash and cash equivalents	(92,868,993,443)	(17,217,510,020)
Net liabilities (a)	57,821,993,930	41,544,697,406
Total stockholders' equity (b)	196,195,076,790	134,951,936,183
Total assets (c=a+b)	254,017,070,720	176,496,633,589
Gearing ratio (a/c)	22.76%	23.54%

6. Fair Value of Financial Instruments

(1) The book values and fair values of financial instruments by category are as follows.

(Unit: KRW)

Classification	June 30, 2024		December 31, 2023	
	Book value	Fair value	Book value	Fair value
Financial Assets				
Cash and cash equivalents	92,868,993,443	92,868,993,443	17,217,510,020	17,217,510,020
Accounts Receivable	40,625,572,797	40,625,572,797	21,282,743,325	21,282,743,325
Short-term other financial assets	16,688,784,647	16,688,784,647	17,103,561,266	17,103,561,266
Other financial assets	1,773,623,594	1,773,623,594	1,296,330,857	1,296,330,857
Total	151,956,974,481	151,956,974,481	56,900,145,468	56,900,145,468
Financial Liabilities				
Accounts payable	3,442,329,306	3,442,329,306	501,545,548	501,545,548
Short-term other financial liabilities	3,837,835,647	3,837,835,647	2,356,176,495	2,356,176,495
Current lease liabilities	3,098,889,032	3,098,889,032	2,702,330,011	2,702,330,011
Short-term borrowings	146,703,000,000	146,703,000,000	55,000,000,000	55,000,000,000
Current portion of long-term debt	136,967,757	136,967,757	125,053,387	125,053,387
Long term borrowings	3,851,019,616	3,851,019,616	3,637,154,039	3,637,154,039
Other financial liabilities	696,931,767	696,931,767	-	-
Non-current lease liabilities	4,459,850,917	4,459,850,917	2,330,484,542	2,330,484,542
Total	166,226,824,042	166,226,824,042	66,652,744,022	66,652,744,022

(2) Fair Value Hierarchy

Financial instruments measured at fair value are classified according to the fair value hierarchy, which is defined as follows.

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

As of the end of the reporting period, the fair value hierarchy for financial assets and financial liabilities measured at fair value on the statement of financial position is as follows.

(Unit: KRW)

June 30, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Liabilities	-	-	696,931,767	696,931,767

(3) Value Evaluation and Input Variables

Value evaluation and input variables for the current period is as follows:

June 30, 2024	Fair Value	Level	Evaluation Method	Variable
Derivative Liabilities	696,931,767	3	Discounted cash flow using the Black-Scholes method	Exchange rates, interest rates

7. Financial Instruments by Category

(1) The classification of financial instruments by category as of the end of the reporting period is as follows.

(Unit: KRW)

Category	June 30, 2024	December 31, 2023
Financial assets measured at amortized cost		
Cash and cash equivalents	92,868,993,443	17,217,510,020
Accounts Receivable	40,625,572,797	21,282,743,325
Short-term other financial assets	16,688,784,647	17,103,561,266
Other financial assets	1,773,623,594	1,296,330,857
Total financial assets	151,956,974,481	56,900,145,468
Financial liabilities measured at amortized cost		
Accounts payable	3,442,329,306	501,545,548
Short-term other financial liabilities	3,837,835,647	2,356,176,495
Current lease liabilities	3,098,889,032	2,702,330,011
Short-term borrowings	146,703,000,000	55,000,000,000
Current portion of long-term debt	136,967,757	125,053,387
Long term borrowings	3,851,019,616	3,637,154,039
Non-current lease liabilities	4,459,850,917	2,330,484,542
Subtotal	165,529,892,275	66,652,744,022
Financial assets at fair value through profit or loss		
Derivative liabilities	696,931,767	-
Total financial liabilities	166,226,824,042	66,652,744,022

(2) The breakdown of net profit/loss by financial product category for the current and previous fiscal years is as follows.

Classification	June 30, 2024	June 30, 2023
Financial assets measured at amortized cost		
Interest income	741,532,093	437,208,487
Foreign exchange gains	4,816,871,913	1,864,974,126
Foreign exchange loss	(1,304,619,647)	(1,108,629,546)
Foreign currency conversion gains	2,014,342,634	46,127,007
Foreign currency conversion loss	(177,423,075)	(157,122,891)
Provision for bad debts	(419,612,569)	(65,582,208)
Subtotal	5,671,091,349	1,016,974,975
Financial assets measured at fair value through profit or loss		
Foreign exchange gains on futures forward contracts	44,301,874	14,816,237
Foreign exchange losses on futures forward contracts	(134,497,262)	-
Subtotal	(90,195,388)	14,816,237
Financial liabilities measured at amortized cost		
Interest expenses	(1,518,054,127)	(298,482,881)
Subtotal		
Financial liabilities measured at fair value through profit or loss		
Derivative valuation loss	(696,931,767)	-
Total	3,365,910,067	733,308,331

8. Accounts Receivable and Other Financial Assets

(1) As of the reporting period end date, the book value and provision for accounts receivable losses are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts Receivable	41,328,445,881	21,551,728,309
Deductions: Provision for losses	(702,873,084)	(268,984,984)
Total	40,625,572,797	21,282,743,325

(2) As of the reporting period end date, the book value of other financial assets is as follows.

(Unit: KRW)

Classification	June 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Short-term financial assets	-	-	15,000,000,000	-
Accounts receivable	8,688,784,647	-	1,959,506,465	-
Accrued revenue	-	-	54,054,801	-
Short-term loans	-	-	90,000,000	-
Short-term trading securities	8,000,000,000	-	-	-
Lease deposits	-	1,691,635,353	-	1,216,247,455
Other deposits	-	81,988,241	-	80,083,402
Total	16,688,784,647	1,773,623,594	17,103,561,266	1,296,330,857

(3) Changes in the provision for losses on accounts receivable during the current and previous fiscal years are as follows.

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Beginning book value	268,984,984	113,252,022
Provision for bad debts from increased accounts receivable	419,612,569	65,582,208
Effect of exchange rate fluctuations	14,275,531	1,750,207
Ending book value	702,873,084	180,584,437

The provision for setting aside bad debt allowances and deductions is included as selling and administrative expenses on the income statement (Note 27). Receivables with no additional cash recovery potential are written off as bad debt allowances.

(4) The aging analysis of accounts receivable as of the reporting period end date is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Unimpaired receivables		
Within 1 month	18,627,964,057	17,988,093,653
Within 1 to 3 months	17,850,101,262	2,385,029,838
Within 3 to 6 months	4,202,074,517	1,048,513,407
Within 6 to 12 months	647,935,026	129,720,968

1 year or more	371,019	370,443
Subtotal	41,328,445,881	21,551,728,309
Impaired receivables	-	-
Total	41,328,445,881	21,551,728,309
Allowances for bad debt on accounts receivable	702,873,084	268,984,984

(5) The accounts receivable and other receivables of the consolidated entity are diversified among multiple counterparties, with no significant concentration of credit risk. The maximum exposure to credit risk as of the end of the reporting period is the book value of receivables by type mentioned above.

9. Inventories

(1) Details of inventory assets as of the reporting period end date are as follows.

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Goods	140,412,431,632	79,310,651,760
Provision for valuation of goods	(825,541,022)	(774,052,401)
Total	139,586,890,610	78,536,599,359

(2) Valuation losses recognized with regard to inventory assets during the current and previous fiscal years are as follows.

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Inventory valuation loss	16,785,517	(351,032,727)

10. Investments Shares in Subsidiaries and Associates

(1) The current status of key associates as of the reporting period end date is as follows.

(Unit: KRW)

Company name	Ownership(%)		Book value		Main place of business	Main business activities
	June 30, 2024	Dec. 31, 2023	June 30, 2024	Dec. 31, 2023		
ONEAND Co., Ltd.	24.10%	24.00%	1,675,017,798	1,404,866,707	South Korea	Cosmetics manufacturing and sales
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd. (*1)	10.00%	10.00%	935,811,293	1,035,958,514	South Korea	Cosmetics manufacturing and sales
Benton Co., Ltd.	25.00%	25.00%	355,867,492	449,147,581	South Korea	Cosmetics manufacturing and sales
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	20.00%	20.00%	160,113,910	147,412,445	Kuwait	Cosmetics distribution and sales
PT. Style Korean Indonesia	49.00%	49.00%	2,013,543,244	1,898,936,281	Indonesia	Cosmetics distribution and sales
BE THE SKIN Co., Ltd.	30.00%	30.00%	214,075,122	189,314,788	South Korea	Cosmetics distribution and sales
Pigton Co., Ltd.	32.52%	32.52%	1,710,942,654	1,176,553,904	South Korea	Cosmetics distribution and sales
JC & Company Co., Ltd.	20%	20.00%	110,801,607	55,900,988	South Korea	Cosmetics distribution and sales
Plant Base Co., Ltd.	20%	20.00%	67,140,541	57,745,702	South Korea	Cosmetics distribution and sales
AIDKOREA COMPANY Co., Ltd.	31.25%	31.25%	2,043,653,293	1,727,018,979	South Korea	Cosmetics distribution and sales
HANTEO GLOBAL, INC. (*2)	14.48%	14.83%	3,771,677,067	4,108,376,537	South Korea	Software development and supply
SILICON2 JAPAN CO.,LTD	50.00%	50.00%	24,297,750	24,297,750	Japan	Cosmetics distribution and sales
Sukoshi Mart Holdings Inc.(*2)	20.33%	11.83%	7,674,960,064	3,954,898,576	Canada	Cosmetics distribution and sales
HELLO SKIN Co., Ltd. (*3)	23.80%	25.00%	-	-	South Korea	Cosmetics distribution and sales
ARUMI KOREAN COSMETICS SPA. (*3)	35%	35.00%	-	-	Chile	Cosmetics distribution and sales
Total			20,757,901,835	16,230,428,752		

(*1) As of the end of the reporting period, although the ownership percentage is below 20%, the reliance of the parent company on its associates for sales is significant, and executives of the parent company have been appointed as executives of the associates, enabling significant influence.

(*2) As of the end of the reporting period, although the ownership percentage is below 20%, active participation in the board of directors or decision-making bodies is evident, with involvement in essential technical information and significant transactions, thus exercising significant influence.

(*3) As of the end of the reporting period, impairment recognition has been made for the entire investment due to sustained operating losses or difficulties in obtaining reliable financial statements, resulting in the cessation of equity method accounting.

(2) Key financial information of material equity investments in associates as of the reporting period end date is as follows.

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Assets	Liabilities	Capital	Assets	Liabilities	Capital
ONEAND Co., Ltd.	18,977,767,093	12,871,819,882	6,105,947,211	13,210,279,995	8,239,812,597	4,970,467,398
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	10,845,596,072	2,468,557,322	8,377,038,750	10,362,704,201	1,667,107,279	8,695,596,922
Benton Co., Ltd.	5,637,274,818	4,140,693,462	1,496,581,356	5,123,747,755	3,259,677,280	1,864,070,475
HELLO SKIN Co., Ltd.	2,157,475,233	1,598,715,359	558,759,874	2,572,285,635	1,316,005,441	1,256,280,194
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	846,915,446	3,722,287	843,193,159	790,945,802	11,259,970	779,685,832
PT. Style Korean Indonesia	15,091,327,050	9,963,865,507	5,127,461,543	9,765,249,044	5,071,460,201	4,693,788,843
BE THE SKIN Co., Ltd.	2,527,610,983	2,354,227,805	173,383,178	2,834,677,600	2,739,191,944	95,485,656
TOBOCO Co., Ltd.	16,273,461,348	11,333,331,547	4,940,129,801	4,897,582,360	2,799,297,950	2,098,284,410
Plant Base Co., Ltd.	417,254,382	671,425,909	-254,171,527	463,651,695	741,093,870	(277,442,175)
JC & Company Co., Ltd.	347,370,954	127,679,075	219,691,879	225,139,105	302,811,767	(77,672,662)
AIDKOREA COMPANY Co., Ltd.	8,494,446,952	3,710,375,685	4,784,071,267	7,292,105,953	3,542,314,363	3,749,791,590
HANTEO GLOBAL, INC. (*2)	7,663,527,959	5,388,885,550	2,274,642,409	7,814,680,532	4,365,637,468	3,449,043,064

(Unit: KRW)

Classification	June 30, 2024			June 30, 2023		
	Sales	Net Income	Total Comprehensive Income	Sales	Net Income	Total Comprehensive Income
ONEAND Co., Ltd.	8,499,854,655	1,135,479,813	1,135,479,813	7,730,934,935	1,578,829,472	1,578,829,472
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	19,171,818,475	(318,558,172)	(318,558,172)	11,214,982,806	1,257,563,066	1,257,563,066
Benton Co., Ltd.	6,624,118,127	(166,249,119)	(166,249,119)	6,315,732,952	882,868,788	882,868,788
HELLO SKIN Co., Ltd.	4,713,406,473	(697,115,320)	(697,115,320)	2,796,186,480	127,852,492	127,852,492
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	245,705,355	1,549,430	1,549,430	281,580,498	(41,047,717)	(41,047,717)
PT. Style Korean Indonesia	11,442,651,423	382,269,563	368,695,478	7,066,015,683	681,458,540	677,310,468
BE THE SKIN Co., Ltd.	3,081,677,108	77,897,522	77,897,522	3,344,960,299	26,735,373	26,735,373
TOBOCO Co., Ltd.	14,242,234,698	2,841,845,391	2,841,845,391	5,844,686,691	618,490,994	618,490,994
Plant Base Co., Ltd.	155,060,134	23,270,648	23,270,648	435,406,967	(3,712,401)	(3,712,401)
JC & Company Co., Ltd.	1,373,626,719	297,364,541	297,364,541	211,604,444	(39,730,683)	(39,730,683)
AIDKOREA COMPANY Co., Ltd.	10,843,501,736	1,034,279,677	1,034,279,677	6,549,255,397	478,927,433	478,927,433
HANTEO GLOBAL, INC. (*2)	10,134,850,420	(1,249,400,655)	(1,249,400,655)	11,680,808,388	(1,727,381,186)	(1,727,381,186)

(3) The equity method evaluation of investments in associates for the current and previous fiscal years is as follows.

1) As of June 30, 2024

Company name	Jan. 01, 2024	Acquisition	Equity method valuation for the current period			June 30, 2024
			Equity method profit or loss	Changes in equity (equity method)	Impairment, etc.	
Benton Co., Ltd.	449,147,581	-	(42,970,089)	-	(50,310,000)	355,867,492
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	1,035,958,514	-	(100,147,221)	-	-	935,811,293
ONEAND Co., Ltd.	1,404,866,707	-	270,151,091	-	-	1,675,017,798
PT. Style Korean Indonesia	1,898,936,281	-	89,419,426	25,187,537	-	2,013,543,244
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	147,412,445	-	309,886	12,391,579	-	160,113,910
BE THE SKIN Co., Ltd.	189,314,788	-	24,760,334	-	-	214,075,122
TOBOCO Co., Ltd.	1,176,553,904	-	534,388,750	-	-	1,710,942,654
Plant Base Co., Ltd.	57,745,702	-	9,394,839	-	-	67,140,541
JC & Company Co., Ltd.	55,900,988	-	54,900,619	-	-	110,801,607
AIDKOREA COMPANY Co., Ltd.	1,727,018,979	-	316,634,314	-	-	2,043,653,293
HANTEO GLOBAL, INC. (*2)	4,108,376,537	(97,756,886)	(238,942,584)	-	-	3,771,677,067
SILICON2 JAPAN CO.,LTD	24,297,750	-	-	-	-	24,297,750
Sukoshi Mart Holdings Inc.	3,954,898,576	3,720,061,488	-	-	-	7,674,960,064
Total	16,230,428,752	3,622,304,602	917,899,365	37,579,116	(50,310,000)	20,757,901,835

2) As of Dec. 31, 2023

(Unit: KRW)

Company name	Jan. 01, 2023	Acquisition	Equity method valuation for the current period			Dec. 31, 2023
			Equity method profit or loss	Changes in equity (equity method)	Impairment, etc.	
Benton Co., Ltd.	189,809,061	-	259,338,520	-	-	449,147,581
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	808,573,038	-	227,385,476	-	-	1,035,958,514
ONEAND Co., Ltd.	920,038,017	-	484,828,690	-	-	1,404,866,707
PT. Style Korean Indonesia	1,508,474,926	-	348,850,991	41,610,364	-	1,898,936,281
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	152,505,887	-	(7,362,547)	2,269,105	-	147,412,445
BE THE SKIN Co., Ltd.	187,939,777	-	1,375,011	-	-	189,314,788
TOBOCO Co., Ltd.	107,851,802	700,000,000	368,702,102	-	-	1,176,553,904
Plant Base Co., Ltd.	91,127,374	-	(33,381,672)	-	-	57,745,702
JC & Company Co., Ltd.	52,932,374	-	2,968,614	-	-	55,900,988
AIDKOREA COMPANY Co., Ltd.	1,397,152,962	-	329,866,017	-	-	1,727,018,979
HANTEO GLOBAL, INC. (*2)	4,907,352,347	-	(60,674,132)	-	(338,301,678)	4,108,376,537
SILICON2 JAPAN CO.,LTD	24,297,750	-	-	-	-	24,297,750
Sukoshi Mart Holdings Inc.	-	3,954,898,576	-	-	-	3,954,898,576
Total	10,348,055,315	4,654,898,576	1,521,897,070	43,879,469	(338,301,678)	16,230,428,752

(4) The reconciliation of material financial information amounts for associates to the book value of equity investments for the current and previous fiscal years is as follows.

1) As of June 30, 2024

Company name	Net assets at the end of the current period	Ownership percentage of the consolidated entity	Equity value of net assets	Elimination difference of investments (*)	Unrealized gains, etc.	Book value
	(a)	(b)	(a×b)			
Benton Co., Ltd.	1,496,581,356	25.00%	374,145,339	52,302,616	(70,580,463)	355,867,492
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	8,377,038,750	10.00%	837,703,875	212,910,120	(114,802,702)	935,811,293
ONEAND Co., Ltd.	6,105,947,211	24.10%	1,471,312,581	305,043,362	(101,338,145)	1,675,017,798
PT. Style Korean Indonesia	5,127,461,543	49.00%	2,512,456,156	10,938,741	(509,851,653)	2,013,543,244
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	843,193,159	20.00%	168,638,631	-	(8,524,721)	160,113,910
BE THE SKIN Co., Ltd.	173,383,178	30.00%	52,017,380	163,729,924	(1,672,182)	214,075,122
TOBOCO Co., Ltd.	4,940,129,801	32.52%	1,606,546,277	580,125,193	(475,728,816)	1,710,942,654
Plant Base Co., Ltd.	(254,171,527)	20.00 %	(50,834,305)	119,161,234	(1,186,388)	67,140,541
JC & Company Co., Ltd.	219,691,879	20.00 %	43,938,375	72,361,867	(5,498,635)	110,801,607
AIDKOREA COMPANY Co., Ltd.	4,784,071,267	31.25%	1,495,022,271	642,023,673	(93,392,651)	2,043,653,293
HANTEO GLOBAL, INC.	2,274,642,409	14.48%	305,152,263	3,489,391,618	(22,866,814)	3,771,677,067
SILICON2 JAPAN CO.,LTD	48,595,500	50.00 %	24,297,750	-	-	24,297,750
Sukoshi Mart Holdings Inc.	33,516,089,627	20.33%	6,813,821,021	861,139,043	-	7,674,960,064
Total	67,652,654,153		15,654,217,614	6,509,127,391	(1,405,443,170)	20,757,901,835

(*) The difference from eliminating investments has been accounted for as goodwill

2) As of December 31, 2023

(Unit: KRW)

Company name	Net assets at the end of the current period	Ownership percentage of the consolidated entity	Equity value of net assets	Elimination difference of investments (*)	Unrealized gains, etc.	Book value
	(a)	(b)	(a×b)			
Benton Co., Ltd.	1,864,070,475	25.00%	466,017,619	52,302,616	(69,172,654)	449,147,581
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	8,695,596,922	10.00%	869,559,692	212,910,120	(46,511,298)	1,035,958,514
ONEAND Co., Ltd.	4,970,467,398	24.00%	1,197,702,987	305,043,362	(97,879,642)	1,404,866,707
PT. Style Korean Indonesia	4,693,788,843	49.00%	2,299,956,533	10,938,741	(411,958,993)	1,898,936,281
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	779,685,832	20.00%	155,937,166	-	(8,524,721)	147,412,445
BE THE SKIN Co., Ltd.	95,485,656	30.00%	28,645,697	163,730,041	(3,060,950)	189,314,788
TOBOCO Co., Ltd.	2,098,284,410	33.00%	682,368,914	580,125,193	(85,940,203)	1,176,553,904
Plant Base Co., Ltd.	(277,442,175)	20.00%	(55,488,435)	119,161,234	(5,927,097)	57,745,702
JC & Company Co., Ltd.	(77,672,662)	20.00%	(15,534,532)	72,361,867	(926,347)	55,900,988
AIDKOREA COMPANY Co., Ltd.	3,749,791,590	31.00%	1,171,809,872	642,023,673	(86,814,566)	1,727,018,979
HANTEO GLOBAL, INC.	3,449,043,064	14.83%	511,569,448	3,636,700,046	(39,892,957)	4,108,376,537
SILICON2 JAPAN CO.,LTD	48,595,500	50.00%	24,297,750	-	-	24,297,750
Sukoshi Mart Holdings Inc.	33,516,089,627	11.80%	3,954,898,576	-	-	3,954,898,576
Total	63,605,784,480		11,291,741,287	5,795,296,893	(856,609,428)	16,230,428,752

(*) The difference from eliminating investments has been accounted for as goodwill, intangible assets, etc.

11. Property, Plant, and Equipment

(1) As of the end of the reporting period, the detailed breakdown of property, plant, and equipment is as follows.

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Land	10,960,770,984	-	10,960,770,984	10,591,662,658	-	10,591,662,658
Building	21,927,776,256	(1,611,860,064)	20,315,916,192	21,650,945,050	(1,303,627,925)	20,347,317,125
Vehicles	232,377,399	(137,404,350)	94,973,049	181,371,027	(114,591,215)	66,779,812
Furniture	2,089,540,462	(1,397,048,136)	692,492,326	1,843,513,788	(1,272,283,238)	571,230,550
Machinery and equipment	4,931,281,407	(153,181,946)	4,778,099,461	1,213,326,152	(34,426,535)	1,178,899,617
Logistics automation facility	1,358,545,913	(2,240,801,421)	(882,255,508)	3,739,022,665	(1,877,929,955)	1,861,092,710
Assets under construction	19,653,009,750	-	19,653,009,750	19,510,566,543	-	19,510,566,543
Total	61,153,302,171	(5,540,295,917)	55,613,006,254	58,730,407,883	(4,602,858,868)	54,127,549,015

(2) The changes in the book value of property, plant, and equipment during the current and previous fiscal years are as follows.

1) As of June 30, 2024

(Unit: KRW)

Classification	Land	Building	Vehicles	Furniture	Machinery and equipment	Logistics Automation facility	Assets under construction	Total
Book value (Jan 1, 2023)	10,591,662,658	20,347,317,125	66,779,812	571,230,550	1,178,899,617	1,861,092,710	19,510,566,543	54,127,549,015
Acquisition	-	-	43,566,678	103,462,191	7,140,500	-	1,341,429,623	1,495,598,992
Replacement	-	-	-	122,472,888	-	1,086,568,170	(1,209,041,058)	-
Disposal	-	-	-	(25,101,089)	-	-	-	(25,101,089)
Depreciation expense	-	(285,524,078)	(19,250,417)	(117,869,212)	(113,639,054)	(345,854,020)	-	(882,136,781)
Others (*)	369,108,326	254,123,145	3,876,976	38,296,998	132,962,904	88,673,126	10,054,642	897,096,117
Book value (June 30, 2024)	10,960,770,984	20,315,916,192	94,973,049	692,492,326	1,205,363,967	2,690,479,986	19,653,009,750	55,613,006,254

(*) Difference from foreign currency conversion.

2) As of June 30, 2023

(Unit: KRW)

Classification	Land	Building	Vehicles	Furniture	Machinery and equipment	Logistics Automation facility	Assets under construction	Total
Book value (Jan 1, 2023)	8,338,507,711	12,731,445,767	101,057,115	437,147,039	78,693,617	2,474,165,851	18,648,482,940	42,809,500,040
Acquisition	3,429,792,496	12,490,826,455	-	80,374,637	-	18,595,812	135,749,457	16,155,338,857
Replacement	-	-	-	-	-	-	-	-
Disposal	(1,258,373,962)	(4,422,413,847)	-	(538,520)	-	-	-	(5,681,326,329)
Depreciation expense	-	(201,743,643)	(17,496,693)	(100,192,874)	(5,217,859)	(326,027,416)	-	(650,678,485)
Others (*)	168,280,850	119,637,155	1,379,389	5,865,187	(1,150,050)	29,224,263	-	323,236,794
Book value (June 30, 2023)	10,678,207,095	20,717,751,887	84,939,811	422,655,469	72,325,708	2,195,958,510	18,784,232,397	52,956,070,877

(*) Difference from foreign currency conversion.

(3) Depreciation expenses for property, plant, and equipment during the current and previous fiscal years have been fully recognized in selling and administrative expenses.

(4) The official land values are as follows.

(Unit: KRW)

Address	Area (m ²)	Official land value (KRW/m ²)	June 30, 2024	June 30, 2023
680 Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do 9th Floor, H Square JS Building	500.61	5,718,000.00	2,862,487,980	2,806,419,660

(5) The details of insurance coverage are as follows.

(Unit: KRW)

Classification	Insured assets	Insurer	Insured amount
Fire insurance	Buildings, inventory assets, etc.	KB Insurance	20,411,000,000
Disaster liability insurance	Personal liability (per person)	DB Insurance	150,000,000
	Property damage (per accident)		1,000,000,000
Fire insurance	Building	The Harford	5,442,746,680
Fire insurance	Inventory assets, buildings	CM VANTAGE SPECIALTY INSURANCE COMPANY	7,640,600,000
Fire insurance	Inventory Assets	Allianz General Insurance	3,700,756,584

(6) The details of property, plant, and equipment provided as collateral are as follows.

(Unit: KRW)

Classification	Book value	Max. pledge amount	Creditor
Land, buildings	22,630,253,531	24,000,000,000	Hana Bank
		14,000,000,000	
Land, buildings	8,670,386,065	-	Bank of America

(7) Borrowing Costs

During the current fiscal year, the capitalized borrowing costs for qualifying assets classified as property, plant, and equipment amount to KRW 179,317,000 with a capitalization rate of 3.82% used for determining the amount of borrowing costs eligible for capitalization.

In the previous fiscal year, the capitalized borrowing cost was KRW 648,372,000 with a capitalization rate of 3.52% used for determining the amount of borrowing costs eligible for capitalization.

12. Leases

(1) As of the end of the reporting period, the amounts recognized in the balance sheet as assets and liabilities related to leases are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Right-of-use assets		
Buildings	10,062,541,733	6,247,928,221
Vehicles	421,461,868	421,461,868
Accumulated depreciation and amortization	(3,144,413,911)	(1,588,176,244)
Total	7,339,589,690	5,081,213,845
Lease liabilities		
Current	3,098,889,032	2,702,330,012
Non-current	4,459,850,917	2,330,484,541
Total	7,558,739,949	5,032,814,553

(2) The maturity analysis of lease liabilities as of the end of the reporting period is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Lease liabilities		
Within 1 year	3,098,889,032	2,702,330,012
Over 1 year and within 5 years	4,459,850,917	2,330,484,541
Total	7,558,739,949	5,032,814,553

(3) The consolidated entity has entered into non-cancelable lease agreements for certain logistics warehouses, etc., and the major changes in the book value of right-of-use assets during the current and previous fiscal years are as follows.

<As of June 30, 2024>

(Unit: KRW)

Classification	Beginning balance	Acquisition	Disposal	Depreciation and amortization	Others (*1)	Ending balance
Buildings	4,841,742,461	3,838,730,718	-	(1,623,189,360)	95,517,217	7,152,801,036
Vehicles	239,471,384	-	-	(52,682,730)	-	186,788,654
Total	5,081,213,845	3,838,730,718	-	(1,675,872,090)	95,517,217	7,339,589,690

(*1) Difference from foreign currency conversion.

<As of June 30, 2023>

(Unit: KRW)

Classification	Beginning balance	Acquisition	Disposal	Depreciation and amortization	Others (*1)	Ending balance
Buildings	1,010,288,636	963,641,280	(765,726,612)	436,837	1,208,640,141	1,010,288,636
Vehicles	293,280,061	47,590,875	(48,716,822)	-	292,154,114	293,280,061
Total	1,303,568,697	1,011,232,155	(814,443,434)	436,837	1,500,794,255	1,303,568,697

(*1) Difference from foreign currency conversion.

(4) Depreciation expenses for right-of-use assets during the current and previous fiscal years have been fully recognized in selling and administrative expenses.

(5) The amounts recognized in the income statement related to leases during the current and previous fiscal years are as follows.

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Amortization of right-of-use assets	1,675,872,09	814,443,434
Interest expenses related to lease liabilities (included in financial expenses)	128,543,17	26,277,557
Short-term lease expense	-	25,800,000
Lease expense for non-short term small assets	33,464,032	24,677,370
Total	1,837,879,297	891,198,361

(6) Total cash outflows for leases during the current reporting period is KRW 1,806,331,453, and total cash outflows for leases during the previous reporting period is KRW 819,187,357.

13. Intangible Assets

(1) As of the end of the reporting period, the detailed breakdown of intangible assets is as follows.

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Facility usage rights (*1)	1,470,968,780	-	1,470,968,780	638,753,790	-	638,753,790
Software	96,402,077	(4,196,059)	92,206,018	59,537,317	(37,600,896)	21,936,421
Total	1,567,370,857	(4,196,059)	1,563,174,798	698,291,107	(37,600,896)	660,690,211

(*1) As there are no foreseeable constraints on the expected duration for which facilities can be utilized, the useful life of the facility usage rights is indefinite, and therefore, no amortization has been recognized for these rights.

(2) The changes in the book value of intangible assets during the current and previous fiscal years are as follows.

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Beginning book value (Net)	660,690,211	90,829,875
Acquisition	832,214,990	606,581,206
Amortization expense	(4,196,059)	(33,175,608)
Effect of exchange rate fluctuations	74,465,656	671,294
Ending book value (Net)	1,563,174,798	664,906,767

(3) Amortization expenses for intangible assets during the current and previous fiscal years have been fully recognized in selling and administrative expenses.

14. Other Current Assets

The detailed breakdown of other assets as of the end of the reporting period is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Advance payments	2,953,843,994	1,117,392,038
Prepaid expenses	246,707,157	156,703,832
Prepaid taxes	1,636,758,985	42,685,422
Total	4,837,310,136	1,316,781,292

15. Restoration Provisions

The changes in restoration provisions during the current and previous fiscal years are as follows and are classified as non-current liabilities.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning book value	121,531,482	113,561,653
Increase	2,265,012	7,969,829
Decrease	-	-
Ending book value	123,796,494	121,531,482

16. Contractual Liabilities

The changes in contractual liabilities during the current and previous fiscal years are as follows.

(1) As of June 30, 2024

(Unit: KRW)

Classification	Customer loyalty program	Others	Total
Beginning balance	618,778,182	612,568,876	1,231,347,058
Incurred	545,081,929	642,044,232	1,187,126,161
Utilized	(164,372,104)	-	(164,372,104)
Extinguished, etc.	(418,311,952)	(612,568,876)	(1,030,880,828)
Ending balance	581,176,055	642,044,232	1,223,220,287

(2) As of December 31, 2023

(Unit: KRW)

Classification	Customer loyalty program	Others	Total
Beginning balance	272,402,203	277,470,586	549,872,789
Incurred	542,183,761	612,568,876	1,154,752,637
Utilized	(161,879,688)	-	(161,879,688)
Extinguished, etc.	(33,928,094)	(277,470,586)	(311,398,680)
Ending balance	618,778,182	612,568,876	1,231,347,058

17. Borrowings

(1) The detailed breakdown of borrowings as of the end of the reporting period is as follows.

(Unit: KRW)

Classification		Financial Institutions	Maximum Maturity Date	Annual Interest rate (%)	June 30, 2024	Dec. 31, 2023
				As of June 30, 2024		
Short-term borrowings	Working Capital	Shinhan Bank(*2)	2024-05-24	3.81	-	15,000,000,000
		KEB Hana Bank(*2)	2024-11-27	3.56	20,000,000,000	20,000,000,000
		Woori bank(*1)	2025-03-18	3.80	30,000,000,000	-
		KB Kookmin Bank (*1)	2025-03-20	4.21	10,000,000,000	10,000,000,000
		KEB Hana Bank(*2)	2025-03-22	3.95	20,000,000,000	-
		Shinhan Bank	2025-03-31	4.21	10,000,000,000	10,000,000,000
		KDB Bank	2025-05-17	4.08	15,000,000,000	-
		Citi Bank	2025-06-27	4.08	41,703,000,000	-
Total					146,703,000,000	55,000,000,000
Long-term borrowings	Facility funds	Bank of America(*3)	2027-12-04	2.80	3,987,987,373	3,762,207,426
Deductions : Maturity within 1 year					(136,967,757)	(125,053,387)
Total					3,851,019,616	3,637,154,039

(*1) Borrowings are guaranteed by the CEO, etc.

(*2) The above borrowings are secured by tangible assets, including land and buildings.

(*3) Borrowings are guaranteed by BLOOMING KOCO LLC.

(2) The repayment schedule for long-term borrowings is as follows.

(Unit: KRW)

Type	Repayment				Total
	Less than 1 year	1 year - 2 years or less	2 years - 5 years or less	More than 5 years	
Long term borrowings (*)	-	252,851,693	3,878,116,300	-	4,130,967,993

(*) This amount includes interest expenses to be repaid.

(3) The collateral details of the borrowings are as follows.

(Unit: KRW)

Classification	Book value	Max. pledge amount	Creditor
Land, buildings	22,630,253,531	24,000,000,000	Hana Bank
		14,000,000,000	
Land, buildings	8,670,386,065	-	Bank of America

18. Accounts Payable and Other Short-term Financial Liabilities

(1) The book value of accounts payable as of the end of the reporting period is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts payable	3,442,329,306	501,545,548

(2) The book value of other short-term financial liabilities as of the end of the reporting period is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accrued payables	734,688,290	1,142,620,063
Accrued Expenses	3,103,147,357	1,213,556,432
Total	3,837,835,647	2,356,176,495

19. Other current liabilities

The book value of short-term other financial liabilities as of the end of the reporting period is as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Advance payments	9,529,555,973	4,504,140,626
Withholdings	89,618,704	71,721,800
VAT withheld	206,995,492	44,741,957
Total	9,826,170,169	4,620,604,383

20. Capital Stock and Capital Surplus

(1) Details related to the equity of the consolidated entity as of the end of the reporting period are as follows.

(Unit: Shares/KRW)

Classification	June 30, 2024	December 31, 2023
Par value per share	500	500
Number of issued shares (*1)	60,873,234	60,389,234
Number of treasury shares	-	-
Issued Capital(*2)	30,537,340,000	30,295,340,000

(*1) The consolidated entity decided on a bonus issue through a board resolution on June 30, 2022, and allocated 50,147,695 shares at a ratio of 5 shares per share on July 15, 2022. The total number of shares issued before and after the bonus issue was 10,029,539 and 60,177,234 shares, respectively.

(*2) During the current period, the consolidated entity repurchased and retired 201,446 common shares in accordance with a board resolution, resulting in a difference of KRW 100,723,000 between the total par value of issued shares and the capital stock in the balance sheet.

(2) Changes in capital stock and excess of issuance over par value are as follows.

(Unit: Shares/KRW)

Classification	Date	Number of shares	Capital	Issuance over par value
January 01, 2023				
Beginning balance	Jan. 1, 2023	60,177,234	30,189,340,000	29,625,573,816
Exercise of Stock Purchase rights	Apr. 21, 2023	153,850	76,925,000	421,271,814
Exercise of Stock Purchase rights	Dec. 6, 2023	58,150	29,075,000	129,499,203
December 31, 2023	Dec. 31, 2023	60,389,234	30,295,340,000	30,176,344,833
January 01, 2024				
Beginning balance	Jan. 1, 2024	60,389,234	30,295,340,000	30,176,344,833
Exercise of Stock Purchase rights	June 10, 2024	484,000	242,000,000	626,762,422
June 30, 2024	June 30, 2024	60,873,234	30,537,340,000	30,803,107,255

(3) Details of capital surplus as of the end of the reporting period are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Share Premium	30,803,107,255	30,176,344,833

(4) Changes in capital surplus during the current and previous periods are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning balance	30,176,344,833	29,625,573,816
Exercise of stock options	626,762,422	550,771,017
Ending balance	30,803,107,255	30,176,344,833

(5) Details of other capital items as of the end of the reporting period are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Stock options	319,588,599	837,480,621

21. Accumulated Other Comprehensive Income

The detailed breakdown of accumulated other comprehensive income of the consolidated entity as of the end of the reporting period is as follows.

1) As of June 30, 2024

(Unit: KRW)

Classification	Before income tax	Income tax	After income tax
Surplus from revaluation of real estate	2,611,020,304	(574,424,467)	2,036,595,837
Foreign operation translation gains/losses	2,734,511,706	-	2,734,511,706
Changes in equity (equity method)	93,069,357	(19,544,565)	73,524,792
Total	5,438,601,367	(593,969,032)	4,844,632,335

2) As of December 31, 2023

(Unit: KRW)

Classification	Before income tax	Income tax	After income tax
Surplus from revaluation of real estate	2,611,020,304	(574,424,467)	2,036,595,837
Foreign operation translation gains/losses	755,640,534	-	755,640,534
Changes in equity (equity method)	56,489,180	(11,862,728)	44,626,452
Total	3,423,150,018	(586,287,195)	2,836,862,823

22. Retained Earnings

Details of retained earnings of the consolidated entity as of the end of the reporting period are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Undistributed Retained earnings	129,690,408,601	70,805,907,906

23. Share-based Compensation

(1) The consolidated entity granted stock options to its employees through a resolution at the annual general meeting, and the main details are as follows.

Classification	1st grant	2nd grant	3rd grant (*1)	4th grant (*1)
Grant date	Nov. 12, 2016	Dec. 14, 2017	Apr. 22, 2019	Mar. 31, 2021
Payment method	Stock assignment (registered common shares)			
Initial grant quantity	504,000	148,000	400,000	32,000
Exercise Price (Unit: KRW)	882 KRW per share	882 KRW per share	729 KRW per share	1,980 KRW per share
Exercise period	Nov. 12, 2018 – Nov. 12, 2023	Dec.14, 2019 – Dec. 13, 2024	Apr. 22, 2022 – Apr. 21, 2025	Mar. 31, 2023 – Mar. 30, 2027
Ending balance (unit: shares)	-	-	289,674	-
Exercisable shares (unit: Shares)	-	-	289,674	-

(*1) Due to the 5:1 bonus issuance on July 15, 2022, the exercise price and quantity for the 3rd and 4th grants were adjusted, and there were no changes to the 1st, 2nd and 4th grants as they were fully exercised before the bonus issuance.

(2) Changes in stock option grants for the previous and current periods are as follows, with no changes for the 1st and 2nd grants as they were fully exercised before the previous period. The 4th grant was exercised during the current period.

(Unit: Shares/KRW)

Classification	3rd grant		4th grant	
	Shares	Price	Shares	Price
Previous FY				
Beginning balance (Jan. 1, 2023)	802,674	729	192,000	1,980
Exercised	(20,000)	-	(192,000)	1,980
Granted	-	-	-	-
Expired	-	-	-	-
Ending balance (Dec. 31, 2023)	782,674	729	-	-
Current FY				
Beginning balance (Jan. 1, 2024)	782,674	729	-	-
Exercised	(484,000)	729	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Ending balance (June 30, 2024)	298,674	729	-	-

(3) The consolidated entity determined the fair value of the granted stock options using the fair value approach based on the binomial model, and the following assumptions and variables were used to determine the fair value.

Classification	1st grant	2nd grant	3rd grant	4th grant
Fair value of stock Options (Unit: KRW)	278,789	278,196	513,612	7,549
Valuation of shares at grant date (Unit: KRW)	341,566	341,566	769,534	16,250
Share price volatility	40.05%	38.90%	45.54%	37.46%
Dividend yield	0.00%	0.00%	0.00%	0.00%
Expected rights exercise period	5 years	5 years	3 years	3 years
Vesting terms and conditions	Terms of service: 2 years			
Risk-free rate of return	1.68%	2.27%	1.82%	1.60%

(4) As of the end of the reporting period, the stock options recognized as equity (other equity items) are as follows.

1) As of June 30, 2024

(Unit: KRW)

Classification	3rd grant
Beginning balance	837,480,621
Stock compensation expense	-
Exercised	(517,892,022)
Ending balance	319,588,599

2) As of June 30, 2023

(Unit: KRW)

Classification	3rd grant	4th grant	Total
Beginning balance	858,881,118	211,501,247	1,070,382,365
Stock compensation expense	-	30,072,833	30,072,833
Exercised	(21,400,497)	(241,574,080)	(262,974,577)
Ending balance	837,480,621	-	837,480,621

24. Income Tax Expense

Income tax expense was recognized on a basis of an estimate of the best weighted average income tax rate expected for the entire fiscal year.

25. Sales

The composition of revenue for the current and previous periods for the consolidated entity is as follows.

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Sale of goods	181,340,020,135	331,184,083,115	78,178,177,920	136,165,904,991
Provision of services	20,464,613	103,574,300	1,590,805	2,676,862
Rent income	-	-	40,453,333	63,640,000
Total	181,360,484,748	331,287,657,415	78,220,222,058	136,232,221,853

26. Cost Classification by Category

Cost classification by nature for the current and previous periods is as follows.

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Changes in inventory assets	(14,929,810,957)	(39,164,146,446)	(25,606,195,488)	(40,446,643,952)
Cost of goods sold	134,699,316,248	258,265,247,732	78,737,747,259	132,666,393,283
Employee wages	5,015,306,235	9,549,826,776	2,786,832,430	5,533,009,171
Depreciation and amortization expenses	1,385,068,214	2,534,691,234	815,979,843	1,496,772,938
Advertising and sales promotion expenses	2,785,657,576	5,091,214,408	2,161,147,926	3,572,355,738
Commission expenses	7,493,145,825	16,114,242,947	4,746,281,357	8,336,571,600
Transportation costs	3,717,219,100	6,377,626,578	2,617,663,123	4,635,160,280
Other expenses	2,253,640,767	4,128,781,128	1,578,697,873	2,639,802,949
Total operating expense (*)	142,419,543,008	262,897,484,357	67,838,154,323	118,433,422,007

(*) This amount represents the sum of cost of goods sold and selling, general, and administrative expenses in the income statement.

27. Selling General & Administrative Expenses

Details of the consolidated entity's SG&A expenses for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries	4,790,390,165	9,095,807,461	2,617,985,388	5,206,557,346
Retirement benefits	224,916,070	454,019,315	168,847,042	326,451,825
Employee benefits	307,405,947	570,501,900	216,204,420	367,994,213
Transportation costs	3,717,219,100	6,377,626,578	2,617,663,123	4,635,160,280
Rent	106,295,579	155,372,468	25,917,444	69,718,899
Fees	7,493,145,825	16,114,242,947	4,746,281,357	8,336,571,600
Depreciation (*1)	1,382,967,695	2,530,495,175	802,027,329	1,463,597,330
Intangible asset amortization cost	2,100,519	4,196,059	13,952,514	33,175,608
Tax and utilities	409,797,873	654,543,026	407,800,672	548,593,821
Advertising expenses	1,494,480,831	3,087,154,693	1,859,385,850	3,101,499,797
Provision for bad debts (reversal of allowance for bad debts)	172,486,508	419,612,569	26,657,467	65,582,208
Stock compensation cost	-	-	-	30,072,833
Other	2,548,831,605	4,332,810,880	1,203,879,946	2,028,696,916
Total of SG&A	22,650,037,717	43,796,383,071	14,706,602,552	26,213,672,676

(*1) Amortization of right-of-use assets is included.

28. Financial Income and Financial Expenses

Details of the consolidated entity's financial income and financial expenses for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Financial income				
Interest income	502,612,276	741,532,093	170,375,441	437,208,487
Foreign exchange profit	2,655,439,455	4,816,871,913	1,115,769,674	1,864,974,126
Foreign exchange conversion profit	634,923,283	2,014,342,634	(324,490,111)	46,127,007
Foreign exchange profit from futures forward contracts	-	44,301,874	-	23,674,447
Total	3,792,975,014	7,617,048,514	961,655,004	2,371,984,067

Financial expenses				
Amortized interest cost of financial liability	905,318,366	1,366,966,859	170,653,891	260,952,387
Interest expense (*)	82,479,098	151,087,268	25,995,459	37,530,494
Foreign exchange loss	747,753,060	1,304,619,647	579,325,230	1,108,629,546
Foreign exchange conversion loss	24,906,883	177,423,075	139,895,592	157,122,891
Foreign exchange losses on futures forward contracts	134,497,262	134,497,262	8,858,210	8,858,210
Derivatives valuation loss	696,931,767	696,931,767	-	-
Total	2,591,886,436	3,831,525,878	924,728,382	1,573,093,528

(*1) The capitalization interest rate used to calculate the amount of borrowing costs to be capitalized is the weighted average interest rate applied to the Company's general borrowings during the current period and is 3.82%

29. Other non-operating profits and losses

Details of other non-operating income and loss of the consolidated entity for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Other non-operating income				
Other	90,034,132	116,434,426	16,919,434	36,642,784
Other non-operating expenses				
Loss on disposal of tangible assets	4,113,519	4,118,519	180,787,809	181,326,329
Impairment loss on invested stocks of associates and joint ventures	97,756,886	97,756,886	-	-
Other	77,472,501	86,379,136	546,592	660,012
Subtotal	179,342,906	188,254,541	181,334,401	181,986,341
Total	(89,308,774)	(71,820,115)	(164,414,967)	(145,343,557)

30. Cash flow statement

(1) Details of adjustments to costs and profits for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Interest income	(741,532,093)	(318,508,554)
Interest cost	1,518,054,127	298,482,881
Dividend income	(50,310,000)	-
Income tax expense	14,137,274,249	4,265,251,130
Bad debt expense	419,612,569	65,582,208

Depreciation (*1)	2,530,495,175	1,463,597,330
Foreign currency conversion gain or loss	(1,836,919,559)	110,995,884
Current profit or loss - profit or loss on disposal of fair value financial assets	90,195,388	(14,816,237)
Current profit or loss - fair value financial asset valuation gain or loss	696,931,767	-
Impairment loss on stocks invested in subsidiaries/associates	97,756,886	-
Equity method gain (loss)	(917,899,365)	(707,219,128)
Intangible asset amortization cost	4,196,059	33,175,608
Profit and loss on disposal of tangible and intangible assets	4,118,519	181,326,328
Inventory disposal and valuation loss	21,502,422	(351,032,727)
Stock-based compensation expense	-	30,072,833
Total	15,973,476,144	5,056,907,556

(*1) Amortization of right-of-use assets is included.

(2) Details of changes in assets and liabilities due to expenses and operating activities during the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Decrease (increase) in accounts receivable	(17,935,201,905)	(5,920,784,107)
Decrease (increase) in other receivables	(6,675,223,381)	(3,872,781,503)
Decrease (increase) in inventories	(61,101,779,872)	(35,630,573,600)
Decrease (increase) in other assets	(11,350,840,549)	(323,503,801)
Increase (decrease) in accounts payable	3,722,725,942	2,450,696,436
Increase (decrease) in other financial liabilities	(407,931,773)	817,013,486
Increase (decrease) in contract liabilities	(8,126,771)	191,455,122
Increase (decrease) in other liabilities	6,124,646,238	1,417,500,928
Payment of retirement benefits	(65,298,387)	-
Total	(87,697,030,458)	(40,870,977,039)

(3) Among transactions with no cash inflow or outflow during the current and previous FYs, important matters are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Increase in right-of-use assets due to recognition of lease liabilities, etc.	3,955,700,606	1,011,232,155
Liquidity classification of lease liabilities	420,559,903	546,635,555
Exercise of stock options	517,892,022	193,573,814
Tangible asset account reclassification	1,118,533,162	-
Liquidity replacement for long-term borrowings	2,235,195	1,460,976

(4) Details of adjustments to liabilities arising from financial activities during the current and previous FYs are as follows:

(Unit: KRW)

Classification	Lease liabilities(*1)	Short-term borrowings	Liquid long-term liabilities	Long-term borrowings
Beginning of previous FY	1,282,632,517	20,001,490,659	120,047,413	3,686,190,682
Cash flow	(2,272,555,650)	34,998,543,940	2,912,755	(114,912,102)
Other non-financial changes (*2)	6,022,737,686	(34,599)	2,093,219	65,875,459
Net liabilities at end of previous FY	5,032,814,553	55,000,000,000	125,053,387	3,637,154,039
Current Year's ending	5,032,814,553	55,000,000,000	125,053,387	3,637,154,039
Cash flow	(1,627,963,603)	91,703,000,000	-	(66,887,438)
Other non-financial changes (*2)	4,153,888,999	-	11,914,370	280,753,015
Net liabilities at end of current FY	7,558,739,949	146,703,000,000	136,967,757	3,851,019,616

(*1) Is the sum of current lease liabilities and non-current lease liabilities.

(*2) Includes interest expense recognition for lease liabilities, interest expense recognition for redeemable convertible preferred stock(RCPS), liquidity replacement, etc.

31. Contingent Liabilities and Agreements

(1) As of the end of the reporting period, the details of the consolidated entity's agreements with financial institutions are as follows:

(Original Currency Unit: KRW, Foreign Currency Unit: USD)

Financial Institution	Classification	Currency	Contract Limit	Executed Amount
Kookmin Bank	Over-the-counter derivatives trading (forwards)	KRW	2,354,000,000	-
Hana Bank	Trade finance	KRW	1,000,000,000	-
KDB Bank	Working capital	KRW	500,000,000	-
Shinhan Bank	Trade finance	KRW	5,000,000,000	-
Total (KRW)		KRW	8,854,000,000	-

(2) Details of collateral provision as of the end of the current period are as follows.

(Unit: KRW)

Classification	Book value	Maximum receivables	Secured creditor
Land, building	22,630,253,531	24,000,000,000	Hana Bank
		14,000,000,000	
Land, building	8,670,386,065	-	Bank of America

(3) Details of payment guarantee subscription for others are as follows:

(Unit: KRW)

Beneficiary	Guarantees	Guaranteed	Period	Description
Korea Electric Power Corporation	7,200,000	Seoul Guarantee Insurance	2025-06-19	Electricity supply contract
Eximbay Co., Ltd.	60,000,000	Seoul Guarantee Insurance	2024-09-06	Electronic payment Agency service contract
KG Inicis Co., Ltd.	300,000,000	Seoul Guarantee Insurance	2024-10-28	KG Inicis INIPAY Service Use Agreement
Korea SMEs and Startups Agency	306,227,590	Seoul Guarantee Insurance	2025-03-01	Business agreement on the implementation of the 「2024 Online Export Joint Logistics」 project
Korea SMEs and Startups Agency	285,703,030	Seoul Guarantee Insurance	2025-03-01	「2024 Media Content Marketing Project」 Business Agreement
Kakao Pay Co., Ltd.	10,000,000	Seoul Guarantee Insurance	2025-05-01	Kakao Pay Service Agreement
Total	969,130,620			

32. Related party transactions

(1) As of the end of the reporting period, associates and other related parties with whom the consolidated entity has transactions such as sales or receivables and debt balances are as follows:

Classification	June 30, 2024	December 31, 2023	Notes
Related companies and joint ventures	SILICON2 JAPAN CO.,LTD	SILICON2 JAPAN CO.,LTD	
	PT. Style Korean Indonesia	PT. Style Korean Indonesia	
	One And Co., Ltd.	One And Co., Ltd.	
	Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	
	Benton Co., Ltd.	Benton Co., Ltd.	
	Hello Skin Co., Ltd.	Hello Skin Co., Ltd.	Impaired
	ARUMI KOREAN COSMETICS SPA.	ARUMI KOREAN COSMETICS SPA.	Impaired
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	
	Be The Skin Co., Ltd.	Be The Skin Co., Ltd.	
	TOBOCO Co., Ltd.	TOBOCO Co., Ltd.	
	JC&Company Co., Ltd.	JC&Company Co., Ltd.	
	Plant Base Co., Ltd.	Plant Base Co., Ltd.	
	Aid Korea Company Co., Ltd.	Aid Korea Company Co., Ltd.	
	Hanteo Global Co., Ltd.	Hanteo Global Co., Ltd.	
	Sukoshi Mart Holdings Inc.	Sukoshi Mart Holdings Inc.	
Key management team	Kim Sungwoon	Kim Sungwoon	
	Son In-ho	Son In-ho	
	Choi Jin-Ho	Choi Jin-Ho	

(2) Transactions such as sales and purchases with related parties

1) As of June 30, 2024

Classification	Company name	Receivable(*1)	Payable(*2)	Interest profit	SG&A	Dividend Income
Related companies	PT. Style Korean Indonesia	10,084,937,169	-	-	-	-
	One And Co., Ltd.	-	7,537,249,545	-	-	-
	Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	-	8,254,589,788	-	-	-
	Benton Co., Ltd.	-	1,764,012,565	-	-	50,310,000
	Hello Skin Co., Ltd.	-	3,384,774,300	-	-	-
	ARUMI KOREAN COSMETICS SPA.	14,900,474	-	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	71,430,033	-	-	-	-
	Be The Skin Co., Ltd.	-	154,055,921	-	814,559	-
	TOCOBO Ltd.	-	12,088,041,060	-	100,000	-
	JC&Company Co., Ltd.	10,337,638	380,621,300	-	-	-
	Plant Base Co., Ltd.	-	2,672,727	-	-	-
	Aid Korea Company Co., Ltd.	-	4,256,157,960	-	-	-
	Hanteo Global Co., Ltd.	1,760,000	421,959,418	-	-	-
	Sukoshi Mart Holdings Inc.	2,938,130,992	-	-	-	-
Total		13,121,496,306	38,244,134,584	-	914,559	50,310,000

(*1) Sales include sales of goods and provision of services. Goods and services are traded on terms and conditions that would have been determined in transactions with third parties.

(*2) The purchase amount includes the purchase of goods and services, which are purchased from associates and joint ventures under normal transaction conditions.

2) As of June 30, 2023

Classification	Company name	Receivable(*1)	Payable(*2)	Interest profit	SG&A	Miscellaneous loss
Related companies	PT. Style Korean Indonesia	5,578,380,171	-	-	34,403	-
	One And Co., Ltd.	-	4,867,671,432	-	9,620,454	-
	Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	271,909	5,706,558,888	-	-	-
	Benton Co., Ltd.	1,440,298	2,114,672,752	-	300,000	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	34,041,296	-	-	-	-
	Be The Skin Co., Ltd.	-	154,736,369	-	-	-
	TOCOBO Ltd.	-	3,602,765,900	-	1,946,900	-
	JC&Company Co., Ltd.	2,000,000	180,638,560	-	-	-
	Plant Base Co., Ltd.	-	63,005,270	-	-	-
	Aid Korea Company Co., Ltd.	-	2,440,563,831	-	-	-
	Hanteo Global Co., Ltd.	78,949,459	1,439,610,511	-	-	-
Others	Hello Skin Co., Ltd.	-	2,443,973,950	-	-	-
	STYLEKOREAN VIETNAM CO.,LTD	-	-	189,535	-	285,350
Total		5,695,083,133	23,014,197,463	189,535	11,901,757	285,350

(*1) Sales include sales of goods and provision of services. Goods and services are traded on terms and conditions that would have been determined in transactions with third parties.

(*2) The purchase amount includes the purchase of goods and services, which are purchased from associates and joint ventures under normal transaction conditions.

(3) Balance of major receivables and liabilities to related parties

1) As of June 30, 2024

(Unit: KRW)

Classification	Company name	Receivable		Liability	
		Accounts Receivable	Other	Accounts Payable	Other
Related companies	PT. Style Korean Indonesia	9,782,383,471	-	-	-
	Pyunkang Oriental Medicine Dermatology Research Institute Co.,Ltd.	-	-	300,140,424	-
	Benton Co., Ltd.	-	50,670,200	-	-
	Hello Skin Co., Ltd.	-	-	144,884,960	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	-	-	-	2,249
	TOCOBO Ltd.	-	-	1,697,675,540	-
	JC&Company Co., Ltd.	-	-	7,336,230	-
	Aid Korea Company Co., Ltd.	-	-	410,598,586	-
	Hanteo Global Co., Ltd.	-	-	122,364	-
	Sukoshi Mart Holdings Inc.	489,179,070	-	-	7,182,712
Total	10,271,562,541	50,670,200	2,560,758,104	7,184,961	

2) As of December 31, 2023

(Unit: KRW)

Classification	Company name	Receivable		Liability	
		Account receivable	Other receivables	Account payables	Other payables
Related companies	PT. Style Korean Indonesia	4,858,623,701	-	-	-
	Pyunkang Oriental Medicine Dermatology Research Institute Co.,Ltd.	-	-	1	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	-	-	-	565
	JC&Company Co., Ltd.	-	-	-	820,000
	Aid Korea Company Co., Ltd.	-	-	430,939,489	-
	Hanteo Global Co., Ltd.	-	-	-	45,376,531
Others	Hello Skin Co., Ltd.	-	100,595,000	-	-
	ARUMI KOREAN COSMETICS SPA.	2,136,535	-	-	-
	MOIDA LLC	-	8,468,740	-	-
Total	4,860,760,236	109,063,740	430,939,490	46,197,096	

(4) Financial transactions with related parties

1) As of June 30, 2024

Classification	Company name	Capital transaction
		Cash investment, etc.
Related companies	Sukoshi Mart Holdings Inc.	3,720,061,488

2) As of June 30, 2023

Classification	Company name	Capital transaction
		Cash investment, etc.
Related companies	TOCOBO Ltd .	700,000,000

(5) Compensation for key executives

Key executives include directors (registered and non-registered), members of the Board of Directors, the financial manager, and the internal audit manager. The amount of compensation paid or to be paid to key executives in exchange for employee services is as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries and other short-term employee benefits	299,999,996	532,499,992	175,000,002	355,833,338

33. Earnings per share

(1) Net profit per common share

Primary earnings per share was calculated by dividing the consolidated entity's net profit per common share by the weighted average number of common shares outstanding for the current FY.

(Unit: Share/KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net income	33,348,953,174	58,884,500,695	8,567,571,510	14,894,314,826
Net profit attributable to common stocks	33,348,953,174	58,884,500,695	8,567,571,510	14,894,314,826
Weighted average number of common shares in circulation (*)	60,442,421	60,442,421	60,237,585	60,237,585
Beginning earnings per share	552	974	142	247

(*) Weighted average number of common shares in circulation for current period

Duration	Changes	Days	No. of common shares	Value
2024.01.01 - 2024.06.09	Beginning balance	162	60,389,234	9,783,055,908
2024.06.10 - 2024.06.30	Exercise of stock options	20	60,873,234	1,217,464,680
Total		182		11,000,520,588
Weighted average number of common shares(value / 182)				60,442,421

(*) Weighted average number of common shares in circulation for previous period

Duration	Changes	Days	No. of common shares	Value
2023.01.01 - 2023.04.20	Beginning balance	110	61,177,235	6,619,495,850
2023.04.20 - 2023.06.30	Exercise of stock options	71	60,331,084	4,283,506,964
Total		181		10,903,002,814
Weighted average number of common shares(value / 181)				60,237,585

(2) Diluted earnings per share

The calculation details of diluted earnings per share for the current and previous FYs are as follows:

(Unit: Share/KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net income	33,348,953,174	58,884,500,695	8,567,571,510	14,894,314,826
Diluted profit on common stock	33,348,953,174	58,884,500,695	8,567,571,510	14,870,557,288
Weighted average number of common shares outstanding for calculating diluted earnings per share	60,725,114	60,725,114	60,880,291	60,880,291
Weighted average number of common shares in circulation	60,442,421	60,442,421	60,237,585	60,237,585
Potentially dilutive common stock (*1)	282,693	282,693	642,706	642,706
Diluted earnings per share	549	970	140	244

(*1) Common stock options that have the potential to dilute beginning earnings per share in the future are stock options.

34. Events occurring after reporting period

(1) Loan for Stylekorean Inc.

On June 26, 2024, the Board of Directors of the connecting entity resolved to provide a loan of USD 30,000,000 for the purchase of a logistics warehouse by its subsidiary, Stylekorean Inc. This loan to Stylekorean Inc. was executed on July 18, 2024.

(2) Equity investment concerning establishment of new subsidiary

1. On June 4, 2024, the Board of Directors of the connecting entity resolved to establish a subsidiary, STYLEKOREAN UK LTD., and an investment of GBP 100,000 was paid on July 29, 2024.
2. On June 24, 2024, the Board of Directors of the connecting entity resolved to establish a subsidiary, STYLEKOREAN SG PTE. LTD., and an investment of SGD 100,000 was paid on July 26, 2024

4. Financial statements

4-1. Financial statements

Financial statements

The 23rd, as of June 30, 2024

The 22nd, as of December 31, 2023

(Unit: KRW)

	23rd June 30, 2024	22nd December 31, 2023
Asset		
Current assets	237,833,598,838	129,371,378,163
Cash and cash equivalents (Notes 5, 6, 7)	45,804,608,275	12,823,953,095
Account receivable (Notes 5,6,7,8,32)	107,679,749,445	60,645,740,634
Short-term other financial assets (Note 5, 6, 7, 8, 32)	16,685,511,140	17,039,023,242
Other current assets (Note 14)	967,160,310	1,032,047,026
Inventories (Note 9)	66,696,569,668	37,830,614,166
Non-current assets	109,907,665,489	70,043,994,534
Other financial assets (Note 5,6,7,8)	1,319,695,000	971,695,000
Equity investments in subsidiaries (Note 10)	43,308,338,630	7,954,773,630
Equity investments in associates (Note 10)	16,384,971,366	12,664,909,878
Tangible assets (Note 11)	44,252,527,908	44,545,582,297
License assets (Note 12)	2,834,924,049	2,928,170,183
Intangible assets (Note 13)	1,487,053,780	658,708,790
Deferred income tax assets (Note 24)	320,154,756	320,154,756
Total assets	347,741,264,327	199,415,372,697
Liabilities		
Current liabilities	174,635,035,347	72,085,450,258
Accounts Payable (Note 5,6,7,18,32)	3,805,643,321	501,545,548
Contract liabilities (Note 16)	720,528,848	547,683,840
Short-term borrowings (Note 5, 6, 7, 17)	146,703,000,000	55,000,000,000
Short-term other financial liabilities (Notes 5, 6, 7, 18)	3,604,431,930	3,086,688,653
Other current liabilities (Note 19)	7,936,578,591	3,703,815,322
Current income tax liabilities (Note 24)	9,861,604,423	7,485,401,070
Current lease liabilities (Notes 5, 6, 7, 12)	2,003,248,234	1,760,315,825
Non-current liabilities	1,667,377,641	1,231,673,218
Other financial liabilities (Note 5, 6, 7)	696,931,767	
Other financial liabilities (Note 6, 7)		
Non-current lease liabilities (Notes 5, 6, 7, 12)	846,649,380	1,110,141,736
Restoration provision (Note 15)	123,796,494	121,531,482
Total liabilities	176,302,412,988	73,317,123,476

Equity		
Issued capital (Note 20)	30,537,340,000	30,295,340,000
Capital surplus (Note 20)	30,803,107,255	30,176,344,833
Accumulated other comprehensive income (Note 21)	2,036,595,837	2,036,595,837
Other capital items (Note 20, 23)	319,588,599	837,480,621
Retained earnings (Note 22)	107,742,219,648	62,752,487,930
Total equity	171,438,851,339	126,098,249,221
Total liabilities and equity	347,741,264,327	199,415,372,697

4-2. Comprehensive income statement

Comprehensive income statement

23rd (January 01, 2024 - June 30, 2024)

22nd (January 01, 2023 - June 30, 2023)

(Unit: KRW)

	23rd (June 30, 2024)		22nd (June 30, 2023)	
	3 months	Accumulated	3 months	Accumulated
Revenue (Notes 4, 25, 32)	189,864,657,925	310,796,110,560	80,285,320,377	132,272,746,939
COGs (Note 26, 32)	146,137,466,393	237,859,543,298	61,914,835,104	101,329,686,333
Gross profit	43,727,191,532	72,936,567,262	18,370,485,273	30,943,060,606
Selling general and administrative expenses (Notes 26, 27, 32)	12,388,206,815	22,253,958,311	8,934,522,941	16,317,733,280
Operating profit	31,338,984,717	50,682,608,951	9,435,962,332	14,625,327,326
Non-operating profit(loss)	1,222,429,733	4,168,727,170	(18,414,925)	778,344,557
Interest income (Notes 7, 28, 32)	496,973,865	732,031,677	170,338,423	437,171,469
Other financial income (Notes 7, 28)	3,199,483,054	6,831,476,238	758,527,557	1,897,359,217
Interest expenses (Notes 7, 28)	(909,901,252)	(1,364,230,082)	(166,589,587)	(238,936,052)
Other financial expenses (Notes 7, 28)	(1,597,551,460)	(2,075,923,008)	(609,187,530)	(1,155,719,145)
Other income (Note 29)	34,543,416	46,750,481	9,825,643	20,450,439
Other expenses (Note 29)	(1,117,890)	(1,378,136)	(181,329,431)	(181,981,371)
Equity method profit(loss)	32,561,414,450	54,851,336,121	9,417,547,407	15,403,671,883
Income tax expense (Note 24)	5,854,147,061	9,861,604,403	1,732,785,471	2,966,871,610
Net Income	26,707,267,389	44,989,731,718	7,684,761,936	12,436,800,273
Other comprehensive income				
Total comprehensive income	26,707,267,389	44,989,731,718	7,684,761,936	12,436,800,273
Earnings per share				
Basic EPS (Unit: KRW) (Note 33)	441.0	744.0	127.0	206.0
Diluted EPS (Unit: KRW) (Note 33)	442.0	741.0	126.0	204.0

4-3. Changes in Equity

Changes in Equity

23rd (January 01, 2024 - June 30, 2024)

22nd (January 01, 2023 - June 30, 2023)

(Unit: KRW)

		Equity					Total capital
		Issued capital	Capital surplus	Accumulated other comprehensive income	Other components of equity	Retained earnings	
Balance as of January 1, 2023		30,189,340,000	29,625,573,816	2,708,863,492	1,070,382,365	32,792,703,634	96,386,863,307
Total comprehensive income	Net Income					12,436,800,273	12,436,800,273
Transaction with owners	Exercise of stock options	76,925,000	421,271,814		(193,573,814)		304,623,000
	Stock-based compensation				30,072,833		30,072,833
Balance as of June 30, 2023		30,266,265,000	30,046,845,630	2,036,595,837	906,881,384	41,902,410,197	105,158,998,048
Balance as of January 1, 2024		30,295,340,000	30,176,344,833	2,036,595,837	837,480,621	62,752,487,930	126,098,249,221
Total comprehensive income	Net Income					44,989,731,718	44,989,731,718
Transaction with owners	Exercise of stock options	242,000,000	626,762,422		517,892,022		350,870,400
	Stock-based compensation						
Balance as of June 30, 2024		30,537,340,000	30,803,107,255	2,036,595,837	319,588,599	107,742,219,648	171,438,851,339

4-4. Cash flow

Cash flow

23rd (January 01, 2024 - June 30, 2024)

22nd (January 01, 2023 - June 30, 2023)

(Unit: KRW)

	23 rd 2Q	22 nd 2Q
Cash flow from operating activities	(24,469,481,750)	(25,547,513,014)
Cash flow generated from operating activities	(17,184,922,505)	(24,428,849,731)
Net Income	44,989,731,718	12,436,800,273
Profit(loss) adjustment (Note 30)	11,682,235,913	4,460,268,722
Increase or decrease in assets and liabilities (Note 30)	(73,856,890,136)	(41,325,918,726)
Interest received	604,020,694	98,650,285
Interest paid	(453,488,889)	(62,790,728)
Dividends paid	50,310,000	
Income tax paid	(7,485,401,050)	(1,154,522,840)
Cash flow from investing activities	(33,666,515,918)	(8,235,193,539)
Cash inflow from investing activities	273,863,354,240	83,009,007,221
Decrease in short-term financial instruments	273,773,354,240	77,448,720,769
Decrease in short-term loans	90,000,000	54,878,452
Disposal of property, plant, and equipment		5,500,000,000
Decrease in lease deposits		5,408,000
Cash outflow from investing activities	(307,529,870,158)	(91,244,200,760)
Increase in short-term financial instruments	(266,863,549,628)	(71,947,048,260)
Acquisition of invested stocks in subsidiaries	(35,353,565,000)	(1,628,078,250)
Acquisition of invested stocks in associates and joint ventures	(3,720,061,488)	(700,000,000)
Acquisition of property, plant, and equipment	(412,479,052)	(16,078,514,860)
Acquisition of intangible assets	832,214,990	606,356,390
Increase in lease deposit	(348,000,000)	(257,595,000)
Increase in other deposits		(26,608,000)
Cash flow from financing activities	90,993,237,973	14,606,984,360
Cash inflow from financing activities	107,055,836,000	35,461,623,000
Borrowing of short-term loans	106,703,000,000	35,000,000,000
Paid-in capital increase	352,836,000	304,623,000
Increase in lease deposits		157,000,000
Cash outflow from financing activities	(16,062,598,027)	(20,854,638,640)
Repayment of short-term borrowings	15,000,000,000	20,000,000,000
Lease payments	(1,060,632,427)	(760,638,640)
Capital transaction costs	(1,965,600)	
Decrease in lease deposits		94,000,000

Change in cash assets due to foreign currency translation	123,414,875	118,601,264
Increase (or decrease) in cash and cash equivalents	32,980,655,180	(19,057,120,929)
Cash and cash equivalents (Beginning of the year)	12,823,953,095	20,197,648,575
Cash and cash equivalents (End of the year)	45,804,608,275	1,140,527,646

5. Notes for Financial Statements

Ending of the 23rd (Current) Year: as of June 30, 2024

Ending of the 22nd (Current) Year: as of June 30, 2023

SILICON2 Co., Ltd.

1. General information

The Company was established on October 15, 2002 and its main business item is cosmetics distribution. On September 29, 2021, the Company was listed on the KOSDAQ market by the Korea Exchange through an initial public offering.

SILICON2's Headquarters is located at Room 907, Building S, H Square, 231, Pangyoyeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do.

The Company since its establishment went through a number of paid-in capital increases and free capital increases, and its capital at the closing of the current year is 30,295. (Unit: 1 million KRW) The status of major shareholders at the current closing is as follows:

(Unit: Shares)

Shareholder name	Number of shares	Percentage of Ownership	Note
Kim, Sung Woon	18,924,639	31.09 %	CEO
Shin, Eun-ha	4,916,111	8.08%	
SON ROBERT INHO	2,685,920	4.41 %	
Choi, Jin-Ho	1,073,348	1.76 %	
J.P.MORGAN SECURITIES PLC	960,560	1.58 %	
Securities Finance (distribution)	938,481	1.54 %	
Other shareholders	31,374,175	51.54 %	
Total	60,873,234	100.00 %	

2. Significant Accounting Policies

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

2.1 Criteria

The interim financial statements for the six-month period ended June 30, 2024 have been prepared in accordance with Korean IFRS 1034, Interim Financial Reporting. These interim financial statements have been prepared in accordance with the Korean IFRS which is effective as of June 30, 2024.

2.2 Changes in Accounting Policies and Disclosures

The Company applied the following amended standards for the first time for the annual reporting period commencing January 1, 2024:

2.2.1 New and Amended Standards and Interpretations Adopted by the Company

(1) Amendments to Korean IFRS 1001, Presentation of Financial Statements

The amendments to Korean-IFRS 1001 clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also introduce a definition of settlement to make clear that settlement includes the transfer to the counterparty of the entity's own equity instruments, however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The application of amendments does not have a significant impact on the Company's interim financial statements.

(2) Amendments to Korean IFRS 1007, Statement of Cash Flows, and 1107, Financial Instruments: Presentation

The amendments add to the disclosure objectives in Korean IFRS 1007, Statement of Cash Flows, that information about supplier financing arrangements should be disclosed to enable users of financial statements to assess the impact of those arrangements on the Company's liabilities and cash flows. The amendments also amend Korean IFRS 1107, Financial Instruments: Presentation, to add supplier financing arrangements as an example of a requirement to disclose information about an entity's exposure to concentrations of liquidity risk. The application of amendments does not have a significant impact on the Company's interim financial statements.

(3) Amendments to Korean IFRS 1116, Leases

The amendments add requirements for the subsequent measurement of sale-and-leaseback transactions that are accounted for as sales in accordance with Korean IFRS 1115, Revenue from Contracts with Customers. The amendments require the seller-lessee to calculate the 'lease payments' or 'revised lease payments' in a way that does not result in the seller-lessee recognizing any gain or loss for the rights of use that the seller-lessee continues to retain after the lease commences. The application of amendments does not have a significant impact on the Company's interim financial statements.

(4) Amendments to Korean IFRS 1001, 'Presentation of Financial Statements' - Disclosure of Crypto Assets

This amendment requires entities to disclose significant information about their accounting policies, the impact on financial statements, and other important information related to the holding, issuance, or custody of crypto assets. Entities must disclose relevant information separately for directly held crypto assets, crypto assets held on behalf of customers, and issuances of crypto assets. The application of amendments does not have a significant impact on the Company's interim financial statements.

(5) Amendments to Korean IFRS 1012, 'Income Tax' – National Tax Reform – Pillar 2 Rule

In order to implement the Pillar 2 Rules announced by the Organization for Economic Cooperation and Development (OECD), the enacted tax laws include provisions for exceptions regarding the recognition of deferred tax assets and liabilities as well as information that disclose income tax before and after the enactment of the rule. The application of amendment does not have a significant impact on the Company's interim financial statements.

2.2.2 New and Amended Standards and Interpretations Not Yet Adopted by the Company

- (1) Amendments to K-IFRS No. 1021 ‘Effect of Exchange Rate Fluctuations’, No. 1101 ‘Initial Adoption of Korean International Financial Reporting Standards’ - Lack of exchangeability

This amendment is intended to help users of financial statements understand the risks and impacts to which companies are exposed due to the lack of convertibility with other currencies. This amendment is effective for fiscal FYs beginning on or after January 1, 2025. Early application is permitted, and this fact must be disclosed. The application of amendments does not have a significant impact on the Company’s interim financial statements.

2.3 Accounting Policies

Material accounting policies and method of computation used in the preparation of the interim financial statements are consistent with those of the annual financial statements for the year ended December 31, 2023, except for the changes due to the application of amendments of standards described below.

2.3.1 Income Tax Expense

Income tax expense for the interim period is recognized based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year. The estimated average annual effective income tax rate is applied to the pre-tax income of the interim period.

2.3.2 Borrowing Costs

For the Company, borrowing costs incurred for the acquisition or construction of qualifying assets are capitalized during the period necessary to prepare the qualifying assets for their intended use. Income arising from the temporary investment of specific-purpose borrowings obtained for the acquisition of qualifying assets is deducted from the capitalizable borrowing costs for the current accounting period. Other borrowing costs are recognized as current profit.

2.3.3 Retirement Benefits

The Company’s retirement pension system is a defined contribution plan. Under this plan, the Company pays fixed contributions into a separate fund, which are recognized as expenses when the employees render services. In the event of a plan amendment, curtailment, or settlement, the resulting past service expenses or gains/losses from settlement are recognized in profit or loss.

During the current reporting period, the amount recognized as an expense related to the defined contribution plan was KRW 408,792,000 (previous reporting period: KRW 305,987,000).

3. Significant Accounting Estimates and Assumptions

In preparing the interim financial statements, the Company makes judgements, estimates and assumptions on future matters. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates, by definition, may not equal the related actual results.

Material accounting estimates and assumptions made in the preparation of the interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2023, except for the estimates used to determine the income tax expense.

4. Segment Information

Management determines sales divisions based on reported information reviewed by the top sales decision maker who establishes sales strategies. Top sales decision makers review sales information from the product perspective of each business division.

The Company operates in a single division, and the information provided to top operating decision makers is identical to publicly disclosed information.

(1) Sales by region for the current and previous FYs are as follows:

(Unit: KRW)

Region	June 30, 2024	June 30, 2023
United States	91,419,574,617	38,822,304,481
Netherlands	18,169,694,616	5,962,745,820
South Korea	25,012,907,546	14,165,002,360
Indonesia	11,563,086,012	6,371,293,448
Malaysia	11,833,384,026	6,787,210,521
Australia	9,796,744,583	6,069,345,037
Cambodia	7,749,873,993	6,548,978,260
Russia	3,338,635,351	3,048,655,911
Japan	1,332,407,530	3,120,904,506
Other	130,579,802,286	41,376,306,595
Total	310,796,110,560	132,272,746,939

(2) There are no external customers accounting for more than 10% of the sales during the current and previous FYs.

5. Risk Management

Due to various activities, the Company is exposed to various financial risks such as market risk (exchange rate risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on financial performance.

Risk management is carried out in accordance with policies approved by the Board of Directors. The Board of Directors reviews and approves policies on overall risk management and written policies on specific areas such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investments in excess of liquidity.

5.1 Market Risk

(1) Foreign exchange risk

As the Company conducts business internationally, it is exposed to foreign exchange risk, especially exchange rate fluctuation risk mainly related to USD and EUR. Foreign exchange risk arises in connection with future transactions and recognized assets and liabilities.

Management avoids foreign exchange risk by establishing a Policy to manage foreign exchange risk for each currency. Foreign exchange risk occurs when future transactions and recognized assets and liabilities are expressed in a currency other than the functional currency. The Company prohibits speculative foreign exchange transactions and regularly monitors, evaluates, and manages foreign exchange risks.

As of the end of the reporting period, the carrying amounts of monetary assets and liabilities denominated in major foreign currencies other than the functional currency are as follows:

(Unit: KWR, USD, EUR, etc.)

Classification	June 30, 2024			June 30, 2023		
	Currency	Foreign currency	KRW equivalent	Currency	Foreign currency	KRW equivalent
Ordinary deposit	USD	16,050,053.71	22,296,734,613	USD	6,495,166.38	8,374,867,529
	EUR	1,193,805.60	1,775,272,493	EUR	1,229,544.31	1,754,055,617
	Other	14,243,219.80	410,824,791	Other	21,820,726.86	272,978,638
Accounts receivable	USD	64,289,354.68	89,310,771,487	USD	42,970,427.49	55,406,069,192
	EUR	12,649,234.85	18,810,297,666	EUR	3,839,967.64	5,478,059,435
	Other	104,552,903.74	820,468,162	Other	168,552,239.53	489,055,311
Total			133,424,369,212	Total		71,775,085,722

As of the end of the reporting period, if all other variables are constant and the exchange rate of the functional currency for each foreign currency fluctuates by 10%, the impact of exchange rate fluctuations on net profit before income tax is as follows:

(Unit: KRW)

Classification	June 30, 2024		December 31, 2023	
	FX increase	FX decrease	FX increase	FX decrease
Increase (decrease) in profit and loss before tax	13,342,436,921	(13,342,436,921)	7,177,508,572	(7,177,508,572)

The sensitivity analysis above was conducted on monetary assets denominated in a foreign currency other than the Company's functional currency as of the end of the reporting period.

(2) Interest rate risk

The Company's interest rate fluctuation risk mainly arises from deposits and floating interest rate borrowings, and policies have been established and operated to minimize uncertainty and financial costs resulting from interest rate fluctuations.

As of the end of the reporting period, there are no borrowings with variable interest rates exposed to interest rate risk.

5.2 Credit Risk

(1) Risk management

In order to manage credit risk, the Company only conducts transactions with counterparties that maintain at least a specific level of creditworthiness. The Company also has policies and procedures in place to enhance the creditworthiness of its financial assets.

Credit risk refers to the risk that the other party to the contract defaults on its contractual obligations and causes financial loss to the Company. Credit risk arises not only from the credit risk of business partners, but also from cash and cash equivalents and deposits at financial institutions.

In the case of financial institutions, credit risk from financial institutions is limited because the Company deals with partners with excellent credit ratings. In the case of general partners, in order to manage credit risk, the Company deals with partners whose credit rating is above a certain level. The Company establishes and operates policies and procedures to strengthen the credit of financial assets and evaluate the credit of transaction partners.

The level of exposure to credit risk as of the end of the reporting period is as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts receivable	107,679,749,445	60,645,740,634
Short-term other financial assets	16,685,511,140	17,039,023,242
Other financial assets	1,319,695,000	971,695,000
Total	125,684,955,585	78,656,458,876

5.3 Liquidity Risk

The Company maintains the limit on unused borrowings at an appropriate level and constantly monitors liquidity forecasts to ensure that there are no violations of borrowing limits or agreements in order to meet operating capital needs.

The table classifies the Company's financial liabilities by maturity according to the remaining period from the end of the reporting period to the contract maturity date is as follows: The cash flows shown in the table below are without present value discount. Balances due within 12 months are equal to the carrying amount because the effect of discount is not significant.

(Unit: KRW)

June 30, 2024	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Non-derivatives				
Accounts payable	3,805,643,321	-	-	3,805,643,321
Other current financial liabilities	3,604,431,930	-	-	3,604,431,930
Short-term borrowings	152,484,470,071	-	-	152,484,470,071
Lease liabilities	2,003,248,234	671,117,421	42,569,500	2,716,935,155
Total Non-derivatives	161,897,793,556	671,117,421	42,569,500	162,611,480,477
Derivatives				

FX Swap	(3,000,000,000)	-	-	(3,000,000,000)
Inflow	(44,682,000,000)	-	-	(44,682,000,000)
Outflow	41,682,000,000	-	-	41,682,000,000
Total Derivatives	(3,000,000,000)	-	-	(3,000,000,000)

(Unit: KRW)

December 31, 2023	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Accounts payable	501,545,548	-	-	501,545,548
Other current financial liabilities	3,086,688,653	-	-	3,086,688,653
Short-term borrowings	56,050,804,384	-	-	56,050,804,384
Lease liabilities	1,760,315,825	1,081,971,488	58,588,101	2,900,875,414
Total	61,399,354,410	1,081,971,488	58,588,101	62,539,913,999
Accounts payable	501,545,548	-	-	501,545,548

5.4 Capital Risk Management

The Company's capital management objective is to maintain an optimal capital structure to reduce the cost of capital and to continue to provide benefits to shareholders and stakeholders. In order to maintain or adjust the capital structure, the Company adjusts dividends paid to shareholders and is considering issuing new shares and selling assets to reduce debt. The Company manages capital based on the capital financing ratio. The capital financing ratio is calculated by dividing net debt by total capital. Net debt is the amount obtained by deducting cash and cash equivalents from total borrowings, and total capital is the amount obtained by adding net debt to the capital in the statement of financial position.

The Company's gearing ratio as of the end of the current and previous FY is as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Total borrowings	146,703,000,000	55,000,000,000
Deduction: Cash and cash equivalents	(45,804,608,275)	(12,823,953,095)
Net liabilities (a)	100,898,391,725	42,176,046,905
Total stockholders' equity (b)	171,438,851,339	126,098,249,221
Total assets (c=a+b)	272,337,243,064	168,274,296,126
Gearing ratio (a/c) (*)	37.05%	25.06%

(*) In the previous period, the capital financing ratio was not calculated because net debt was a negative amount.

6. Fair Value of Financial Instruments

(1) The book value and fair value of each type of financial product are as follows:

(Unit: KRW)

Classification	June 30, 2024		December 31, 2023	
	Book value	Fair value	Book value	Fair value
Financial Assets				
Cash and cash equivalents	45,804,608,275	45,804,608,275	12,823,953,095	12,823,953,095
Accounts Receivable	107,679,749,445	107,679,749,445	60,645,740,634	60,645,740,634
Short-term other financial assets	16,685,511,140	16,685,511,140	17,039,023,242	17,039,023,242
Other financial assets	1,319,695,000	1,319,695,000	971,695,000	971,695,000
Total	171,489,563,860	171,489,563,860	91,480,411,971	91,480,411,971
Financial liabilities				
Accounts payable	3,805,643,321	3,805,643,321	501,545,548	501,545,548
Short-term other financial liabilities	3,604,431,930	3,604,431,930	3,086,688,653	3,086,688,653
Current lease liabilities	2,003,248,234	2,003,248,234	1,760,315,825	1,760,315,825
Short-term borrowings	146,703,000,000	146,703,000,000	55,000,000,000	55,000,000,000
Derivative liabilities	696,931,767	696,931,767	-	-
Non-current lease liabilities	846,649,380	846,649,380	1,110,141,736	1,110,141,736
Total	157,659,904,632	157,659,904,632	61,458,691,762	61,458,691,762

(2) Fair Value Hierarchy

Financial products measured at fair value are classified according to the fair value hierarchy, and the defined levels are as follows:

- Level 1: Quoted price (unadjusted) in an active market for the same asset or liability at the measurement date
- Level 2: Input variables that can be directly or indirectly observed for assets or liabilities in addition to the quoted prices in Level 1
- Level 3: Unobservable inputs to assets or liabilities

The fair value hierarchy of financial assets and financial liabilities measured at fair value in the statement of financial position at the end of the reporting period for the current period is as follows:

(Unit: KRW)

June 30, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Liabilities	-	-	696,931,767	696,931,767

(3) Value Evaluation and Input Variables

Value evaluation and input variables for the current period is as follows:

June 30, 2024	Fair Value	Level	Evaluation Method	Variable
Derivative Liabilities	696,931,767	3	Discounted cash flow using the Black-Scholes method	Exchange rates, interest rates

7. Financial Instruments by Category

(1) The classification details by financial product category as of the end of the reporting period are as follows:

(Unit: KRW)

Category	June 30, 2024	December 31, 2023
Financial assets measured at amortized cost		
Cash and cash equivalents	45,804,608,275	12,823,953,095
Accounts receivable	107,679,749,445	60,645,740,634
Short-term other financial assets	16,685,511,140	17,039,023,242
Other financial assets	1,319,695,000	971,695,000
Subtotal	171,489,563,860	91,480,411,971
Financial assets measured at fair value through profit or loss		
Total financial assets	171,489,563,860	91,480,411,971
Financial liabilities measured at amortized cost		
Accounts payable	3,805,643,321	501,545,548
Short-term other financial liabilities	3,604,431,930	3,086,688,653
Current lease liabilities	2,003,248,234	1,760,315,825
Short-term borrowings	146,703,000,000	55,000,000,000
Non-current lease liabilities	846,649,380	1,110,141,736
Subtotal	156,962,972,865	61,458,691,762
Financial liabilities measured at fair value through profit or loss		
Derivative financial liabilities	696,931,767	-
Total financial liabilities	157,659,904,632	61,458,691,762

(2) The breakdown of net profit and loss by financial product category for the current and previous FYs is as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Financial assets measured at amortized cost		
Interest income	732,031,677	437,171,469
Foreign exchange gains	4,814,477,041	1,827,557,763
Foreign exchange loss	(1,173,358,579)	(1,108,629,546)
Foreign currency conversion gains	1,922,387,323	46,127,007
Foreign currency conversion loss	(71,135,400)	(38,231,389)
Provision for bad debts	(659,516,410)	(165,094,789)
Subtotal	5,564,885,652	998,900,515
Financial assets measured at fair value through profit or loss		
Foreign exchange gains on futures forward contracts	44,301,874	14,816,237
Foreign exchange losses on futures forward contracts	(134,497,262)	-
Subtotal	(90,195,388)	14,816,237
Financial liabilities measured at amortized cost		
Derivative valuation loss	(696,931,767)	-
Subtotal	(696,931,767)	-
Financial liabilities measured at amortized cost		
Interest expenses	(1,364,230,082)	(238,936,052)
Subtotal	(1,364,230,082)	(238,936,052)
Total	3,413,528,415	774,780,700

8. Accounts Receivable and Other Financial Assets

(1) As of the reporting end date, the book value of trade receivables and loss allowance are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts Receivable	109,493,882,667	61,800,357,446
Deduction: Provision for Loss	(1,814,133,222)	(1,154,616,812)
Total	107,679,749,445	60,645,740,634

(2) The book value and loss allowance of other financial assets as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Short-term financial assets	-	-	15,000,000,000	-
Accounts receivable	8,685,511,140	-	1,894,968,441	-
Accrued revenue	-	-	54,054,801	-
Short-term loans	-	-	90,000,000	-
Short-term trading securities	8,000,000,000	-	-	-
Lease deposits	-	1,276,375,000	-	928,375,000
Other deposits	-	43,320,000	-	43,320,000
Total	16,685,511,140	1,319,695,000	17,039,023,242	971,695,000

(3) Changes in loss allowance for account receivables for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Beginning book value	1,154,616,812	258,808,098
Provision for bad debts (reversal of allowance for bad debts)	659,516,410	165,094,789
Ending book value	1,814,133,222	423,902,887

Provisions and deductions for impaired receivables are included in selling and administrative expenses (Note 27) in the income statement. Receivables from which there is no possibility of additional cash recovery are written off as loss allowance.

(4) The details of the age analysis of trade receivables as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Unimpaired receivables		
Within 1 month	38,100,055,860	15,318,350,749
Within 1~3 months	55,669,951,386	34,549,754,857
Within 3 to 6 months	13,925,766,202	10,752,456,525
Within 6 to 12 months	1,797,738,200	1,179,424,872
Over 1 FY	371,019	370,443
Subtotal	109,493,882,667	61,800,357,446
Impairment receivables	-	-
Total	109,493,882,667	61,800,357,446
Allowance for bad debt on accounts receivable	1,814,133,222	1,154,616,812

(5) The Company's account receivables and other receivables are distributed across multiple customers, so there is no significant concentration of credit risk. The maximum exposure to credit risk as of the end of the reporting period is the book value for each type of bond mentioned in the above item.

9. Inventories

(1) Details of inventory assets as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Goods	66,939,651,568	38,217,249,678
Provision for valuation of goods	(243,081,900)	(386,635,512)
Total	66,696,569,668	37,830,614,166

(2) The valuation loss recognized in relation to inventory assets during the current and previous FYs is as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Inventory valuation loss	(143,553,612)	64,766,328

10. Investment Shares in Subsidiaries and Associates

(1) Details of subsidiary stocks as of the end of the reporting period are as follows:

(Unit: KRW)

Company name	Percentage of Ownership		Book value		Main place of business	Main business activities
	Jun. 30, 2024	Dec. 31, 2023	Jun. 30, 2024	Dec. 31, 2023		
StyleKorean Inc.	100%	100%	40,569,172,380	5,816,672,380	USA	Cosmetics distribution and sales business
STYLEKOREAN VIETNAM CO.,LTD	100%	100%	665,847,500	64,782,500	Vietnam	Cosmetics distribution and sales business
STYLEKOREAN MY SDN. BHD.	100%	100%	482,976,000	482,976,000	Malaysia	Cosmetics distribution and sales business
SKO Sp. z o.o.	100%	100%	517,231,250	517,231,250	Poland	Logistics Agency business
STYLEKOREAN EU B.V.	100%	100%	1,052,126,500	1,052,126,500	Netherlands	Cosmetics distribution and sales business
MOIDA LLC	100%	100%	20,985,000	20,985,000	Russia	Cosmetics distribution and sales business
Total			43,308,338,630	7,954,773,630		

(2) Details of changes in subsidiary stocks during the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning book value	7,954,773,630	6,305,710,380
Acquisition(*)	35,353,565,000	1,649,063,250
Ending book value	43,308,338,630	7,954,773,630

(*) The additional investment of StyleKorean Inc. and STYLEKOREAN VIETNAM CO.,LTD.

(3) Key financial information on subsidiaries as of the end of the reporting period is as follows:

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Assets	Liabilities	Capital	Assets	Liabilities	Capital
StyleKorean Inc.	148,412,892,529	81,194,150,749	67,218,741,780	65,838,911,380	47,078,583,231	18,760,328,14
STYLEKOREAN MY SDN, BHD	13,662,352,031	12,686,961,820	975,390,211	8,315,243,436	8,324,576,719	(9,333,283)
STYLEKOREAN EU B.V.	6,466,874,441	2,760,192,675	3,706,681,766	8,001,811,944	6,412,702,807	1,589,109,137
SKO Sp. z o.o.	23,724,328,222	21,144,130,491	2,580,197,731	1,157,436,302	655,876,688	501,559,614
STYLEKOREAN VIETNAM CO.,LTD	1,019,805,123	585,762,616	434,042,507	21,645,560	1,360,590	20,284,970
MOIDA LLC	234,326,303	223,808,990	10,517,349	13,645,667	-	13,645,667

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	Sales	Net income	Sales	Net income
StyleKorean Inc.	103,266,690,682	11,925,529,259	39,688,845,738	4,976,213,645
STYLEKOREAN MY SDN, BHD	12,512,409,965	955,987,251	4,427,545,269	(136,489,726)
STYLEKOREAN EU B.V.	22,448,554,011	2,011,985,486	198,911,357	7,649,701
SKO Sp. z o.o.	12,016,395,581	2,014,474,703	-	-
STYLEKOREAN VIETNAM CO.,LTD	296,741	(180,166,423)	-	-
MOIDA LLC	18,587,500	(4,354,747)	-	-

(4) The status of important associates as of the end of the reporting period is as follows:

(Unit: KRW)

Company name	Ownership ratio		Book value		Main place of business	Main business activities
	June 30, 2024	Dec. 31, 2023	June 30, 2024	Dec. 31, 2023		
One And Co., Ltd.	24.10%	24.10%	400,000,000	400,000,000	Korea	Cosmetics distribution and sales business
Pyunkang Oriental Medicine Dermatological Research Institute Co., Ltd.(*1)	10.00%	10.00%	300,002,750	300,002,750	Korea	Cosmetics distribution and sales business
Benton Co., Ltd.	25.00%	25.00%	300,005,000	300,005,000	Korea	Cosmetics distribution and sales business
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL(*3)	20.00%	20.00%	147,412,445	147,412,445	Kuwait	Cosmetics distribution and sales business
PT. Style Korean Indonesia	49.00%	49.00%	876,376,221	876,376,221	Indonesia	Cosmetics distribution and sales business
Be The Skin Co., Ltd.	30.00%	30.00%	100,000,952	100,000,952	Korea	Cosmetics distribution and sales business
TOCOBO Ltd.	32.52%	32.52%	1,000,000,000	1,000,000,000	Korea	Cosmetics distribution and sales business
JC&Company Co., Ltd. (*3)	20.00%	20.00%	55,900,988	55,900,988	Korea	Cosmetics distribution and sales business
Plant Base Co., Ltd. (*3)	20.00%	20.00%	57,745,702	57,745,702	Korea	Cosmetics distribution and sales business
Aid Korea Company Co., Ltd.	31.25%	31.25%	1,300,000,000	1,300,000,000	Korea	Cosmetics distribution and sales business
Hanteo Global Co., Ltd. (*2)	14.48%	14.83%	4,148,269,494	4,148,269,494	Korea	Cosmetics distribution and sales business
SILICON2 JAPAN CO.,LTD	50.00%	50.00%	24,297,750	24,297,750	Korea	Cosmetics distribution and sales business
Sukoshi Mart Holdings Inc.	20.33%	11.83%	7,674,960,064	3,954,898,576	Japan	Cosmetics distribution and sales business
Hello Skin Co., Ltd. (*3)	23.80%	25.00%	-	-	Korea	Cosmetics distribution and sales business
ARUMI KOREAN COSMETICS SPA.(*3)	35.00%	35.00%	-	-	Chile	Cosmetics distribution and sales business
Total			16,384,971,366	12,664,909,878		

(*1) Although the shareholding ratio is less than 20% as of the end of the reporting period, the sales dependence of the affiliated company on the parent company is high and important, and an executive of the parent company was appointed as an executive of the affiliated company during the current period and could exercise significant influence.

(*2) Although the shareholding ratio is less than 20% as of the end of the reporting period, the Company is actively participating in the board of directors and decision-making bodies and is involved in essential technical information and important transactions, so it was judged that it can exert significant influence.

(*3) As of the end of the reporting period, the full amount was recognized as impairment due to continuous operating losses or difficulties in securing reliable financial statements, and the application of the equity method was discontinued.

(5) As of the end of the reporting period, the main financial information of important affiliate investment stocks is as follows:

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Assets	Liabilities	Capital	Assets	Liabilities	Capital
One And Co., Ltd.	18,977,767,093	12,871,819,882	6,105,947,211	13,210,279,995	8,239,812,597	4,970,467,398
Pyunkang Oriental Medicine Dermatological Research Institute Co., Ltd	10,845,596,072	2,468,557,322	8,377,038,750	10,362,704,201	1,667,107,279	8,695,596,922
Benton Co., Ltd.	5,637,274,818	4,140,693,462	1,496,581,356	5,123,747,755	3,259,677,280	1,864,070,475
Hello Skin Co., Ltd.	2,157,475,233	1,598,715,359	558,759,874	2,572,285,635	1,316,005,441	1,256,280,194
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	846,915,446	3,722,287	843,193,159	790,945,802	11,259,970	779,685,832
PT. Style Korean Indonesia	15,091,327,050	9,963,865,507	5,127,461,543	9,765,249,044	5,071,460,201	4,693,788,843
Be The Skin Co., Ltd.	2,527,610,983	2,354,227,805	173,383,178	2,834,677,600	2,739,191,944	95,485,656
TOCOBO Ltd.	16,273,461,348	11,333,331,547	4,940,129,801	4,897,582,360	2,799,297,950	2,098,284,410
Plant Base Co., Ltd.	417,254,382	671,425,909	(254,171,527)	463,651,695	741,093,870	(277,442,175)
JC&Company Co., Ltd.	347,370,954	127,679,075	219,691,879	225,139,105	302,811,767	(77,672,662)
Aid Korea Company Co., Ltd.	8,494,446,952	3,710,375,685	4,784,071,267	7,292,105,953	3,542,314,363	3,749,791,590
Hanteo Global Co., Ltd.	7,663,527,959	5,388,885,550	2,274,642,409	7,814,680,532	4,365,637,468	3,449,043,064

(Unit: KRW)

Category	June 30, 2024			December 31, 2023		
	Sales	Net income	Total comprehensive income	Sales	Net income	Total comprehensive income
One And Co., Ltd.	8,499,854,655	1,135,479,813	1,135,479,813	14,221,506,420	2,219,325,040	2,219,325,040
Pyunkang Oriental Medicine Dermatological Research Institute Co., Ltd.	19,171,818,475	(318,558,172)	(318,558,172)	22,927,123,930	2,205,188,351	2,205,188,351
Benton Co., Ltd.	6,624,118,127	(166,249,119)	(166,249,119)	12,638,619,287	922,996,223	922,996,223
Hello Skin Co., Ltd.	4,713,406,473	(697,115,320)	(697,115,320)	5,951,286,816	371,802,225	371,802,225
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	245,705,355	1,549,430	1,549,430	537,194,988	(36,812,736)	(36,812,736)
PT. Style Korean Indonesia	11,442,651,423	382,269,563	368,695,478	18,164,102,324	1,190,418,268	1,186,284,651
Be The Skin Co., Ltd.	3,081,677,108	77,897,522	77,897,522	6,822,777,000	7,422,201	7,422,201
TOCOBO Ltd	14,242,234,698	2,841,845,391	2,841,845,391	11,728,287,458	1,279,491,877	1,279,491,877
Plant Base Co., Ltd.	155,060,134	23,270,648	23,270,648	673,171,586	(139,960,770)	(139,960,770)
JC&Company Co., Ltd.	1,373,626,719	297,364,541	297,364,541	1,222,906,187	14,661,930	14,661,930
Aid Korea Company Co., Ltd.	10,843,501,736	1,034,279,677	1,034,279,677	15,521,675,844	1,236,142,128	1,236,142,128
Hanteo Global Co., Ltd.	10,134,850,420	(1,249,400,655)	(1,249,400,655)	23,697,302,244	(2,231,102,522)	(2,231,102,522)

(6) Changes in related (joint) corporate investment stocks during the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning book value	12,664,909,878	8,983,816,312
Acquisition (*)	3,720,061,488	4,654,898,576
Damage assessment	-	(973,805,010)
Ending book value	16,384,971,366	12,664,909,878

(*) Increased value from capital increase for Sukoshi Mart Holdings (Note 32).

11. Property, Plant, and Equipment

(1) Details of tangible assets as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Cost	Accumulated cost amortization (*)	Book value	Cost	Accumulated cost amortization (*)	Book value
Land	5,822,842,262	-	5,822,842,262	5,822,842,262	-	5,822,842,262
Building	18,074,330,250	(1,266,918,981)	16,807,411,269	18,074,330,250	(1,027,930,751)	17,046,399,499
Vehicles	96,723,850	(86,427,238)	10,296,612	96,723,850	(76,754,853)	19,968,997
Furniture	1,220,819,131	(1,054,402,361)	166,416,770	1,166,930,624	(994,307,717)	172,622,907
Logistics automation equipment	2,786,500,000	(1,962,260,167)	824,239,833	2,786,500,000	(1,683,610,167)	1,102,889,833
Facility equipment	1,109,236,364	(136,155,909)	973,080,455	1,109,236,364	(25,232,273)	1,084,004,091
Assets under construction (*1)	19,648,240,707	-	19,648,240,707	19,296,854,708	-	19,296,854,708
Total	48,758,692,564	(4,506,164,656)	44,252,527,908	48,353,418,058	(3,807,835,761)	44,545,582,297

(*1) The borrowing costs capitalized for tangible assets that are eligible assets during the current term are KRW 179,317,000 (KRW 135,749,000 for the previous FY), and the capitalized borrowing interest rate used to calculate borrowing costs eligible for capitalization is 3.82% (2.97% for electricity).

(2) Details of changes in the book value of tangible assets during the current and previous FYs are as follows:

1) As of June 30, 2024

(Unit: KRW)

Classification	Land	Building	Vehicles	Furniture	Equipment	Logistics Automation equipment	Assets under construction	Total
Book value (Jan 1, 2023)	5,822,842,262	17,046,399,499	19,968,997	172,622,907	1,084,004,091	1,102,889,833	19,296,854,708	44,545,582,297
Acquisition	-	-	-	61,093,053	-	-	351,385,999	412,479,052
Disposal	-	-	-	(5,000)	-	-	-	(5,000)
Depreciation	-	(238,988,230)	(9,672,385)	(67,294,190)	(110,923,636)	(278,650,000)	-	(705,528,441)
Book value (Dec. 31, 2023)	5,822,842,262	16,807,411,269	10,296,612	166,416,770	973,080,455	824,239,833	19,648,240,707	44,252,527,908

2) As of December 31, 2023

(Unit: KRW)

Classification	Land	Building	Vehicles	Furniture	Equipment	Logistics Automation equipment	Assets under construction	Total
Book value (Jan 1, 2023)	3,651,423,728	9,399,222,317	39,313,767	237,981,761	18,460,000	1,660,189,833	18,648,482,940	33,655,074,346
Acquisition	3,429,792,496	12,490,826,455	-	67,859,976	1,087,936,364	-	648,371,768	17,724,787,059
Disposal	(1,258,373,962)	(4,422,413,847)	-	(848,339)	-	-	-	(5,681,636,148)
Depreciation	-	(421,235,426)	(19,344,770)	(132,370,491)	(22,392,273)	(557,300,000)	-	(1,152,642,960)
Book value (Dec. 31, 2023)	5,822,842,262	17,046,399,499	19,968,997	172,622,907	1,084,004,091	1,102,889,833	19,296,854,708	44,545,582,297

(3) Depreciation costs for tangible assets for the current and previous FYs are fully recorded in selling and administrative expenses.

(4) Details of tangible assets provided as collateral by the Company are as follows:

(Unit: KRW)

Assets provided as collateral	Book value	Maximum amount of receivables	Secured creditor
Land, building	22,630,253,531	24,000,000,000	Hana Bank
		14,000,000,000	

(5) Details of the publicly announced land price are as follows:

(Unit: KRW)

Address	Area (m ²)	Official Land Value (KRW/m ²)	June 30, 2024	December 31, 2023
680 Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do 9th Floor, H Square JS Building	500.61	5,718,000	2,862,487,980	2,806,419,660

(6) Insurance subscription details are as follows:

(Unit: KRW)

Category	Insured Assets	Insurance Company	Insured Amount
Fire insurance	Buildings, inventory assets, etc.	KB Insurance	20,411,000,000
Disaster liability insurance	Personal liability (per person)	DB Insurance	150,000,000
	Property (per accident)		1,000,000,000

(7) Borrowing costs

The borrowing costs capitalized for tangible assets, which are eligible assets for the current FY, are KRW 179,317 and the capitalized borrowing interest rate used to calculate the cost of borrowing eligible for capitalization is 3.82%. Meanwhile, the capitalized borrowing costs incurred in the previous FY were KRW 63,949 and the capitalized borrowing interest rate used to calculate the capitalizable borrowing costs was 2.57%.

12. Leases

(1) The amounts of assets and liabilities recognized in the statement of financial position in relation to leases as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Right-of-use asset		
Buildings	4,390,051,426	3,443,089,050
Vehicles	421,461,868	421,461,868
Accumulated depreciation	(1,976,589,245)	(936,380,735)
Total	2,834,924,049	2,928,170,183
Lease Liabilities		
Current	2,003,248,234	1,760,315,825
Non-current	846,649,380	1,110,141,736
Total	2,849,897,614	2,870,457,561

(2) Maturity analysis of lease liabilities as of the end of the reporting period is as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Lease liabilities		
Within 1 year	2,003,248,234	1,760,315,825
More than 1 year but less than 5 years	846,649,380	1,110,141,736
Total	2,849,897,614	2,870,457,561

(3) The Company has entered into an irrevocable lease contract to lease some logistics warehouses, etc., and the major changes in the book value of right-of-use assets during the current and previous FYs are as follows:

<As of June 30, 2024>

(Unit: KRW)

Division	Jan. 1, 2024	Acquisition	Depreciation	June 30, 2024
Buildings	2,688,698,799	946,962,376	(987,525,780)	2,648,135,395
Vehicles	239,471,384		(52,682,730)	186,788,654
Total	2,928,170,183	946,962,376	(1,040,208,510)	2,834,924,049

<As of December 31, 2023>

(Unit: KRW)

Division	Jan. 1, 2023	Acquisition	Disposal	Depreciation	Dec. 31, 2023
Buildings	843,503,920	3,443,089,050	(43,893,018)	(1,554,001,153)	2,688,698,799
Vehicles	293,280,061	47,590,875	-	(101,399,552)	239,471,384
Total	1,136,783,981	3,490,679,925	(43,893,018)	(1,655,400,705)	2,928,170,183

(4) Depreciation costs for right-of-use assets for the current and previous FYs are fully recorded in selling and administrative expenses.

(5) The amounts recognized in the income statement in relation to leases for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Amortization of right-of-use assets	1,040,208,510	757,720,890
Interest expenses related to lease liabilities (included in finance expenses)	95,375,116	33,921,008
Short-term lease expense	-	25,800,000
Lease expense for non-short term small assets	33,464,032	24,677,370
Total	1,169,047,658	842,119,268

(6) Total cash outflow from lease during the current period is KRW 1,060,632,427, and total cash outflow from lease during the previous reporting period is KRW 760,638,640.

13. Intangible Assets

(1) Details of intangible assets as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024			December 31, 2023		
	Cost	Accumulated cost amortization	Book value	Cost	Accumulated cost amortization	Book value
Facility usage rights (*)	1,470,968,780	-	1,470,968,780	638,753,790	-	638,753,790
Software	19,955,000	(3,870,000)	16,085,000	27,695,000	(7,740,000)	19,955,000
Total	1,490,923,780	(3,870,000)	1,487,053,780	666,448,790	(7,740,000)	658,708,790

(*) Since there is no predictable limit to the period during which the facility is expected to be available, the facility use right was evaluated as having an indefinite useful life, and therefore, the facility use right was not amortized.

(2) Changes in the book value of intangible assets during the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning book value (net)	658,708,790	60,092,400
Acquisition	832,214,990	606,356,390
Amortization	(3,870,000)	(7,740,000)
Ending book value (net)	1,487,053,780	658,708,790

(3) For the current and previous FYs, intangible asset amortization expenses are fully recorded in selling and administrative expenses.

14. Other Current Assets

Details of other assets as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Advance payments	786,076,744	918,270,816
Prepaid expenses	59,289,527	113,776,210
Tax for prepaid expenses	121,794,039	-
Total	967,160,310	1,032,047,026

15. Restoration Provisions

The changes in restoration provisions for the current and previous FYs are as follows and are classified as non-current liabilities.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning book value	121,531,482	113,561,653
Increase	2,265,012	7,969,829
Ending book value	123,796,494	121,531,482

16. Contractual Liabilities

Details of changes in contract liabilities for the current and previous FYs are as follows:

(1) As of June 30, 2024

(Unit: KRW)

Classification	Customer Loyalty System	Other	Total
Beginning balance	457,138,328	90,545,512	547,683,840
Incurred	390,072,589	196,631,454	586,704,043
Utilized	(112,297,303)	-	(112,297,303)
Extinguished	(211,016,220)	(90,545,512)	(301,561,732)
Ending balance	523,897,394	196,631,454	720,528,848

(2) As of December 31, 2023

(Unit: KRW)

Classification	Customer Loyalty System	Other	Total
Beginning balance	272,402,203	34,078,017	306,480,220
Incurred	313,125,127	90,545,512	403,670,639
Utilized	(91,690,442)	-	(91,690,442)
Extinguished	(36,698,560)	(34,078,017)	(70,776,577)
Ending balance	457,138,328	90,545,512	547,683,840

17. Borrowings

(1) Details of borrowings as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	Financial Institutions	Maximum Maturity Date	Annual Interest rate (%)	June 30, 2024	Dec. 31, 2023	
			As of June 30, 2024			
Short-term borrowings	Working Capital	Shinhan Bank(*2)	2024-05-24	3.81	-	15,000,000,000
		KEB Hana Bank(*2)	2024-11-27	3.56	20,000,000,000	20,000,000,000
		Woori bank(*1)	2025-03-18	3.80	30,000,000,000	-
		KB Kookmin Bank (*1)	2025-03-20	4.21	10,000,000,000	10,000,000,000
		KEB Hana Bank(*2)	2025-03-22	3.95	20,000,000,000	-
		Shinhan Bank	2025-03-31	4.21	10,000,000,000	10,000,000,000
		KDB Bank	2025-05-17	4.08	15,000,000,000	-
		Citi Bank	2025-06-27	4.08	41,703,000,000	-
Total				146,703,000,000	55,000,000,000	

(*1) Guarantee for the above borrowings is provided by the CEO, etc.

(*2) Tangible assets - Gimpo Hakun 5 General Industrial Complex are provided as collateral for the above loans.

18. Account Payables and Other Short-Term Financial Liabilities

(1) The book value of trade payables as of the end of the reporting period is as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts payable	3,805,643,321	501,545,548

(2) The book value of short-term other financial liabilities as of the end of the reporting period is as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Accounts payable	575,213,337	745,525,128
Unpaid expenses	3,029,218,593	2,341,163,525
Total	3,604,431,930	3,086,688,653

19. Other Current Liabilities

Details of other liabilities as of the end of the reporting period are as follows.

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Advance payments	7,846,959,887	3,632,093,522
Withholdings	89,618,704	71,721,800
Total	7,936,578,591	3,703,815,322

20. Issued Capital and Capital Surplus

(1) Matters related to the Company's capital as of the end of the reporting period are as follows:

(Unit: Share, KRW)

Classification	June 30, 2024	December 31, 2023
Par value per share	500	500
Number of issued shares	60,873,234	60,389,234
Number of treasury shares	-	-
Issued Capital(*)	30,537,340,000	30,295,340,000

(*) During the previous year, the Company canceled 201,446 shares of common stock purchased pursuant to a resolution of the Board of Directors. As a result, there is a difference of KRW 100,723,000 between the total par value of issued stocks and the capital in the statement of financial position.

(2) Details of changes in capital and stock issuance premium are as follows:

(Unit: Share, KRW)

Classification	Date	Number of shares	Capital	Issuance over par value
January 01, 2023				
Beginning balance	Jan. 1, 2023	60,177,234	30,189,340,000	29,625,573,816
Exercise of Stock Purchase rights	Apr. 21, 2023	153,850	76,925,000	421,271,814
Exercise of Stock Purchase rights	Dec. 6, 2023	58,150	29,075,000	129,499,203
December 31, 2023	Dec. 31, 2023	60,389,234	30,295,340,000	30,176,344,833
January 01, 2024				
Beginning balance	Jan. 1, 2024	60,389,234	30,295,340,000	30,176,344,833
Exercise of Stock Purchase rights	June 10, 2024	484,000	242,000,000	626,762,422
June 30, 2024	June 30, 2024	60,873,234	30,537,340,000	30,803,107,255

(3) Details of capital surplus as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Share Premium	30,803,107,255	30,176,344,833

(4) Details of changes in capital surplus for the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Beginning balance	30,176,344,833	29,625,573,816
Exercise of stock options	626,762,422	550,771,017
Ending balance	30,803,107,255	30,176,344,833

(5) Details of other capital items as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Stock options	319,588,599	837,480,621

21. Accumulated Other Comprehensive Income

Details of the accumulated other comprehensive income as of the end of the reporting period are as follows:

1) As of June 30, 2024

(Unit: KRW)

Classification	Before income tax	Income tax	After income tax
Real estate revaluation surplus	2,611,020,304	(574,424,467)	2,036,595,837

2) As of December 31, 2023

(Unit: KRW)

Classification	Before income tax	Income tax	After income tax
Real estate revaluation surplus	2,611,020,304	(574,424,467)	2,036,595,837

22. Retained Earnings

(1) Details of the Company's retained earnings as of the end of the reporting period are as follows:

(Unit: KRW)

Classification	June 30, 2024	December 31, 2023
Unappropriated retained earnings	107,742,219,648	62,752,487,930

23. Share-based Compensation

(1) The Company granted stock options to executives and employees pursuant to a resolution at the general shareholders' meeting, the main details of which are as follows:

Classification	1st grant	2nd grant	3th grant	4 th grant
Grant date	Nov.12, 2016	Dec. 14, 2017	Apr. 22, 2019	Mar. 31, 2021
Payment method	Stock grant type (registered common stock)			
Initial grant quantity	504,000	148,000	400,000	32,000
Exercise price (unit: KRW)	882 won per share	882 won per share	729 won per share	1,980 won per share
Exercise period	2018.11.12 – 2023.11.12	2019.12.14 – 2024.12.13	2022.04.22 – 2025.04.21	2023.03.31 – 2027.03.30
Ending balance (unit: shares)	-	-	298,674	-
Exercisable shares (unit: shares)	-	-	298,674	-

(*) As the 5:1 bonus issue was implemented on July 15, 2022, the exercise price and grant quantity for the 3rd and 4th grants were changed, and there is no change history for the 1st, 2nd and 4th grants as the exercise was completed.

(2) The details of changes in the stock option grants in the previous FY and current FY are as follows. The first, second and fourth grants were all exercised before the previous FY, so there are no changes. The 4th grant was completed in the current fiscal year.

(Unit: Share/KRW)

Classification	3rd grant		4th grant	
	Shares	Price	Shares	Price
Previous FY				
Beginning balance (Jan. 1, 2023)	802,674	729	192,000	1,980
Exercised	(20,000)	-	(192,000)	1,980
Granted	-	-	-	-
Expired	-	-	-	-
Ending balance (Dec. 31, 2023)	782,674	729	-	-
Current FY				
Beginning balance (Jan. 1, 2024)	782,674	729	-	-
Exercised	(484,000)	729	-	-
Granted	-	-	-	-
Expired	-	-	-	-
Ending balance (June 30, 2024)	298,674	729	-	-

(3) The Company calculated the compensation cost of the granted stock options by applying the fair value approach using the binomial model, and the various assumptions and variables for calculating the compensation cost are as follows:

Classification	1st grant	2nd grant	3th grant	4 th grant
Fair value of stock options (unit: KRW)	278,789	278,196	513,612	7,549
Valuation of shares at grand date (Unit: KRW)	341,566	341,566	769,534	16,250
Stock price volatility	40.05%	38.90%	45.54%	37.46%
Dividend yield	0.00%	0.00%	0.00%	0.00%
Expected rights exercise period	5 years	5 years	3 years	3 years
Vesting terms and conditions	Terms of service: 2 years			
Risk-free rate of return	1.68%	2.27%	1.82%	1.60%

(4) Stock options recognized as capital (other capital items) as of the end of the reporting period are as follows:

1) As of June 30, 2024

Classification	3th grant
Beginning balance	837,480,621
Exercised	(517,892,022)
Ending balance	319,588,599

2) As of December 31, 2023

(Unit: KRW)

Classification	3th grant	4th grant	Total
Beginning balance	858,881,118	211,501,247	1,070,382,365
Stock compensation expense	-	30,072,833	30,072,833
Exercised	(21,400,497)	(241,574,080)	(262,974,577)
Ending balance	837,480,621	-	837,480,621

24. Income Tax Expense

Income tax expense was recognized on a basis of an estimate of the best weighted average income tax rate expected for the entire fiscal year.

25. Sales

Sales composition for the current and previous years is as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Sale of goods	189,731,852,718	310,493,766,203	80,131,079,968	132,036,886,923
Provision of services	132,805,207	302,344,357	113,787,076	172,220,016
Rent income	-	-	40,453,333	63,640,000
Total	189,864,657,925	310,796,110,560	80,285,320,377	132,272,746,939

26. Cost Classification by Category

Cost classification by nature for the current and previous FYs is as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Change in inventory assets	(1,701,066,063)	(30,536,109,724)	(12,490,902,059)	(25,391,347,897)
Cost of goods sold	147,838,532,456	268,395,653,022	74,405,737,163	126,721,034,230
Employee wages	3,722,064,640	6,672,138,620	2,157,412,956	4,274,198,791
Depreciation and amortization expenses	887,620,685	1,749,606,951	706,116,798	1,273,084,105
Advertising and sales promotion expenses	1,178,668,896	2,335,020,487	1,488,164,127	2,575,753,756
Commission expenses	1,872,202,100	3,358,577,050	1,260,974,125	2,394,646,802
Transportation costs	3,029,769,345	5,227,251,850	2,122,564,185	3,816,220,082
Other expenses	1,697,881,149	2,911,363,353	1,199,290,750	1,983,829,744
Total operating expense (*)	158,525,673,208	260,113,501,609	70,849,358,045	117,647,419,613

(*) = The sum of cost of sales, selling expenses, and administrative expenses in the Comprehensive Income Statement

27. Selling General & Administrative Expenses

Details of selling, general and administrative expenses for the current and previous years are as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries	3,518,957,596	6,263,346,126	1,999,872,928	3,968,211,096
Retirement benefits	203,107,044	408,792,494	157,540,028	305,987,695
Employee benefits	207,445,935	376,071,585	118,135,575	222,885,879
Transportation costs	3,029,769,345	5,227,251,850	2,122,564,185	3,816,220,082
Rent	18,599,439	33,464,032	283,685	25,378,370
Fees	1,872,202,100	3,358,577,050	1,260,974,125	2,394,646,802
Depreciation (*)	885,685,685	1,745,736,951	704,181,798	1,269,214,105
Intangible asset amortization cost	1,935,000	3,870,000	1,935,000	3,870,000
Taxes and utilities	193,739,150	298,943,240	351,662,381	428,485,219
Advertising expenses	813,523,191	1,659,711,656	1,211,971,499	2,134,698,878
Provision for bad debts (reversal of allowance for bad debts)	418,230,441	659,516,410	86,369,371	165,094,789
Stock compensation cost	-	-	-	30,072,833
Others	1,225,011,889	2,218,676,917	919,032,366	1,552,967,532
Total	12,388,206,815	22,253,958,311	8,934,522,941	16,317,733,280

(*) Includes amortization of right-of-use assets.

28. Financial Income and Financial Expenses

Details of financial income and expenses for the current and previous years are as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Financial income				
Interest income	496,973,865	732,031,677	170,338,423	437,171,469
Dividend income	-	50,310,000	-	-
Foreign exchange profit	2,655,405,078	4,814,477,041	1,078,353,311	1,827,557,763
Foreign currency conversion profit	544,077,976	1,922,387,323	(324,490,111)	46,127,007
Foreign exchange profit from futures forward contracts	-	44,301,874	-	23,674,447
Total	3,696,456,919	7,563,507,915	924,201,623	2,334,530,686
Financial expenses				
Amortized interest costs of financial liability	864,245,158	1,268,854,966	114,716,548	205,015,044
Interest expense (*)	45,656,094	95,375,116	22,385,973	33,921,008
Foreign exchange loss	720,802,952	1,173,358,579	579,325,230	1,108,629,546
Foreign currency conversion loss	45,319,479	71,135,400	21,004,090	38,231,389

Foreign exchange losses on futures forward contracts	134,497,262	134,497,262	8,858,210	8,858,210
Current profit or loss - fair value financial asset valuation gain or loss	696,931,767	696,931,767	-	-
Total	2,507,452,712	3,440,153,090	746,290,051	1,394,655,197

(*) The capitalized interest rate used to calculate the amount of borrowing costs to be capitalized is 3.82%, which is the weighted average interest rate applied to the Company's general borrowings during the current reporting period.

29. Other Non-operating Profits and Loss

Details of other non-operating profits and loss of the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Other non-operating revenue				
Government subsidies	-	-	-	-
Others	34,543,416	46,750,481	9,825,643	20,450,439
Subtotal	34,543,416	46,750,481	9,825,643	20,450,439
Other non-operating expenses				
Loss on disposal of tangible assets	-	5,000	180,787,809	181,326,329
Others	1,117,890	1,373,136	541,622	655,042
Subtotal	1,117,890	1,378,136	181,329,431	181,981,371
Total	33,425,526	45,372,345	(171,503,788)	(161,530,932)

30. Cash Flow Statement

(1) The adjusted details of revenue and expenses for the current and previous years are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Interest income	(732,031,677)	(437,171,469)
Interest cost	1,364,230,082	238,936,052
Dividend income	(50,310,000)	-
Income tax expense	9,861,604,403	2,966,871,610
Bad debt expense	659,516,410	165,094,789
Depreciation (*)	1,745,736,951	1,269,214,105
Amortization of intangibles	3,870,000	3,870,000
Foreign currency conversion gain or loss	(1,813,958,799)	(7,895,618)
Current profit or loss - profit or loss on disposal of fair value financial assets	90,195,388	(14,816,237)
Current profit or loss - fair value financial asset valuation gain or loss	696,931,767	-
Profit and loss on disposal of tangible and intangible assets	5,000	181,326,329

Inventory disposal and valuation loss	(143,553,612)	64,766,328
Stock-based compensation expenses	-	30,072,833
Total	11,682,235,913	4,460,268,722

(*)Amortization of right-of-use assets is included.

(2) The changes in expenses and assets/liabilities from operating activities for the current and previous FYs are as follows:

(Unit: KRW)

구분	June 30, 2024	June 30, 2023
Decrease (increase) in accounts receivable	(45,874,970,314)	(19,640,058,296)
Decrease (increase) in other receivables	(6,736,487,898)	(3,872,781,503)
Decrease (increase) in inventories	(28,722,401,890)	(24,377,320,230)
Decrease (increase) in other assets	64,886,716	(230,374,366)
Increase (decrease) of accounts payable	3,304,097,773	5,197,843,803
Increase (decrease) of other financial liabilities	(170,311,791)	218,120,396
Increase (decrease) of contract liabilities	172,845,008	182,716,574
Increase (decrease) of other liabilities	4,232,763,269	1,217,188,515
Payment of retirement benefits	(127,311,009)	(21,253,619)
Total	(73,856,890,136)	(41,325,918,726)

(3) Important matters among transactions with no cash inflow/outflow during the current and previous FYs are as follows:

(Unit: KRW)

Classification	June 30, 2024	June 30, 2023
Increase in right-of-use assets due to recognition of lease liabilities, etc.	946,962,376	1,011,232,155
Liquidity classification of lease liabilities	364,532,275	513,136,102
Exercise of stock options	517,892,022	193,573,814
Profit cancellation of treasury shares	-	-

(4) The adjusted details of liabilities from financial activities for the current and previous FYs are as follows:

(Unit: KRW)

Classification	Lease liabilities(*1)	Short-term borrowings
Beginning of previous FY	1,112,961,209	20,000,000,000
Cash flow	(1,683,722,860)	35,000,000,000
Other non-financial changes (*2)	3,441,219,212	-
Net liabilities at end of previous FY	2,870,457,561	55,000,000,000
Current Year's ending	2,870,457,561	55,000,000,000
Cash flow	(1,060,632,427)	50,000,000,000
Other non-financial changes (*2)	1,040,072,480	41,703,000,000
Net liabilities at end of current FY	2,849,897,614	146,703,000,000

(*1) is the sum of current and non-current lease liabilities.

(*2) includes lease liability's recognized interest expenses among others.

31. Contingent Liabilities and Agreements

(1) The status quo of agreements with financial institutions as of the closing of the current FY is as follows:

(Unit of KRW: 1KRW, Unit of foreign currency: USD)

Financial Institution	Category	Currency	Contract Limit	Executed Amount
Kookmin Bank	Over-the-counter derivatives trading (forwards)	KRW	2,354,000,000	-
Hana Bank	Trade Finance	KRW	1,000,000,000	-
KDB Bank	Operating Fund	KRW	500,000,000	-
Shinhan Bank	Trade Finance	KRW	5,000,000,000	-
Total Amount (in KRW)		KRW	8,854,000,000	-

(2) Details of collateral provision as of the end of the current FY are as follows:

(Unit: KRW)

Classification	Book value	Maximum receivables	Secured creditor
Land & buildings	22,869,241,761	24,000,000,000	Hana Bank
		14,000,000,000	

(3) Details of payment guarantee subscriptions for other parties are as follows:

(Unit: KRW)

Beneficiary	Guarantees	Guaranteed	Period	Description
Korea Electric Power Corporation	7,200,000	Seoul Guarantee Insurance	2025-06-19	Electricity supply contract
Eximbay Co., Ltd.	60,000,000	Seoul Guarantee Insurance	2024-09-06	Electronic payment Agency service contract
KG Inicis Co., Ltd.	300,000,000	Seoul Guarantee Insurance	2024-10-28	KG Inicis INIPAY Service Use Agreement
Korea SMEs and Startups Agency	306,227,590	Seoul Guarantee Insurance	2025-03-01	Business agreement on the implementation of the 「2024 Online Export Joint Logistics」 project
Korea SMEs and Startups Agency	285,703,030	Seoul Guarantee Insurance	2025-03-01	「2024 Media Content Marketing Project」 Business Agreement
Kakao Pay Co., Ltd.	10,000,000	Seoul Guarantee Insurance	2025-05-01	Kakao Pay Service Agreement
Total	969,130,620			

32. Related Party Transactions

(1) Subsidiaries, affiliates, and other related parties with whom the Company has sales or other transaction activities, or remaining balance of receivables or liabilities as of the ending date of the reporting period are as follows:

Classification	June 30, 2024	December 31, 2023	Note
Subsidiaries	StyleKorean Inc.	StyleKorean Inc.	
	- (*1)	SILICON 2 TW CO.,LTD	Impaired
	STYLEKOREAN VIETNAM CO.,LTD	STYLEKOREAN VIETNAM CO.,LTD	
	STYLEKOREAN MY SDN. BHD.	STYLEKOREAN MY SDN. BHD.	
	SKO Sp. z o.o.	SKO Sp. z o.o.	
	STYLEKOREAN EU B.V.	STYLEKOREAN EU B.V.	
	MOIDA LLC	MOIDA LLC	
Associates & Joint Venture	SILICON2 JAPAN CO.,LTD	SILICON2 JAPAN CO.,LTD	
	PT. Style Korean Indonesia	PT. Style Korean Indonesia	
	ONEAND Co., Ltd.	ONEAND Co., Ltd.	
	Pyunkang Korean Medicine Skin Co., Ltd.	Pyunkang Korean Medicine Skin Co., Ltd.	
	Benton Co., Ltd.	Benton Co., Ltd.	
	HELLO SKIN Co., Ltd.	HELLO SKIN Co., Ltd.	Impaired
	ARUMI KOREAN COSMETICS SPA.	ARUMI KOREAN COSMETICS SPA.	Impaired

	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	
	BE THE SKIN Co., Ltd.	BE THE SKIN Co., Ltd.	
	TOCOBO Ltd.	TOCOBO Ltd.	
	JC&Company Co., Ltd.	JC&Company Co., Ltd.	
	Plantbase Co., Ltd.	Plantbase Co., Ltd.	
	AIDKOREA COMPANY Co., Ltd.	AIDKOREA COMPANY Co., Ltd.	
	Hanteo Global Co., Ltd.	Hanteo Global Co., Ltd.	
	Sukoshi Mart Holdings Inc.	Sukoshi Mart Holdings Inc.	
Key Board Members	Kim, Seong Un	Kim, Seong Un	
	Son, Robert Inho	Son, Robert Inho	
	Choi, Jin-Ho	Choi, Jin-Ho	

(*1) Liquidation was completed during this reporting period.

(2) Sales, Purchases, or Other Transactions with Related Parties

1) As of June 30, 2024

(Unit: KRW)

Classification	Company Name	Sales (*1)	Purchases (*2)	Selling and Administrative Expenses	Dividend income
Subsidiaries	StyleKorean Inc.	83,399,019,207	-	1,229,483	-
	STYLEKOREAN VIETNAM CO.,LTD	510,540,128	-	-	-
	STYLEKOREAN MY SDN. BHD.	10,104,050,694	-	11,661,012	-
	SKO Sp. z o.o.	17,877,775,318	-	-	-
	STYLEKOREAN EU B.V.	10,452,197,182	-	-	-
	MOIDA LLC	-	-	11,880,000	-
Associates	PT. Style Korean Indonesia	10,084,937,169	-	-	-
	ONEAND Co., Ltd.	-	7,537,249,545	-	-
	Pyunkang Korean Medicine Skin Co., Ltd.	-	8,254,589,788	-	-
	Benton Co., Ltd.	-	1,764,012,565	-	50,310,000
	HELLO SKIN Co., Ltd.	-	3,384,774,300	-	-
	ARUMI KOREAN COSMETICS SPA.	14,900,474	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	71,430,033	-	-	-
	BE THE SKIN Co., Ltd.	-	154,055,921	814,559	-
	TOCOBO Co., Ltd.	-	12,088,041,060	100,000	-
	JC&Company Co., Ltd.	10,337,638	380,621,300	-	-
	Plantbase Co., Ltd.	-	2,672,727	-	-
	AIDKOREA COMPANY Co., Ltd.	-	4,256,157,960	-	-
	Hanteo Global Co., Ltd.	1,760,000	421,959,418	-	-
Sukoshi Mart Holdings Inc.	-	-	-	-	
Total	132,526,947,843	38,244,134,584	25,685,054	50,310,000	

(*1) Sales include provision of goods and services. Goods and services are traded on terms and conditions that would have been applied in transactions with any other third party.

(*2) The purchase amount includes goods and services, which were purchased from associates and joint ventures under normal trade terms and conditions.

2) As of June 30, 2023

(Unit: KRW)

Classification	Company Name	Sales (*1)	Purchases (*2)	Interest income	Selling and Administrative Expenses	Dividend income
Subsidiaries	StyleKorean Inc.	34,929,734,812	-	-	512,990	-
	STYLEKOREAN VIETNAM CO.,LTD	-	-	189,535	-	285,350
	STYLEKOREAN MY SDN. BHD.	4,224,750,608	-	-	-	-
	STYLEKOREAN EU B.V.	1,200,829,040	-	-	-	-
Associates	PT. Style Korean Indonesia	5,578,380,171	-	-	34,403	-
	ONEAND Co., Ltd.	-	4,867,671,432	-	9,620,454	-
	Pyunkang Korean Medicine Skin Co., Ltd.	271,909	5,706,558,888	-	-	-
	Benton Co., Ltd.	1,440,298	2,114,672,752	-	300,000	-
	HELLO SKIN Co., Ltd.	-	2,443,973,950	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	34,041,296	-	-	-	-
	BE THE SKIN Co., Ltd.	-	154,736,369	-	-	-
	TOCOBO Co., Ltd.	-	3,602,765,900	-	1,946,900	-
	JC&Company Co., Ltd.	2,000,000	180,638,560	-	-	-
	Plantbase Co., Ltd.	-	63,005,270	-	-	-
	AIDKOREA COMPANY Co., Ltd.	-	2,440,563,831	-	-	-
	Hanteo Global Co., Ltd.	78,949,459	1,439,610,511	-	-	-
Total		46,050,397,593	23,014,197,463	189,535	12,414,747	285,350

(*1) Sales include provision of goods and services. Goods and services are traded on terms and conditions that would have been applied in transactions with any other third party.

(*2) The purchase amount includes goods and services, which were purchased from associates and joint ventures under normal trade terms and conditions.

(3) Balance of major loans and borrowings to related parties

1) As of June 30, 2024

(Unit: KRW)

Classification	Company Name	Receivables		Liabilities	
		Accounts	Other receivables	Trade payables	Other liabilities
Subsidiaries	StyleKorean Inc.	63,682,822,799	-	-	-
	STYLEKOREAN VIETNAM CO.,LTD	514,727,009	-	-	-
	SILICON 2 TW CO.,LTD	-	238,980	-	-
	STYLEKOREAN MY SDN. BHD.	12,849,684,948	-	-	-
	SKO Sp. z o.o.	17,967,260,819	-	-	-
	STYLEKOREAN EU B.V.	33,580,181	-	-	-
	MOIDA LLC	-	8,468,740	-	-
Associates	PT. Style Korean Indonesia	9,782,383,471	-	-	-
	ONEAND Co., Ltd.	-	-	-	-
	Pyunkang Korean Medicine Skin Co., Ltd.	-	-	300,140,424	-
	Benton Co., Ltd.	-	50,670,200	-	-
	HELLO SKIN Co., Ltd.	-	-	144,884,960	-
	ARUMI KOREAN COSMETICS SPA.	-	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	-	-	-	2,249
	TOCOBO Co., Ltd.	-	-	1,697,675,540	-
	JC&Company Co., Ltd.	-	-	7,336,230	-
	AIDKOREA COMPANY Co., Ltd.	-	-	410,598,586	-
	Hanteo Global Co., Ltd.	-	-	122,364	-
	Sukoshi Mart Holdings Inc.	-	-	-	-
Total	104,830,459,227	59,377,920	2,560,758,104	2,249	

2) As of June 30, 2023

(Unit: KRW)

Classification	Company Name	Receivables		Liabilities	
		Accounts	Other receivables	Trade payables	Other liabilities
Subsidiaries	StyleKorean Inc.	40,822,361,785	-	-	61,249,049
	SILICON 2 TW CO.,LTD	-	238,980	-	-
	STYLEKOREAN MY SDN. BHD.	9,011,195,598	-	-	-
	SKO Sp. z o.o.	2,609,483	-	-	-
	STYLEKOREAN EU B.V.	5,477,466,188	-	-	-
	MOIDA LLC	-	8,468,740	-	-
Associates	PT. Style Korean Indonesia	4,858,623,701	-	-	-
	Pyunkang Korean Medicine Skin Co., Ltd.	-	-	1	-
	HELLO SKIN Co., Ltd.	-	100,595,000	-	-
	ARUMI KOREAN COSMETICS SPA.	2,136,535	-	-	-

	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	-	-	-	565
	JC&Company Co., Ltd.	-	-	-	820,000
	AIDKOREA COMPANY Co., Ltd.	-	-	430,939,489	-
	Hanteo Global Co., Ltd.	-	-	-	45,376,531
	Total	60,174,393,290	109,302,720	430,939,490	107,446,145

(4) Financial transactions with related parties

1) As of June 30, 2024

(Unit: KRW)

Classification	Company Name	Capital Transactions	
		Cash contribution, etc.	
Subsidiaries	StyleKorean Inc.(*1)	34,752,500,000	
	STYLEKOREAN VIETNAM CO.,LTD	601,065,000	
Associates	Sukoshi Mart Holdings Inc.	3,720,061,488	
Total		39,073,626,488	

(*1) On June 26, 2024, the Board of Directors of the Company resolved to provide a loan of USD 30,000,000 for the purchase of a logistics warehouse by its subsidiary, Stylekorean Inc. This loan to Stylekorean Inc. was executed on July 18, 2024.

2) As of December 31, 2023

(Unit: KRW)

Classification	Company Name	Loans	Capital Transactions
		Collected	Cash contribution, etc.
Subsidiaries	STYLEKOREAN VIETNAM CO., LTD	9,518,452	58,720,500
	SKO Sp. z o.o.	-	517,231,250
	STYLEKOREAN EU B.V.	-	1,052,126,500
	MOIDA LLC	-	20,985,000
Associates	TOCOBO Co., Ltd.	-	700,000,000
	Sukoshi Mart Holdings Inc.	-	3,954,898,576
Total		9,518,452	6,303,961,826

(5) Compensation for key board members

Key board members consist of directors (both registered and non-registered), members of Board of Directors, financial manager, and internal audit manager. The amount of compensation paid or to be paid to key board members in exchange for their services as employees is as follows:

(Unit: KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries and other short-term employee benefits	299,999,996	532,499,992	175,000,002	355,833,338

33. Earnings Per Share

(1) Earnings per common share

Basic EPS was calculated by dividing the Company's net earnings per common share by the weighted average of common shares outstanding for the current reporting period.

(Unit: Shares/KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net Income	26,707,267,389	44,989,731,718	7,684,761,936	12,436,800,273
Net profit attributable to common shares	26,707,267,389	44,989,731,718	7,684,761,936	12,436,800,273
Weighted average of common shares outstanding (*)	60,442,421	60,442,421	60,237,585	60,237,585
Basic EPS	442	744	128	206

(*) Weighted average number of common shares in circulation for current period

Duration	Changes	Days	No. of common shares	Value
2024.01.01 - 2024.06.09	Beginning balance	162	60,389,234	9,783,055,908
2024.06.10 - 2024.06.30	Exercise of stock options	20	60,873,234	1,217,464,680
Total		182		11,000,520,588
Weighted average number of common shares(value / 182)				60,442,421

(*) Weighted average number of common shares in circulation for previous period

Duration	Changes	Days	No. of common shares	Value
2024.01.01 - 2024.06.09	Beginning balance	110	61,177,235	6,619,495,850
2024.06.10 - 2024.06.30	Exercise of stock options	71	60,331,084	4,283,506,964
Total		181		10,903,002,814
Weighted average number of common shares(value / 181)				60,237,585

(2) Diluted earnings per share

The calculated details of diluted EPS for the current and previous FYs are as follows:

(Unit: Shares/KRW)

Classification	June 30, 2024		June 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net Income	26,707,267,389	44,989,731,718	7,684,761,936	12,436,800,273
Diluted profit on common shares	26,707,267,389	44,989,731,718	7,684,761,936	12,413,042,735
Weighted average of common shares outstanding to calculate diluted EPS	60,725,114	60,725,114	60,880,291	60,880,291

Weighted average of common shares outstanding	60,442,421	60,442,421	60,237,585	60,237,585
Dilutive potential common shares (*)	282,693	282,693	642,706	642,706
Diluted EPS	442	741	126	204

(*) Dilutive potential common shares refer to stock options.

34. Events occurring after reporting period

(1) Loan for Stylekorean Inc.

On June 26, 2024, the Board of Directors of the connecting entity resolved to provide a loan of USD 30,000,000 for the purchase of a logistics warehouse by its subsidiary, Stylekorean Inc. This loan to Stylekorean Inc. was executed on July 18, 2024.

(2) Equity investment concerning establishment of new subsidiary

1. On June 4, 2024, the Board of Directors of the connecting entity resolved to establish a subsidiary, STYLEKOREAN UK LTD., and an investment of GBP 100,000 was paid on July 29, 2024.
2. On June 24, 2024, the Board of Directors of the connecting entity resolved to establish a subsidiary, STYLEKOREAN SG PTE. LTD., and an investment of SGD 100,000 was paid on July 26, 2024

6. Dividends

A. Dividend Policy

Matters regarding dividends according to the Company's Terms and Conditions are as follows:

Article 52 (Disposal of Profits)

The Company disposes its retained earned surplus for each business year as follows:

1. Earned surplus reserves
2. Other statutory reserves

Article 53 (Dividends from Profit)

1. Dividends from profit may be provided in money or shares.
2. In the case of stock dividends, different types of stock shares may be provided if the Company has issued several types of stocks.
3. In order to payout dividends under Paragraph 1, the Company shall set a record date in accordance with the Board of Directors' resolution to finalize the list of shareholders whom to receive dividends, and the schedule shall be announced two weeks before the record date.
4. Dividends from profit shall be determined by resolution at the general shareholders' meeting. However, dividends may be determined by a resolution of the Board of Directors if the financial statements are approved by the Board of Directors pursuant to Article 50, Paragraph 6.

Article 57 (Interim Dividend)

1. The Company may, by the Board of Directors' resolution, pay interim dividends to their shareholders on a certain date not more than once each business year, pursuant to Article 462-3 of the Commercial Act of Korea. Interim dividends shall be in a form of cash payout.
2. The resolution of the Board of Directors under Paragraph 1 must be made within 45 days after the interim dividend payment date.
3. Interim dividends are limited to the amount deducting the followings from the net assets on the balance sheet of the immediately preceding fiscal year:
 - (1) Amount of capital in the immediately preceding fiscal year
 - (2) Total amount of capital surplus reserve and earned surplus reserve combined as of the immediately preceding fiscal year

- (3) Amount determined to be paid out as dividends at the regular general meeting of shareholders of the immediately preceding fiscal year
- (4) Voluntary reserves until the immediately preceding fiscal year, which was accumulated for a specific purpose in accordance with the provisions of the Articles of Incorporation or a resolution of general meeting of shareholders
- (5) Total amount of earned surplus reserve to be accumulated in the current settlement period for interim dividends
4. In the case where new stocks were issued after the start of the fiscal year but before the interim dividend record date, - including cases due to capital transfer of reserves, stock dividends, requested conversion of convertible bonds, and exercise of new stock warrants for bonds - the new shares shall be deemed to have been issued at the end of the immediately preceding fiscal year with respect to interim dividends.

Article 55 (Statute of Limitations for Dividend Claims)

1. The right to claim dividends shall be extinguished if not exercised within 5 years.
2. Upon the expiration of the statute of limitations as stated in Paragraph 1, the dividends shall be forfeited to the Company.
3. No interest shall be paid on dividends.

B. Key Dividend Indicators

Classification	Type of Shares	June 30, 2024	December 31, 2023	December 31, 2022
		23rd 2Q	22nd	21st
Par value per share (KRW)		500	500	500
(Consolidated) Net Profit (unit: mn KRW)		58,885	38,013	11,156
(Separate) Net Profit (unit: mn KRW)		44,990	33,287	10,062
(Consolidated) EPS (KRW)		974	631	186
Total cash dividends (1mn KRW)		-	-	-
Total stock dividends (1mn KRW)		-	-	-
(Consolidated) Cash dividend payout ratio (%)		-	-	-
Cash dividend yield (%)	-	-	-	-
	-	-	-	-
Stock dividend yield (%)	-	-	-	-
	-	-	-	-
Cash dividend per share (KRW)	-	-	-	-
	-	-	-	-
Stock dividend per share (shares)	-	-	-	-
	-	-	-	-

C. Dividend History

Not applicable as of the date of submission.

7. Matters related to Financing through the Issuance of Securities

7-1. Status of Financing through Issuance of Securities

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

A. Status of capital increase (reduction)

(As of June 30, 2024) (Unit: KRW, Shares)

Stock issuance (reduction) date	Issuance (reduction) type	Details of stock issuance (reduction)				
		Type	Number of Shares	Par value per share	Issued (or reduced) price per share	Note
June 25, 2024	Exercise of stock option	Common shares	484,000	500	729	-

B. Issuance Status of Outstanding CBs

Not applicable as of the date of submission.

C. Issuance Status of outstanding bonds with warrants, etc.

Not applicable as of the date of submission.

D. Issuance status of unredeemed CoCos, etc.

Not applicable as of the date of report submission.

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

Issuance Status of Debt Securities

(As of June 30, 2024)

(Unit: KRW, %)

Issuer	Type	Method	Issued Date	Total Face Value (e-registered)	Interest rate	Rating (Rating Agency)	Exp. date	Repayment [Y/N]	Underwriter
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-

Outstanding Balance of Commercial Papers

(As of June 30, 2024)

(Unit: KRW, %)

Days until Expiration		10- days	10+ days 30- days	30+ days 90- days	90+ days 180- days	180+ days 1- yr.	1+ yr. 2- yrs.	2+ yrs. 3- yrs.	3+ yrs.	Total
Outstanding Balance	Public	-	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-

Outstanding Balance of Short-term Bonds

(As of June 30, 2024)

(Unit: KRW, %)

Days until Expiration		10- days 10- days	10+ days 30- days	30+ days 90- days	90+ days 180- days	180+ days 1- yr.	Total	Issuance Limit	Remaining Limit
Outstanding Balance	Public	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding Balance of Corporate Bonds

(As of June 30, 2024)

(Unit: KRW, %)

Days until Expiration		1- yr.	1+ yr. 2- yrs.	2+ yrs. 3- yrs.	3+ yrs. 4- yrs.	4+ yrs. 5- yrs.	5+ yrs. 10- yrs.	10+ yrs.	Total
Outstanding Balance	Public	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding Balance of Hybrid Capital Securities

(As of June 30, 2024)

(Unit: KRW, %)

Days until Expiration		1- yr.	1+ yr. 5- yrs.	5+ yrs. 10- yrs.	10+ yrs. 15- yrs.	15+ yrs. 20- yrs.	20+ yrs. 30- yrs.	30+ yrs.	Total
Outstanding Balance	Public	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding Balance of CoCos

(As of June 30, 2024)

(Unit: KRW, %)

Days until Expiration		1- yr.	1+ yr. 2- yrs.	2+ yrs. 0-3 yrs.	3+ yrs. 4- yrs.	4+ yrs. 5- yrs.	5+ yrs. 10- yrs.	10+ yrs. 20- yrs.	20+ yrs. 30- yrs.	30+ yrs.	Total
Outstanding Balance	Public	-	-	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-

E. Details and Status of Private Loan Management Contract, etc.

Not applicable as of the date of submission.

7-2. Usage Status of Funds raised through Issuance of Securities //

A. Usage Status of Public Offering Funds

(As of Dec. 31, 2023) (Unit: 1,000 KRW)

Classification	Rounds	Transaction Date	Securities Usage Plans		Actual Usage of Funds		Reasons for Difference in Amount
			Purpose of Use	Amount	Note	Amount	
Facility Funds	1	Oct. 28, 2021	Facility Funds	30,000,000	Down Payment for Warehouse Sites	2,014,060	Down Payment and 1st, 2nd, 3rd Interim Payments for Warehouse Sites have been made (total: 20,140,601)
Facility Funds	2	May 31, 2022	Facility Funds	30,000,000	1st Interim Payment for Warehouse Sites	6,042,180	Down Payment and 1st, 2nd, 3rd Interim Payments for Warehouse Sites have been made (total: 20,140,601)
Facility Funds	3	Aug. 31, 2022	Facility Funds	30,000,000	2nd Interim Payment for Warehouse Sites	6,042,180	Down Payment and 1st, 2nd, 3rd Interim Payments for Warehouse Sites have been made (total: 20,140,601)
Facility Funds	4	Nov. 30, 2022	Facility Funds	30,000,000	3rd Interim Payment for Warehouse Sites	4,028,120	Down Payment and 1st, 2nd, 3rd Interim Payments for Warehouse Sites have been made (total: 20,140,601)
Facility Funds	5	Mar. 20, 2023	Facility Funds	30,000,000	Warehouse Rental Deposit	257,595	Additional Rental of Warehouse(s)
Facility Funds	6	May 31, 2023	Facility Funds	30,000,000	Office 908,909,910	15,160,000	Purchase of an office
Operating Fund	1	Apr. 18, 2022	Establishment of an overseas entity	2,000,000	Malaysia	482,976	Additional overseas entities are to be established
Operating Fund	2	Jun. 2, 2022	Establishment of an overseas entity	2,000,000	Japan	24,297	Additional overseas entities are to be established
Operating Fund	3	Mar. 6, 2023	Establishment of an overseas entity	2,000,000	Poland	1,472	Additional overseas entities are to be established
Operating Fund	4	Mar. 15, 2023	Increased Capital of Overseas Entity	2,000,000	Vietnam	58,720	Additional overseas entities are to be established
Operating Fund	5	May 17, 2023	Increased Capital of Overseas Entity	2,000,000	Poland	515,759	Additional overseas entities are to be established
Operating Fund	6	May 31, 2023	Establishment of an overseas entity	2,000,000	Netherlands	141,899	Additional overseas entities are to be established
Operating Fund	7	Jun. 30, 2023	Increased Capital of Overseas Entity	2,000,000	Netherlands	910,227	Additional overseas entities are to be established
Acquisition of Securities from Other Entities	1	Mar. 14, 2022	Equity Investment in Brands	3,000,000	Investment in Brands	5,000,072	Investment in a new business (music record industry)
Acquisition of Securities from Other Entities	2	Aug. 1, 2022	Equity Investment in Brands	3,000,000	Investment in Brands	300,000	Additional Equity Investment in growing brands (Aid Korea Company Co., Ltd.)
Acquisition of Securities from Other Entities	3	Aug. 16, 2022	Equity Investment in Brands	3,000,000	Investment in Brands	270,000	Additional Equity Investment in growing brands (Picton Co., Ltd.)
Acquisition of Securities from Other Entities	4	Mar. 28, 2023	Equity Investment in Brands	3,000,000	Investment in Brands	700,000	Additional Equity Investment in growing brands (Picton Co., Ltd.)
Debt Repayment	1	Oct. 1, 2021	Debt Repayment	4,115,000	Repayment of Borrowings	2,000,000	Part of the debt was repaid before issuing securities, and the remaining balance was repaid afterwards

Note 1) Total amount was entered for each purpose of use.

B. Details of Use of Private Equity Funds

Not applicable as of the date of submission.

C. Management Details of Unused Funds

Not applicable as of the date of submission.

8. Other Financial Matters

A. Precautions when restating Financial Statements, etc.

(1) Reasons for restatement, its content, and impact in the case of financial restatement

Not applicable as of the date of submission.

(2) Other precautions regarding the financial statements

Not applicable as of the date of submission.

B. Entry of Bad Debt Allowances

(1) Entry Status of Bad Debt Allowances by Account Category

(Unit : KRW)

Classification	Account Subject	Amount of Bond	Bad Debt Allowance (amount)	Bad Debt Allowance (%)
23 rd FY (2024 2Q)	Accounts receivable	41,328,445,881	(702,873,084)	1.70%
	Total	41,328,445,881	(702,873,084)	1.70%
22 nd FY (2023)	Accounts receivable	21,551,728,309	(268,984,984)	1.25%
	Total	21,551,728,309	(268,984,984)	1.25%
21 st FY (2022)	Accounts receivable	6,236,856,566	(113,252,022)	1.82%
	Total	6,236,856,566	(113,252,022)	1.82%

(2) Status of Bad Debt Allowances

(Unit : KRW)

Classification	23 rd (2024 2Q)	22 nd (2023)	21 st (2022)
1. Total amount of basic allowance for bad debt	268,984,984	113,252,022	85,045,893
2. Net written-off bad debt(①-②±③)	-	-	-
① Written-off bad debt (amortized receivables)	-	-	-
② Recovered amortized receivables	-	-	-
③ Other changes	-	-	-
3. Bad debt expense (reversal of bad debt allowance)	433,888,100	155,732,962	28,206,129
4. Total ending amount of bad debt allowance	702,873,084	268,984,984	85,045,893

(3) Bad debt allowance setting measures regarding accounts receivable

Provisions and deductions for Impaired receivables were included in Selling and Administrative Expenses on the income statement. Receivables with no possibility of additional cash recovery were written off as allowances for bad debt.

The Company's accounts receivables and other receivables were spread across multiple counter parties, which indicate there was no material concentration of credit risk. The maximum exposure to credit risk as of the ending of the reporting period was the book value for each receivable.

When setting up allowances for bad debt, the classification criteria shall be the age of the receivables.

Classification	Standard
1- month	1%
1-3 months	1%
3-6 months	5%
6-12 months	10%
1+ year	100%

(4) Current Balance status of accounts receivable by duration

(As of June 30, 2024)

(Unit: KRW, %)

Category		6- mths.	6+ mths.	1+ yr.	Total
			1- yr.	3- yrs.	
Amount	General	31,168,189,695	377,501,696	371,019	31,546,062,410
	Related parties	9,782,383,471	-	-	9,782,383,471
	Total	40,950,573,166	377,501,696	371,019	41,328,445,881
Composition ratio		99.09%	0.91%	0.00%	100.00%

C. Status of Inventories, etc.

(1) Holding status of inventories by each division

(Unit: KRW, %)

Division	Account Subject	23 rd	22 nd	21 st	Note
		(2024.2Q)	(2023)	(2022)	
Cosmetics	Products	140,412,431,632	79,310,651,760	29,554,931,692	-
	Evaluated allowances for products	(825,541,022)	(774,052,401)	(952,625,565)	-
	Subtotal	139,586,890,610	78,536,599,359	28,602,306,127	-
Total	Products	140,412,431,632	79,310,651,760	29,554,931,692	-
	Evaluated allowances for products	(825,541,022)	(774,052,401)	(952,625,565)	-
	Total	139,586,890,610	78,536,599,359	28,602,306,127	-
Inventories to total assets ratio (%) [total inventories÷total ending assets]		35.54%	36.48%	22.14%	-
Inventory turnover (recovery) rate [Annualized cost of sales÷{(beginning Inventories+ending Inventories)÷2}]		4 times	4 times	4 times	-

(2) Details of Inventory Inspection Report

1) Inventory Inspection Report

Classification	Note
1. Date of Inspection	The inventory inspection was conducted on December 31, 2023, in the presence of the Company's relevant division as well as an inventory manager.
2. Attendance of independent experts or external auditors	The Company conducted an inventory checking in the presence of an external auditor (Shinwoo Accounting Corporation) on the inspection date.
3. Location of Inspection	Oppo Factory (Logistics Warehouse)
4. Inspection Method	A sampling method was conducted due to the huge volume of items, and only for items that were of high significance and total inventory value.

2) Holding status and assessment of long-term depleting inventories, obsolete inventories, or impaired inventories, etc.

(Unit: KRW)

Account Subject	Acquisition cost	Holding value	Current FY's reversal of assessment (impairment)	Ending balance	Note
Products	139,638,379,231	139,638,379,231	(51,488,621)	139,586,890,610	-
Total	139,638,379,231	139,638,379,231	(51,488,621)	139,586,890,610	-

D. Status of Order Contracts

Not applicable as the Company does not run an order-based business.

E. Details of Fair Value measurement

(1) Financial instrument's fair value and its measurement method

1) The book value and fair value of each financial instrument type are as follows:

The book value was viewed as a reasonable approximation of its fair value; the Company did not disclose the valuation method and input variables regarding the measurements.

(Unit: KRW)

Classification	June 30, 2024		December 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Cash and cash equivalents	92,868,993,443	92,868,993,443	17,217,510,020	17,217,510,020
Accounts receivable	40,625,572,797	40,625,572,797	21,282,743,325	21,282,743,325
Short-term other financial assets	16,688,784,647	16,688,784,647	17,103,561,266	17,103,561,266
Other financial assets	1,773,623,594	1,773,623,594	1,296,330,857	1,296,330,857
Total	151,956,974,481	151,956,974,481	56,900,145,468	56,900,145,468
Financial liabilities				
Trade payables	3,442,329,306	3,442,329,306	501,545,548	501,545,548
Short-term other financial liabilities	3,837,835,647	3,837,835,647	2,356,176,495	2,356,176,495
Current lease liabilities	3,098,889,032	3,098,889,032	2,702,330,011	2,702,330,011
Short-term borrowings	146,703,000,000	146,703,000,000	55,000,000,000	55,000,000,000
Current long-term liabilities	136,967,757	136,967,757	125,053,387	125,053,387
Long-term borrowings	3,851,019,616	3,851,019,616	3,637,154,039	3,637,154,039
Other financial liabilities	696,931,767	696,931,767	-	-
Non-current lease liabilities	4,459,850,917	4,459,850,917	2,330,484,542	2,330,484,542
Total	166,226,824,042	166,226,824,042	66,652,744,022	66,652,744,022

(2) Fair Value Hierarchy

Financial products measured at fair value are classified according to the fair value hierarchy, and the defined details are as follows:

- "Level 1" inputs are unadjusted quoted prices in active markets for items identical to the asset or liability being measured.
- "Level 2" inputs are inputs other than quoted prices in active markets included within Level 1 that are directly or indirectly observable.
- "Level 3" inputs are unobservable inputs that are usually determined based on management's assumptions.

(Unit: KRW)

As of the end of the reporting period, the fair value hierarchy for financial assets and financial liabilities measured at fair value on the statement of financial position is as follows:

Previous Year End	Level 1	Level 2	Level 3	Total
Financial Assets				
Derivative Liabilities	-	-	696,931,767	696,931,767

(1) Value Evaluation and Input Variables

Value evaluation and input variables for the current period is as follows:

June 30, 2024	Fair Value	Level	Evaluation Method	Variable
Derivative Liabilities	696,931,767	3	Discounted cash flow using the Black-Scholes method	Exchange rates, interest rates

(3) Details of Re-evaluation on Tangible Assets

Not applicable as of the date of submission.

IV. The Board's Managerial Diagnosis and Analysis

Not applicable as of the date of submission.

V. Auditor's Report

1. Matters Concerning External Audit

1. The name of the accounting auditor and their audit opinion (including review opinions, hereinafter referred to as such in this section) are as follows.

Fiscal Year	Auditor	Audit Opinion	Matters of Emphasis	Key Audit Matters
23 rd (Current)	Shinwoo Accounting Corporation	-	-	-
22 nd (Previous)	Shinwoo Accounting Corporation	Unqualified	N/A	(Consolidated Financial Statements) 1. Appropriateness of Revenue Recognition (Separate Financial Statements) 1. Appropriateness of Revenue Recognition
21 st (Two years prior)	Shinwoo Accounting Corporation	Unqualified	N/A	(Consolidated Financial Statements) 1. Appropriateness of Revenue Recognition (Separate Financial Statements) 1. Appropriateness of Revenue Recognition

2. The status of audit service agreements is as follows.

(Unit: KRW 1,000 / hour)

Fiscal Year	Auditor	Description	Audit Contract		Actual Performance Details	
			Fee	Hours	Fee	Hours
23 rd (Current)	Shinwoo Accounting Corporation	Audit of separate and consolidated financial statements, semi-annual review, and internal accounting management system audit	180,000	1,800	-	-
22 nd (Previous)	Shinwoo Accounting Corporation	Audit of separate and consolidated financial statements, semi-annual review, and internal accounting management system audit	165,000	1,650	180,000	1,665
21 st (Two years prior)	Shinwoo Accounting Corporation	Audit of separate and consolidated financial statements, semi-annual review, and internal accounting management system audit	130,000	1,300	130,000	1,327

3. The status of non-audit service contracts with the accounting auditor is as follows.

(Unit: KRW 1,000)

Fiscal Year	Contract Date	Service Description	Service Period	Fee	Remarks
23 rd (Current)	-	-	-	-	-
22nd (Previous)	Sep. 8, 2023	Tax adjustment	January 1, 2024 - March 31, 2024	12,000	-
21st (Two years prior)	Sep. 30, 2022	Tax adjustment	January 1, 2023 - March 31, 2023	11,000	-

4. The results of discussions between the internal audit function and the accounting auditor concerning matters in the financial statements that could significantly affect stakeholders' judgments are as follows.

No.	Date	Participants	Method	Key Discussion Points
1	06-Sep-23	Company: one auditor Accounting firm: one executive director and one other	Written Meeting	Audit plan for significant risks and key audit matters
2	12-Mar-24	Company: one auditor Accounting firm: one executive director and one other	Written Meeting	Significant findings from the audit, auditor's independence, etc.

5. Major discussion points of the Adjustment Committee

- As of the submission date of this report, there are no relevant matters to disclose.

2. Matters Concerning Internal Control

A. Internal Control

The results of the audit on the effectiveness of the Company's internal control are as follows.

Fiscal Year	Auditor's Opinion	Remarks
23rd (Current)	-	-
22nd (Previous)	The internal audit system for the fiscal year ending December 31, 2023, is operating effectively according to the auditor's opinion. No material weaknesses in the internal control system have been found.	-
21st (Two years prior)	The internal audit system for the fiscal year ending December 31, 2022, is operating effectively according to the auditor's opinion. No material weaknesses in the internal control system have been found.	-

B. Internal Accounting Management System

Fiscal Year	Auditor	Audit and Review Opinion	Remarks
23rd (Current)	Shinwoo Accounting Corporation	-	-
22nd (Previous)	Shinwoo Accounting Corporation	We have audited the internal accounting management system of Silicon2 Co., Ltd. (hereinafter "the Company") as of December 31, 2023, based on the "Internal Accounting Management System Design and Operation Conceptual Framework". In our opinion, the Company's internal accounting management system is effectively designed and implemented as of December 31, 2023, in accordance with the "Internal Accounting Management System Design and Operation Conceptual Framework" from a materiality perspective.	-
21st (Two years prior)	Shinwoo Accounting Corporation	We have reviewed the internal accounting management system operational status evaluation report of Silicon2 Co., Ltd. as of December 31, 2022. Based on our review, nothing has come to our attention that causes us to believe that the management's operational status report is not prepared in accordance with the "Best Practices for Internal Accounting Management Systems" from a materiality perspective.	-

C. Evaluation of Internal Control Structure

No evaluation of the internal control structure other than the internal accounting management system has been carried out during the reporting period.

VI. Matters Regarding Executive Organizations Including the Board of Directors

1. Matters Regarding the Board of Directors

A. Overview of the Board of Directors

As of the submission date of this report, the Board of Directors of the Company is made up of a total of five directors, including three inside directors, and two outside directors. The chairperson of the board of directors is CEO Sungwoon Kim. A committee within the board of directors is not in place. The Board of Directors resolves matters stipulated by laws or Articles of Incorporation, matters delegated by the general meeting of shareholders, basic polities of company management, and important matters regarding business execution, and it supervises the performance of duties of directors and the management.

B. Operation Rule of the Board of Directors

Category	Content
Authority (Article 3 of the Regulation of the Board of Directors)	<p>① The Board of Directors shall resolve matters stipulated by laws or Articles of Incorporation, matters delegated by the general meeting of shareholders, basic polities of company management, and important matters regarding business execution.</p> <p>② The Board of Directors shall supervises the performance of the directors' duties.</p>
Number of Directors (Article 31 of the Articles of Incorporation)	A total number of directors of the Company shall be not less than 3 and not more than 15, and outside director shall be not less than one-fourth of the total number of the directors.
Director's Duty (Article 34 of the Articles of Incorporation)	The Vice Presidents, Senior Managing Directors, Managing Directors, and Directors shall assist the CEO (President), allocate and execute company duties as determined by the Board of Directors, and, in the event of the CEO's (President's) incapacity or unavailability, directors perform the CEO's duties in the order specified above.
Director's Duties (Article 35 of the Articles of Incorporation)	<p>① Directors shall faithfully fulfill their duties for the Company in accordance with laws and Articles of Incorporation.</p> <p>② Directors shall conduct their duties for the Company with the care of a good manager.</p> <p>③ No director shall divulge any business secret of the Company, which has come to his/her knowledge in the course of performing his/her duty, not only while in the office but also after the retirement.</p> <p>If a director finds any fact that is likely to inflict a substantial loss on the Company, he/she shall immediately report such fact to its auditors.</p>
Constitution and Convocation of the Board of Directors (Article 37 of the Articles of Incorporation)	<p>① The Board of Directors shall be composed of directors.</p> <p>② A Board of Directors' meeting shall be convened by the CEO or a director designated by the Board of Directors, if any, by notifying each director and auditor three days prior to the date of the meeting.</p> <p>③ Any director who has not been designated as the director with the power to convene a board of directors' meeting under the proviso to paragraph (2) may request the director so designated to convene such meeting. Where the director so designated refuses to convene the meeting without justifiable grounds, other directors may convene a board of directors' meeting.</p> <p>④ When there is consent of all the directors and auditors, a board of directors' meeting may be held without undergoing the procedures set forth in paragraph (3).</p> <p>⑤ The chairperson of the Board of Director shall be the director designated with the power to convene a board of directors' meeting under the proviso to paragraph (2) and (3).</p> <p>⑥ Directors shall report on the progress of his/her duties to the board of directors more than once every three months.</p>

<p>Resolution of the Board of Directors (Article 38 of the Articles of Incorporation)</p>	<p>① Unless otherwise stipulated in the laws and regulations or the Articles of Incorporation of the Company, the resolutions of the Board of Directors shall be made in the presence of a majority of the directors in office and by the affirmative vote of a majority of the directors present, provided that resolutions of the Board of Directors shall be adopted by the affirmative vote of two-thirds or more of the directors present for any agenda which falls under Article 397-2 (Prohibition of Appropriation of Company's Opportunities and Assets) and/or Article 398 (Transaction between Director and Company) of the Commercial Act.</p> <p>② The Board of Directors may allow all or part of the directors in office to exercise his/her and/or their voting rights by telecommunication through which they may transmit and receive live audio at the same time, without personally attending the Board of Directors' meeting. In such case, the concerned director(s) shall be deemed as having attended the Board of Directors' meeting in person.</p> <p>③ No director who has vested interest in a matter for resolution can exercise his/her vote upon such matter.</p>
---	---

C. Key Resolution

Session	Date	Agenda	Approval Status
1	2024.02.20	Approval of financial statements for the fiscal year 2023	Approved
2	2024.02.28	Holding the 23rd annual general meeting of shareholders	Approved
3	2024.03.15	Report on the status of internal accounting management system (2023)	Approved
4	2024.03.15	Approval for Woori Bank Loan	Approved
5	2024.03.21	Approval for KB Kookmin Bank Loan	Approved
6	2024.03.21	Approval for Hana Bank Loan	Approved
7	2024.04.22	Approval for payment contract with Russian branch	Approved
8	2024.06.04	Establishment of a branch office in England	Approved
9	2024.06.10	Issuance of new shares upon exercise of stock options	Approved
10	2024.06.11	Confirmation of schedule for 2nd Investment in Sukoshi Mart Holdings Inc. (Canada)	Approved
11	2024.06.24	Establishment of a branch office in Singapore	Approved
12	2024.06.25	Approval for Citi Bank Loan	Approved
13	2024.06.26	Capital Increase of Stylekorean Inc.	Approved
14	2024.06.26	Approval for loan concerning subsidiary Stylekorean Inc.	Approved

D. Committee within the board of Directors

This is not applicable to the Company as of the submission date of this report.

E. Independence of Directors

(1) Independence of Members of the Board of Directors

As the Articles of Incorporation of the Company stipulate matters regarding appointment of directors and composition of the Board of Directors in compliance with the Commercial Act, directors of the Company are appointed in a general meeting of shareholders. Candidates for the directors are selected by the Board of Directors and confirmed as agenda items to be submitted to the general meeting of shareholders. Moreover, to ensure independence, personal information of director candidates are disclosed to shareholders prior to the general meeting of shareholders. The directors of the Company are as follows as of the submission date of Registration Statement. For career history and personal information of each director, Please refer to 1.Overview of Executive Directors and Employees of VII. Matters regarding Executive Directors and Employees.

Title	Name	Referrer	Responsibility	Transaction with the Company	Relationship with the largest shareholder	Tenure	Reappointment Status (Number of times appointed)	Background of Appointment
CEO	Sungwoon Kim	-	CEO	N/A	The Largest shareholder himself	Jan,2002 ~ March,2026	Reappointed (8 times)	Recognized for his deep understanding of the industry concerned and innovative management skills as the founder of the Company, he has been appointed as a director. He is expected to play a crucial role in the Company's continued growth and expansion of global competitiveness.
Internal Director	SON ROBERT INHO	The Board of Directors	Business Strategy	N/A	Registered executive director	Feb, 2017 ~ March, 2026	Reappointed (3 times)	He has been appointed for his expertise in finance and banking industries. He is expected to provide proper supervision and productive vision for the financial state of the Company.
Internal Director	Jincho Choi	The Board of Directors	General Business	N/A	Registered executive director	Feb, 2017 ~ March, 2026	Reappointed (3 times)	He has been appointed for his rich management experience in the global markets and for his deep understanding of overseas markets. He is expected to contribute to enhancing competitiveness of the Company.
Outside Director	Sehun Lee	The Board of Directors	Outside Director	N/A	Registered executive director	March,2022 ~ March,2025	Newly Appointed	He was recommended by the Board of Directors as recognized for his experience in consumer goods companies in cosmetics and household products, and his experience in managing a listed company. He is expected to contribute to key management decisions.
Outside Director	Taek Soon Lee	The Board of Directors	Outside Director	N/A	Registered executive director	March,2022 ~ March,2025	Newly Appointed	He was recommended by the Board of Directors as recognized for his experience serving as the Chief of Police, and working with various companies and associations. He is expected to contribute to key management decisions.
Auditor	Oh Bin Kwon	The Board of Directors	Auditor	N/A	Auditor	March, 2023 ~ March, 2026	Newly Appointed	He was recommended by the Board of Directors to serve as an auditor for Silicon2 Co., Ltd., based on his accounting experience and experience in the cosmetics manufacturing industry. He is expected to provide professional opinions and guidance during key decision-making processes.

(2) Overview of Committee for Recommending Candidates for Outside Directors

This is not applicable to the Company as of the submission date of this report.

F. Outside Director and Other Changes

(Unit: HC)

Number of Directors	Number of Outside Director	Changes in Outside Director		
		Appointment	Dismissal	Early Retirement
5	2	-	-	-

G. List of Outside Director Training not implemented

Status of Training of outside directors	Reason for not implementing training for outside directors
Not implemented	Q&A sessions are regularly provided to thoroughly explain the Company's management status and the details of each agenda item.

2. Matters Regarding Audit System

A. Audit Committee

As of the submission date of this report, the Company does not have an audit committee in place. In accordance with Article 409 of the Commercial Act and Article 43 of the Articles of Incorporation, one full-time auditor appointed through the resolution of the general meeting of shareholders performs audit duties.

B. Auditor

(1) Personal Information of Auditors

Name	Career Highlight	Disqualification Status	Note
Oh Bin Kwon	July, 2019 ~ September, 2021 President of Amorepacific France Jan, 2016 ~ Jun, 2019 Head of Finance Division, Amorepacific Headquarters Oct, 2013 ~ Dec, 2015 CFO, Amorepacific France	N/A	-

(2) Independence of Auditors

Auditors may independently supervise directors' performance by attending the Board of Directors meeting. Auditors may also request the corresponding departments to submit books and documents associated with all related business matters. In addition, auditors may receive report on business matters by the Company if necessary and may access management information through proper manner.

Category	Content	Note
Number of Auditors (Article 43 of the Articles of Incorporation)	A total number of auditors of the Company shall be not less than one and not more than two. At least one of them shall be full-time.	-
Appointment and Dismissal of Auditors (Article 44 of the Articles of Incorporation)	<p>① Auditors shall be appointed by the general meeting of shareholders.</p> <p>② The proposal for the appointment of auditors shall be presented and resolved separately from the one for the appointment of directors.</p> <p>③ The resolution of the appointment of auditors shall be made by the affirmative vote of a majority of the shareholders present that represent at least one-fourth of the total issued and outstanding shares, provided that the resolution of the appointment of auditors shall be adopted by the affirmative vote of a majority of the shareholders in the event of a company determining that a shareholder may exercise an absentee vote by electronic means in accordance with Article 368 (4) 1 of the Commercial Act.</p> <p>④ The resolution of the dismissal of auditors shall be made by the affirmative vote of two third of the shareholders present that represent at least one-third of the total issued and outstanding shares.</p> <p>⑤ The shareholder who owns more than 3% of the total number of issued and outstanding shares with voting rights is not allowed to exercise the voting rights for the shares exceeding 3 % of the total shares concerned in the appointment of auditors, provided that for calculating the number of shares owned by shareholders, the shares owned by the largest shareholders and their specially-related persons or those who hold shares on behalf of the largest shareholders or their specially related persons, and those who have delegated voting rights to the largest shareholder or their special related persons shall be added.</p>	-
Terms of Office and By-election of Auditors (Article 45 of the Articles of Incorporation)	<p>① The term of office of an auditor shall expire upon the closing of an ordinary general meeting of shareholders convened in respect of the last period for the settlement of accounts within three years after his/her inauguration.</p> <p>② When a vacancy occurs among the auditors, it shall be filled by an appointment at the general meeting of shareholders. However, if the number of auditor remaining in office would still meet the minimum number prescribed by Article 43 of the Articles of Incorporation, and there is no disturbance to the performance of duties, the backfilling shall not be necessary.</p>	-
Duties of Auditors and so forth (Article 46 of the Articles of Incorporation)	<p>① Auditors shall audit accounting and business operations of the Company.</p> <p>② Auditors may call for an extraordinary general meeting of shareholders by filing a written request that contains the purpose of the meeting and the reason for convening it to the Board of Directors.</p> <p>③ Auditors may request subsidiaries to submit business report when necessary to perform their duties. In such cases, the auditor may investigate the subsidiary's business operations and financial status if the subsidiary fails to provide the report without delay or if the contents of the report need to be verified.</p> <p>④ The provisions of Article 35, Paragraph 3 of the Articles of Incorporation shall apply mutatis mutandis to the auditors.</p> <p>⑤ Auditors may seek for expert assistance at the Company's expense.</p>	-

	<p>⑥ Auditors may call for an extraordinary general meeting of shareholders by filing a written request that contains the purpose of the meeting and the reason for convening it to directors.</p> <p>⑦ If the director who receives the request made by the auditor under the paragraph 6 fails to promptly convene the meeting, the auditor may convene the Board of Directors meeting.</p>	
Audit Records (Article 47 of the Articles of Incorporation)	Auditors shall prepare a record pertaining to the audit. A summary of audit process and the outcomes thereof shall be recorded in the audit record and auditors who have carried out such audit shall write their names and affix their seals, or shall affix their signatures, thereon.	-
Remuneration and Retirement Benefits of Auditors (Article 48 of the Articles of Incorporation)	<p>① The provisions of Article 36 (Remuneration and Retirement Benefits of Directors) shall apply mutatis mutandis to the remuneration and retirement benefits of auditors.</p> <p>② The proposal for determining the auditor's remuneration shall be presented and resolved separately from the one for determining the director's remuneration.</p>	-

(3) Main Activities of Auditors

Session	Date	Agenda	Approval Status	Attendance Status
				Auditor Oh Bin Kwon
				Attendance Rate: 100%
1	2024.02.20	Approval of financial statements for the fiscal year 2023	Approved	Attended
2	2024.02.28	Holding the 23rd annual general meeting of shareholders	Approved	Attended
3	2024.03.15	Report on the status of internal accounting management system (2023)	Approved	Attended
4	2024.03.15	Approval for Woori Bank Loan	Approved	Attended
5	2024.03.21	Approval for KB Kookmin Bank Loan	Approved	Attended
6	2024.03.21	Approval for Hana Bank Loan	Approved	Attended
7	2024.04.22	Approval for payment contract with Russian branch	Approved	Attended
8	2024.06.04	Establishment of a branch office in England	Approved	Attended
9	2024.06.10	Issuance of new shares upon exercise of stock options	Approved	Attended
10	2024.06.11	Confirmation of schedule for 2nd Investment in Sukoshi Mart Holdings Inc. (Canada)	Approved	Attended
11	2024.06.24	Establishment of a branch office in Singapore	Approved	Attended
12	2024.06.25	Approval for Citi Bank Loan	Approved	Attended
13	2024.06.26	Capital Increase of Stylekorean Inc.	Approved	Attended
14	2024.06.26	Approval for loan concerning subsidiary Stylekorean Inc.	Approved	Attended

(4) List of Auditor Training not implemented

Status of Training of Auditors	Reason for not implementing training for auditors
Not implemented	Q&A sessions are regularly provided to thoroughly explain the Company's management status and the details of each agenda item.

(5) Overview of Audit Support Organization

Team	Number of Employees	Title(Continuous Service Year)	Major Activities
Strategic Management Group	7	General Manager (4 years)	All tasks supporting the operation of the Board of Directors and performance of audit duties

(6) Compliance Support Personnel and so forth

There is no compliance support personnel appointed as of the submission date of this report.

3. Matters regarding the General Meeting of Shareholders

(1) Overview of Voting System

(As of June 30, 2024)

Voting System Type	Cumulative Voting System	Written Voting System	Electronic Voting System
Adoption Status	Exclusion	Not adopted	adopted
Implementation Status	-	-	The 22nd (year of 2022) Regular General Meeting of Shareholders (March, 30, 2023)

(2) Right of the Minority Shareholders

The Company did not have any rights of minority shareholders exercised during the disclosure period.

(3) Corporate Control Competition

There was no corporate control competition taking place during the disclosure period.

(4) Overview of Voting Rights

(As of June 30, 2024)

(Unit: Shares)

Category	Type of Share	Number of Shares	Note
The total issued and outstanding shares (A)	Common Shares	60,873,234	-
	Preferred Shares	-	-
The number of Shares without voting right (B)	Common Shares	-	-
	Preferred Shares	-	-
The number of shares excluded from voting rights under the Articles of Incorporation (C)	Common Shares	-	-
	Preferred Shares	-	-
The number of shares with restricted voting rights under other laws (D)	Common Shares	-	-
	Preferred Shares	-	-

The number of shares with revived voting rights (E)	Common Shares	-	-
	Preferred Shares	-	-
The number of shares with voting rights (F = A - B - C - D + E)	Common Shares	60,873,234	-
	Preferred Shares	-	-

(5) Stock Administration

Matters regarding Preemptive Right to New Shares	<p>① Shareholders the right to receive new shares in proportion to the number of shares they own.</p> <p>② Notwithstanding the provisions of paragraph 1, the Company may allocate new shares to persons other than shareholders by resolution of the Board of Directors in case of falling under any of the following subparagraphs.</p> <p>1 Where new shares are issued through capital increase by ordinary public offering in accordance with Article 165 (6) of Capital Markets and Financial Investment Business Act(CMFIBA) provided that the new shares to be issued do not exceed 50% of the total issued and outstanding shares.</p> <p>2 Where new shares are issued by the exercise of stock options under Article 542(3) of the Commercial Act.</p> <p>3. Where priority is given to the members of Employee Stock Ownership Association(ESOA) for new share allocation within a limit of 20% of the total issued and outstanding shares.</p> <p>4. Where new shares are issued to a counterpart for technology acquisition, research and development, sales and production, or capital alliance that have significance in business with a limit of 30% of the total issued and outstanding shares.</p> <p>5. Where new shares are issued in line with the issuance of Depositary Receipts (DR) in accordance with Article 165 (6) of Capital Markets and Financial Investment Business Act(CMFIBA) with a limit of 30% of the total issued and outstanding shares.</p> <p>6. Where new shares are issued to attract foreign investment in accordance with FOREIGN INVESTMENT PROMOTION ACT in cases where necessary to achieve managerial objectives of the Company.</p> <p>7. Where new shares are issued to domestic and foreign financial institutions or institutional and individual investors for urgent fund raising with a limit of 30% of the total issued and outstanding shares.</p> <p>8. Where new shares are issued by the exercise of Employees' Stock Option as stipulated in Article 39 of the BASIC WORKERS WELFARE ACT.</p> <p>9. When new shares are subscribed or acquired by underwriters for the purpose of listing the Company's stock certificates on KOSDAQ.</p> <p>10. Where new shares are allocated to the members of Employee Stock Ownership Association(ESOA).</p> <p>11. Where new shares are issued in accordance with Article 10 (2) (preemptive rights to new stocks) of REGULATIONS ON SECURITIES UNDERWRITING BUSINESS.</p> <p>③ In case of allocating new shares to persons other than shareholders in accordance with paragraph 2, the matters specified in Article 416 (1), (2), (2-2) (3) and (4) of the Commercial Act shall be notified or publicly announced to shareholders at least 2 weeks prior to the payment due date.</p> <p>④ In case of issuing new shares pursuant to any of subparagraphs in paragraph 2, the type and number of shares to be issued and their issuance price shall be determined by the resolution of the Board of Directors.</p> <p>⑤ How to deal with fractional shares resulting from a waiver or loss of preemptive rights to new shares or from new share allocation shall be determined by the resolution of the Board of Directors.</p>
Closing Date	31, Dec, every year
Regular General Meeting of Shareholders	Within 3 months after the end of each business year
The period for closing of the register of shareholder	Jan, 1 to 7 every year
Type of stock certificates	-
Transfer agent	KB Kookmin Bank, Securities Agency Department (3rd Floor, 26, International Finance Road 8-gil, Yeongdeungpo-gu, Seoul)
Privilege of Shareholders	N/A
Publication of Notice	The Company's website (www.siliconii.com) (if necessary, Korea Economic Daily)

(6) Summary of Minutes of General Meeting of Shareholders

Date of General Meeting of Shareholders	Agenda	Resolution	Note
The 18th Regular General Meeting of Shareholders (Mar. 29, 2019)	Agenda 1: Report on the 17th fiscal year's statement of account Agenda 2: Approval of remuneration limit for directors	Approved as proposed	-
The 18th Extraordinary General Meeting of Shareholders (Apr. 27, 2019)	Agenda 1: Granting of stock options	Approved as proposed	-
The 19th Regular General Meeting of Shareholders (Mar. 31, 2020)	Agenda 1: Approval of the 18th fiscal year's Financial Statement	Approved as proposed	-
	Agenda 2: Approval of Appropriation of Retained Earnings		
	Agenda 3: Appointment of directors		
	Agenda 4: Appointment of Auditors		
	Agenda 5: Approval of remuneration limit for directors		
	Agenda 6: Approval of remuneration limit for auditors		
The 19th Extraordinary General Meeting of Shareholders (Sep. 10, 2020)	Agenda 1: Share split	Approved as proposed	-
	Agenda 2: Amendment of Articles of Incorporation		
The 20th Regular General Meeting of Shareholders (Mar. 29, 2021)	Agenda 1: Approval of the 19th Fiscal Year Balance Sheet, Income Statement, and Statement of Appropriation of Retained Earnings (Draft)	Approved as proposed	-
	Agenda 2: Partial Amendment of Articles of Incorporation		
	Agenda 3: Appointment of Outside directors		
	Agenda 4: determining the remuneration limit of directors		
	Agenda 5: determining the remuneration limit of auditors		
	Agenda 6: Granting of stock options		
The 21st Regular General Meeting of Shareholders (Mar. 30, 2022)	Agenda 1: Approval of the 20th fiscal year's Financial Statement	Approved as proposed	-
	Agenda 2: Partial amendment of Articles of Incorporation		
	Agenda 3: Appointment of Outside directors		
	Agenda 4: determining the remuneration limit of directors Agenda 5: determining the remuneration limit of auditors		
The 21st Extraordinary General Meeting of Shareholders (Sep. 29, 2020)	Agenda 1: Partial amendment of Articles of Incorporation	Approved as proposed	-
The 22th Regular General Meeting of Shareholders (Mar. 30, 2022)	Agenda 1: Approval of the Consolidated Financial Statements for the 21st Fiscal Year (January 1, 2022 - December 31, 2022)	Approved as proposed	-
	Agenda 2: Partial amendment of Articles of Incorporation		
	Agenda 3: Appointment of directors		
	Agenda 4: Appointment of Auditors		
	Agenda 5: Approval of remuneration limit for directors		
	Agenda 6: Approval of remuneration limit for auditors		
The 23rd Regular General Meeting of Shareholders (Mar. 28, 2024)	Agenda 1: Approval of the Consolidated Financial Statements for the 21st Fiscal Year (January 1, 2024 - December 31, 2023)	Approved as proposed	-
	Agenda 2: Approval of remuneration limit for directors		
	Agenda 3: Approval of remuneration limit for auditors		

VII. Matters Regarding Shareholders

A. Shareholding Status of the Largest shareholders and their Related Parties

(As of June 30, 2024)

(Unit: Share, %)

Name	Relationship	Type of Share	Number of Shares owned and ownership percentage				Note
			Beginning of year		End of year		
			Number Of Shares	Percentage of Ownership	Number Of Shares	Percentage of Ownership	
Sungwoon Kim	CEO	Common Shares	19,352,960	32.05%	18,924,639	31.09%	-
Eun Ha Shin	Wife of CEO	Common Shares	5,927,190	9.81%	4,916,111	8.08%	-
Kyungja Lee	Mother of CEO	Common Shares	694,582	1.15%	497,582	0.82%	-
SON ROBERT INHO	Registered executive director	Common Shares	2,425,920	4.02%	2,685,920	4.41%	-
Jinho Choi	Registered executive director	Common Shares	1,609,728	2.67%	1,073,348	1.76%	-
Yong-A Kim	Younger sister of the largest shareholder	Common Shares	268,800	0.45%	230,000	0.38%	-
Jinsoo Kim	Cousin of the largest shareholder	Common Shares	159,140	0.26%	111,640	0.18%	-
Woochang Kim	Offspring of the largest shareholder	Common Shares	408,484	0.68%	288,484	0.47%	-
Wooyong Kim	Offspring of the largest shareholder	Common Shares	408,480	0.68%	269,771	0.44%	-
Gangsoo Kim	Cousin of the largest shareholder	Common Shares	200	0.00%	0	0.00%	-
Total		Common Shares	31,255,484	51.76 %	28,997,495	47.64%	-
		Preferred Shares	-	-	-	-	-

B. Career Highlight and Overview of the Largest Shareholders

Name	Career Highlight	Note
Sungwoon Kim	<ul style="list-style-type: none"> - Graduated from the Department of Welfare at Pusan National University - 1998~2000 Kiryoong Electronics - 2000 MDI Korea - 2002~Present Founder and CEO of Silicon2 Co., Ltd 	-

C. Overview of the Largest Shareholder's Largest Shareholder (Corporation or Organization)

This is not applicable to the Company as of the submission date of this report.

D. Changes in the Largest Shareholders

This is not applicable to the Company as of the submission date of this report.

E. Shareholding Status

(As of June 30, 2024)

(Unit: Shares)

Category	Name of Shareholder	Number of Shares Owned	Percentage of Ownership (%)	Note
Shareholders with 5% or more	Sungwoon Kim	18,924,639	31.09	-
	Eun Ha Shin	4,916,111	8.08	-
Employee Stock Ownership Association(ESOA)		1,680	0.01	-

Overview of Minority Shareholders

(As of June 30, 2024)

(Unit: Shares)

Category	Shareholders			Owned shares			Note
	Number of Minority Shareholders	Total number of shares issued	Ratio(%)	Number of Minority Shares	Total number of shares issued	Ratio(%)	
Minority Shareholders	66,158	66,164	99.99	31,374,175	60,873,234	51.54	-

Note1) Only the shareholders who hold less than 1% of the total issued shares have been listed as minority shareholders.

Note2) As of the submission date of this report, the total number of issued shares by the Company is 60,389,234 common shares, and those carrying voting rights are 60,389,234 shares.

F. Share Price and Trading Performance

(Unit: shares)

Type		January, 2024	February, 2024	March, 2024	April, 2024	May, 2024	June, 2024
Common Shares	The Highest	9,410	10,560	12,730	14,970	41,350	54,200
	The Lowest	7,570	7,740	8,740	11,640	14,340	38,600
Monthly Trading Volume		25,403,154	48,040,365	39,325,647	32,810,846	75,323,947	49,734,430

VIII. Matters Regarding Executive Directors and Employees

1. Overview of Executive Directors and Employees

A. Overview of Executive Directors

(As of June 30, 2024)

(Unit: Shares)

Name	Sex	Birth Year and Month	Title	Registration Status	Full-Time Status	Responsibilities	Career Highlight	Number of Shares Owned		Relationship with the largest shareholder	Period of Employment	Term Expiration Date
								Shares with voting right	Shares Without voting right			
Sungwoon Kim	Male	1972 May	CEO	Internal Director	Full Time	CEO	- Graduated from the Department of Welfare at Pusan National University - 1998-2000 Kiryoong Electronics - 2000 MDI Korea - 2002-Present Founder and CEO of Silicon2 Co., Ltd	18,924,639	-	Largest Shareholder himself	22 years and 4 months	30-Mar-26
SON ROBERT INHO	Male	1969 Feb.	Internal Director	Internal Director	Full Time	Business Strategy	- Graduated from University of New York, Accounting BA (AICPA) - 1991-1994 Ernst & Young - 1995-1997 PwC Korea - 1997-1998 Dongbang Peregrine Securities - 1998-2000 IMM Investment, Co-Founder - 2000-2007 Macquarie IMM Asset Management, CFO - 2007-2009 Goldman Sachs Asset Management Korea, CMO - 2009-2014 Stonebridge Capital, CFO - 2014-2015 Quvat Korea, CEO - 2015-2016 Ajin Clean, CFO - 2016-Present Silicon2 Co., Ltd	2,685,920	-	Registered Executive director	7 years and 3 months	30-Mar-26
Jinho Choi	Male	1969 Mar.	Internal Director	Internal Director	Full Time	General Sales	- Myongji University Department of Materials Science and Engineering - 1996-1998 YPPC - 1998-2011 Dongwoon International - 2012-Present Silicon2 Co., Ltd	1,073,348	-	Registered Executive director	11 years and 9 months	30-Mar-26
Sehun Lee	Male	1962 Dec.	Outside Director	Outside Director	Non-full time	Outside Director	- Former P&G Asia Group Manager Haircare/Beauty care - Planning & Analys Planning Manager - Former LG Household & Health Care Overseas Business Executive - Former ABLE C&C CEO - Current Board of Directors of Inner Bottle Co., Ltd.	-	-	Outside Director	2 years and 3 months	30-Mar-25
Taek Soon Lee	Male	1952 Feb.	Outside Director	Outside Director	Non-full time	Outside Director	- Passed the 18th Administrative Examination - Former Commissioner General of Police - Former Advisor at Dongyang Express Co., Ltd. - Former Advisor of the Korea Construction Association - Former Visiting Professor at the College of Social Sciences, Dongguk University	-	-	Outside Director	2 years and 3 months	30-Mar-25
Oh Bin Kwon	Male	1967 Jun.	Auditor	Auditor	Full Time	Auditor	- Formerly worked at PwC Korea International Headquarters, Certified Public Accountant in Korea - Former Finance and Accounting Manager (Deputy Manager) at Tiffany & Co. Korea - Former Finance Manager (Director) at Lend Lease Korea (Australian PE) - Former Director of Funds Accounting at Umbrella Asset Korea (Citi group Private Equity Fund) - Formerly worked as CFO and General Manager at Amorepacific China Corporation in Shanghai - Former CFO and General Manager at Amorepacific France Corporation, based in Paris - Former Division Head of Finance Department at Amorepacific Headquarters (Managing Director), worked in Korea - Former General Manager (Managing Director) of Amorepacific France Corporation, worked in Paris	-	-	Auditor	1 year and 3 months	30-Mar-26

B. Overview of Employees

(As of June 30, 2024)

(Unit: KRW)

Employee										External contractors			Note
Business Division	Sex	HC				Total	Average Continuous Service Year	Total Annual Wage	Average Wage per person	Male	Female	Sum	
		Permanent employees		Fixed term employees									
		Total	(Part Time)	Total	(Part Time)								
IT	Male	12	-	0	-	12	2.4	342,329,809	28,527,484	39	75	114	-
IT	Female	6	-	0	-	6	1.87	146,674,176	24,445,696				-
Management Support	Male	8	-	1	-	9	2.59	192,982,974	21,442,553				-
Management Support	Female	20	-	0	-	20	4.82	595,424,576	29,771,229				-
Procurement	Male	3	-	0	-	3	3.47	83,425,000	27,808,333				-
Procurement	Female	8	-	0	-	8	3.78	226,595,387	28,324,423				-
Marketing	Male	6	-	0	-	6	1.77	154,638,836	25,773,139				-
Marketing	Female	26	-	2	-	28	1.75	596,191,829	21,292,565				-
Logistics	Male	22	-	3	-	25	2.97	548,095,837	21,923,833				-
Logistics	Female	18	-	0	-	18	3.82	340,500,666	18,916,704				-
Sales	Male	11	-	0	-	11	1.57	237,307,692	21,573,427				-
Sales	Female	79	-	1	-	80	2.66	1,982,546,405	24,781,830				-
Total		219	0	7	0	226	2.79	5,446,713,187	24,100,501				-

Note1) The number of employees, wages, and average continuous service year are based on the employees as of June 30, 2024.

Note2) Registered executives have been excluded, and the total annual wage amount reflects actual payments made from January to June 2024.

Note3) Taxation related to Stock options and withdraws of employee stocks have been excluded.

Note4) Fixed-term employees are interns.

External contractors are contract-based employees as of June 30, 2024.

C. Remuneration Status of Non-registered Executive Directors

(As of June 30, 2024)

(Unit: KRW)

Category	Number of Persons	Total Amount of Annual Remuneration	Average Remuneration per person	Note
Non-registered Executive Directors	3	213,591,664	71,197,221	-

2. Remuneration of Executive Directors

<Remuneration Status of All Directors and Auditors>

1. Amount Approved by the General Meeting of Shareholders

(Unit: KRW)

Category	Number of Persons	Amount Approved by the General Meeting of Shareholders	Note
Directors	5	2,500,000,000	-
Auditor	1	300,000,000	-

2. The Paid Remuneration

2-1. All Directors and Auditors

(Unit: KRW)

Number of Persons	A Total of Remuneration	Average Remuneration per person	Note
6	571,499,992	95,249,999	-

2-2. By Type

(Unit: KRW)

Category	HC	A Total of Remuneration	Average Remuneration Per person	Note
Registered Director (Outside Director and Members of the audit committee are excluded)	3	532,499,992	177,499,997	-
Outside Director (Members of the audit committee are excluded)	2	24,000,000	12,000,000	-
Members of the audit committee	-	-	-	-
Auditor	1	15,000,000	15,000,000	-

Note1) The total annual remuneration amount reflects actual payments made from January to December 2023.

Note2) On March 30, 2023, one auditor was appointed through the General Meeting of Shareholders.

<Remuneration Overview of Individual Directors and Auditors with a Paid Remuneration Amount of 500 Million KRW or More>

1. Paid Remuneration Amount per person

(Unit: KRW)

Name	Title	A Total of Remuneration	Remuneration not included in the Total Amount
-	-	-	-

2. Criteria and Method of Calculation

(Unit: KRW)

Name	Type of Remuneration		Total Amount	Criteria and Method of Calculation
Sungwoon Kim	Earned Income	Wage	-	-
		Bonus	-	-
		Gain from Exercise of Stock Option	-	-
		Other Earned Income	-	-
	Retirement income		-	-
	Other Income		-	-

<Remuneration Overview of Top 5 Individual Directors and Auditors with a Paid Remuneration Amount of 500 Million KRW or More>

1. Paid Remuneration Amount per person

(Unit: KRW)

Name	Title	A Total of Remuneration	Remuneration not included in the Total Amount
-	-	-	-

2. Criteria and Method of Calculation

(Unit: KRW)

Name	Type of Remuneration		Total Amount	Criteria and Method of Calculation
-	Earned Income	Wage	-	-
		Bonus	-	-
		Gain from Exercise of Stock Option	-	-
		Other Earned Income	-	-
	Retirement income		-	-
	Other Income		-	-

<Granting and Exercise Status of Stock Options>

<Table 1>

(Unit: 1,000 KRW)

Category	Number of Persons Granted	Total Fair Value of Stock Options	Note
Registered Director (Outside Director and Members of the audit committee are excluded)	1	319,589	-
Outside Director (Members of the audit committee are excluded)	-	-	-
Member of the audit committee or Auditor	-	-	-
Person responsible for executing tasks and so forth	-	-	-
Total	1	319,589	-

<Table2>

(As of June 30, 2024) (Unit: KRW, shares)

Person Granted	Relationship	Grant Date	Grant Method	Type of Share	Quantity of Initial Grant	Current Quantity Change		Total Quantity Change		Unexercised Quantity by the end of year	Exercise period	Exercise price per share	Mandatory holding requirement	Mandatory Holding period
						Exercised	Canceled	Exercised	Canceled					
Jinho Choi	Registered Executive director	22-Apr-19	New share issuance	Common Shares	548,895	-	-	250,221	-	298,674	April.22,2022~April.21,2025	729	X	-
SON ROBERT INHO	Registered executive director	22-Apr-19	New share issuance	Common Shares	764,000	-	-	764,000	-	0	April.22,2022~April.21,2025	729	X	-

※ As of the reference date of the disclosure document creation (June 30, 2024), the closing price is 47,000 Korean won

IX. Matters Regarding the Affiliated Companies

(1) Overview of Affiliated Companies

(As of June 30, 2024)

(Unit: Company)

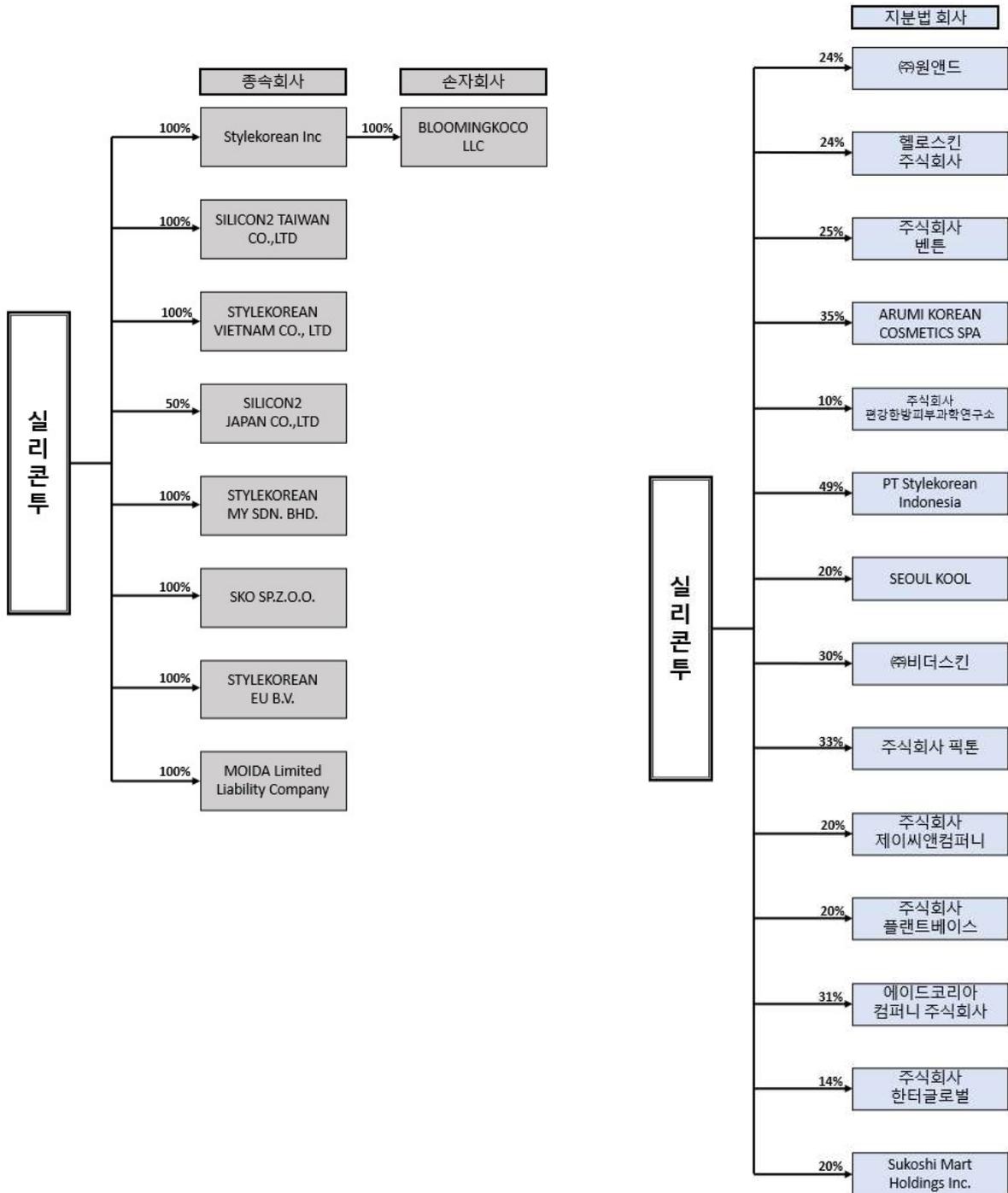
Name of Group Companies	Number of Affiliated Companies		
	Listed	Not listed	Sum
Silicon2's affiliated company	-	22	22

※ For details, refer to 'Detailed Table 2: Subsidiary Company Status (Detailed)

(2) Name of affiliated company (including corporate registration number or business registration number)

Name of Company	Corporate registration number
Stylekorean Inc.	-
STYLEKOREAN VIETNAM CO.,LTD	-
PT.Style Korean Indonesia	-
ARUMI KOREAN COSMETICS SPA	-
Silicon2 Taiwan Co., LTD	-
SEOUL KOOL FOR COSMETIC MATERIALS CO, WLL	-
STYLEKOREAN MY SDN. BHD.	-
SILICON2 JAPAN CO.,LTD	-
SKO SP.Z.O.O.	-
STYLEKOREAN EU B.V.	-
MOIDA Limited Liability Company	-
Sukoshi Mart Holdings Inc.	-
ONEAND Co., Ltd	152-81-00033
Benton Co., Ltd	463-88-00529
Pyun Gang Korean Medicine Dermatological Science Research Institute Co., Ltd.	367-88-00255
HelloSKIN Co., Ltd	888-88-00596
Be The Skin Co., Ltd	211-88-22602
TOBOCO Co., Ltd	196-81-02410
JC&C Company Co., Ltd	607-86-20887
Plant Base Co., Ltd	675-86-02198
AID KOREA COMPANY Co., Ltd	449-88-00372
HANTEO GLOBAL Co., Ltd	110111-6917102

(3) A organizational chart showing the relationships of control, subsidiaries, and investments among affiliated companies.



(4) Overview of mechanisms or organizations for coordinating business activities or interests among affiliated companies

This is not applicable to the Company as of the submission date of this report.

(5) Affiliated Company exerting direct or indirect influence on the management of the Company

This is not applicable to the Company as of the submission date of this report.

(6) Overview of Concurrent Position Status of Executive Directors between the Company and Its Affiliated Company

Name	Title in the Company	Name of the Company in which the concurrent position is held	Title in the Company in which the concurrent position is held
Sungwoon Kim	CEO	Stylekorean Inc.	CEO
		STYLEKOREAN VIETNAM CO., LTD	CEO
		PT Stylekorean Indonesia	Director
		SKO SP.Z.O.O.	CEO
Jinho Choi	COO	Pyun Gang Korean Medicine Dermatological Science Research Institute Co., Ltd.	Outside Director
SON ROBERT INHO	CFO	PT Stylekorean Indonesia	Directors
		STYLEKOREAN EU B.V.	CEO
		Stylekorean Inc.	CFO

Overview of Investment in Other Corporations

(As of June 30, 2024)

(Unit: KRW)

Purpose of Investment	Number of Corporations Invested			A Total Amount of Investment			
	Listed	Not listed	Total	Book at the Beginning of year	Increase(Decrease)		Book at the end of year
					Estimated Amount of Acquisition Valuation (Disposal)	Estimated Amount of Profit or Loss	
Management Participation	-	7	7	7,955	35,354	-	43,309
General Investment	-	15	15	12,664	3,720	-	16,384
Simple Investment	-	-	-	-	-	-	-
Total	-	22	22	20,619	39,074	-	59,693

X. Transactions with Major Shareholders

1. Transactions with the Largest Shareholders

A. Details of Provisional Payments and Loans (including Securities Loaned)

This is not applicable to the Company as of the submission date of this report.

B. Details of Collateral provided

This is not applicable to the Company as of the submission date of this report.

C. Details of Guarantee of Debt

This is not applicable to the Company as of the submission date of this report.

D. Details of Real estate transaction

This is not applicable to the Company as of the submission date of this report.

E. Details of Asset Transfer

This is not applicable to the Company as of the submission date of this report.

F. Details of Business transaction

This is not applicable to the Company as of the submission date of this report.

2. Transactions with stakeholders other than the largest shareholders

This is not applicable to the Company as of the submission date of this report.

XI. Other Matters Required for Investor Protection

1. Progress and Changes in Disclosures

This is not applicable to the Company as of the submission date of this report.

2. Matters regarding Contingent liabilities

A. Significant litigation cases

This is not applicable to the Company as of the submission date of this report.

B. Overview of promissory notes for pledging or collateral

(As of Dec, 31, 2023)

(Unit: 1 mil KRW)

Submission To	Quantity	Amount	Note
Bank	-	-	-
Financial Institution (Excluding Bank)	-	-	-
Corporation	-	-	-
Other(Individual)	-	-	-

C. Overview of Guarantee of Debt

This is not applicable to the Company as of the submission date of this report.

D. Overview of Debt Assumption Agreement

This is not applicable to the Company as of the submission date of this report.

E. Other Contingent liabilities

This is not applicable to the Company as of the submission date of this report.

3. Matters regarding Regulations

A. Overview of Sanctions

(1) Overview of Investigation and Judicial Sanctions

This is not applicable to the Company as of the submission date of this report.

(2) Overview of Administrative sanctions

A) Sanction by Financial Regulatory Authorities

This is not applicable to the Company as of the submission date of this report.

B) Sanction by Fair Trade Commission

This is not applicable to the Company as of the submission date of this report.

C) Sanction by Tax authorities (National Tax Service, Customs Service, etc.)

This is not applicable to the Company as of the submission date of this report.

D) Sanction by other administrative and public organizations

This is not applicable to the Company as of the submission date of this report.

B. Sanction by the Korea Exchange and others

As of August 17, 2023, the Company was fined 2 million KRW for non-compliance with disclosure requirements related to significant changes in revenue or profit/loss structure exceeding 30% (15% for large corporations exceeding) by the Korea Exchange.

To prevent recurrence, the Company will ensure compliance with disclosure regulations and complete specialized training programs, ensuring that similar incidents do not occur in the future.

C. Matters regarding the Occurrence and Return of Short-term Trading gains

This is not applicable to the Company as of the submission date of this report.

4. Other Matters regarding Significant Events Occurring After Report Creation Date

A. Significant Events Occurring After Report Creation Date

This is not applicable to the Company as of the submission date of this report.

C. Subsidiary Status of Foreign Holding Companies

This is not applicable to the Company as of the submission date of this report.

D. Legal Risk Fluctuations

This is not applicable to the Company as of the submission date of this report.

E. Matters regarding deposit protection of financial institutions

This is not applicable to the Company as of the submission date of this report.

F. Compliance with the requirements of a special purpose acquisition company

This is not applicable to the Company as of the submission date of this report.

G. Roles and obligations of financial investment firms in a special purpose acquisition company

This is not applicable to the Company as of the submission date of this report.

H. Post Information of M&A

This is not applicable to the Company as of the submission date of this report.

I. Green Management

This is not applicable to the Company as of the submission date of this report.

J. Matters regarding government certification and its revocation

This is not applicable to the Company as of the submission date of this report.

K. Changes Due to the conversion of contingent convertible bond and debt restructuring

This is not applicable to the Company as of the submission date of this report.

L. Overview of Lock-Up Shares

This is not applicable to the Company as of the submission date of this report.

M. Post Information of Specially Listed Company

This is not applicable to the Company as of the submission date of this report.

XII. Detailed Table

1. Overview of consolidated subsidiary companies (Details)

☞ Move to the main text

(Unit: KRW)

Name of Company	Foundation Date	Address	Major Business	At the end of the recent Business year, Total Asset	Basis of Control	Major Subsidiary Company Status
Stylekorean Inc.	28-Apr-15	10928 Bloomfield Ave, Santa Fe Springs, CA 90670	Cosmetics Distribution & Sales business	148,412,892,529	Majority ownership of voting rights (No.K-iFRS 1110)	Yes
STYLEKOREAN MY SDN. BHD.	02-Jun-22	19, Jalan 8/91, Taman Shamelin Perkasa, 56100 Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, Malaysia	Cosmetics Distribution & Sales business	13,662,352,031	Majority ownership of voting rights (No.K-iFRS 1110)	N/A
STYLEKOREAN EU B.V.	13-Mar-23	Keizersgracht 555, 1017 DR Amsterdam, Netherlands	Cosmetics Distribution & Sales business	6,466,874,441	Majority ownership of voting rights (No.K-iFRS 1110)	N/A
SKO Sp. z o.o.	30-Jan-23	UL.SWIDNICKA, numer36, lokal 12, kod poczt. 50-068, poczta WROCLAW	Logistics Outsourcing Business	23,724,328,222	Majority ownership of voting rights (No.K-iFRS 1110)	N/A
STYLEKORAN VIETNAM CO.,LTD	06-Jun-19	No. 9, Thuy Phuong Street, Duc Thang Ward, Bac Tu Liem District, Ha Noi	Cosmetics Distribution & Sales business	1,019,805,123	Majority ownership of voting rights (No.K-iFRS 1110)	N/A
MOIDA LLC	07-Aug-23	119331,MOSCOW CITY, Russia VN.TER.G. MUNICIPAL DISTRICT LOMONOSOVSKY, PR-KT VERNADSKY, D. 29, ROOM 1/14	Cosmetics	234,326,303	Majority ownership of voting rights (No.K-iFRS 1110)	N/A

2. Overview of Affiliated Companies (Details)

☞ Move to the main text

(As of June 30, 2024)

(Unit: Company)

Listing Status	Number of Company	Name of Company	Corporate registration number
Listed	-	-	-
		-	-
Not listed	22	Stylekorean Inc.	-
		STYLEKOREAN VIETNAM CO.,LTD	-
		PT.Style Korean Indonesia	-
		ARUMI KOREAN COSMETICS SPA	-
		Silicon2 Taiwan Co., LTD	-
		SEOUL KOOL FOR COSMETIC MATERIALS CO, WLL	-
		STYLEKOREAN MY SDN. BHD.	-
		SILICON2 JAPAN CO.,LTD	-
		SKO SP.Z.O.O.	-
		STYLEKOREAN EU B.V.	-
		MOIDA Limited Liability Company	-
		Sukoshi Mart Holdings Inc.	-
		ONEAND Co., Ltd	152-81-00033
		Benton Co., Ltd	463-88-00529
		Pyun Gang Korean Medicine Dermatological Science Research Institute Co., Ltd.	367-88-00255
HelloSKIN Co., Ltd	888-88-00596		
Be The Skin Co., Ltd	211-88-22602		
Picton Co., Ltd	196-81-02410		

		JC&C Company Co., Ltd	607-86-20887
		Plant Base Co., Ltd	675-86-02198
		AID KOREA COMPANY Co., Ltd	449-88-00372
		HANTEO GLOBAL Co., Ltd	110111-6917102

3. Overview of Investment in Other Corporations(Details)

☞ Move to the main text

(As of June 30, 2024)

(Unit: 1 mil KRW, shares, %)

Name of Company	Listing Status	Initial Acquisit on Date	Purpose of Investment	Amount of Initial Acquisition	Balance at the beginning of year			Increase (Decrease)			Balance at the end of year			Recent Business Year Financial Status	
					Quantity	Percentage of Ownership	Book Value	Acquisition (Disposal)		Estimated Profit and Loss	Quantity	Percentage of Ownership	Book Value	Total Asset	Net Profit and Loss
								Quantity	Amount						
Stylekorean Inc.	Not listed	29-Apr-15	Participation in Management	3	5,000,000	100	5,817	25,000,000	34,753	-	30,000,000	100	40,570	148,413	11,926
STYLEKOREAN VIETNAM CO.,LTD	Not listed	06-Jun-19	Participation in Management	6	5,000	100	65	45,000	601	-	50,000	100	666	1,020	(180)
STYLEKOREAN MY SDN. BHD.	Not listed	02-Jun-22	Participation in Management	482	1,697,357	100	483	-	-	-	1,697,357	100	483	13,662	956
SKO Sp. z.o.o.	Not listed	23-Jan-23	Participation in Management	517	96,000	100	517	-	-	-	96,000	100	517	23,724	2,014
STYLEKOREAN EU B.V.	Not listed	13-Mar-23	Participation in Management	1,052	22,500	100	1,052	-	-	-	22,500	100	1,052	6,467	2,012
MOIDA Limited Liability Company	Not listed	18-Aug-23	Participation in Management	21	2	100	21	-	-	-	2	100	21	234	(4)
PT. Style Korean Indonesia	Not listed	21-Aug-18	General Investment	168	392,000	49	876	-	-	-	392,000	49	876	15,091	382
ONEAND Co., Ltd	Not listed	11-Mar-16	General Investment	200	80,000	24	400	-	-	-	80,000	24	400	18,978	1,135
Benton Co., Ltd	Not listed	25-Nov-16	General Investment	200	645,000	25	300	-	-	-	645,000	25	300	5,637	(166)
Pyun Gang Korean Medicine Dermatological Science Research Institute Co., Ltd.	Not listed	20-Dec-17	General Investment	300	8,889	10	300	-	-	-	8,889	10	300	10,846	(319)
HELLOW SKIN	Not listed	07-Oct-16	General Investment	50	6,667	25	0	-	-	-	6,667	24	-	2,157	(697)
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	Not listed	20-Jan-20	General Investment	463	-	20	147	-	-	-	-	20	147	847	2
ARUMI KOREAN COSMETICS SPA	Not listed	26-Apr-17	General Investment	337	5,385	35	-	-	-	-	5,385	35	-	-	-
SILICON2 TAIWAN CO.,LTD	Not listed	07-Jul-17	Management Participation	34	-	100	-	-	-	-	-	100	-	-	-
Be The Skin Co., Ltd	Not listed	08-Feb-21	General Investment	100	8,572	30	100	-	-	-	8,572	30	100	2,528	78
Picton Co., Ltd	Not listed	25-May-21	General Investment	30	500,000	33	1,000	-	-	-	500,000	33	1,000	16,273	2,842
JC&C Company Co., Ltd	Not listed	23-Jul-21	General Investment	100	3,000	20	56	-	-	-	3,000	20	56	347	297
Plant Base Co., Ltd	Not listed	28-Jul-21	General Investment	200	500	20	58	-	-	-	500	20	58	417	23
AID KOREA COMPANY Co., Ltd	Not listed	28-Oct-21	General Investment	1,000	25,000	31	1,300	-	-	-	25,000	31	1,300	8,494	1,034
HANTEO GLOBAL Co., Ltd	Not listed	14-Mar-22	General Investment	5,000	91,277	14	4,148	-	-	-	91,277	14	4,148	7,664	(1,249)
SILICON2 JAPAN CO.,LTD	Not listed	18-Apr-22	General Investment	24	2,500	50	24	-	-	-	2,500	50	24	-	-
Sukoshi Mart Holdings Inc.	Not listed	12-Dec-23	General Investment	3,954	2,999,999	20	3,955	2,700,001	3,720	-	5,700,000	20	7,675	-	-
Total					11,589,648	-	20,619	27,745,001	39,074	-	39,334,649	-	59,693	282,799	20,086

【 Expert Confirmation 】

1. Expert Confirmation

This is not applicable to the Company as of the submission date of this report.

2. Conflict of Interest of Expert

This is not applicable to the Company as of the submission date of this report.