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Business Report

(The 23rd Annual Report)

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

SUBMITTED TO
Financial Services Commission

November 14, 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 11월 14일

주식회사 실리콘투

대 표 이 사

김 성 윤 (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.”

November 14, 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	2
Total	4	-	-	4	2

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	#907, 231, Pangyoyeok-ro, Bundang-gu, Sungnam-si, 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

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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

중소벤처기업부장관



- 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 자료를 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	2021. 09. 29.	N/A

2. Company History

A. Company highlights

Date	Milestone	Description
Jan. 2002	Establishment	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- New location: 301, 302, Duckin Building, 537-2 Yatap-dong, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea
June 2003	Change of CEO	<ul style="list-style-type: none">- Resignations due to the abolition of the co-leadership rule: Sungwoon Kim and Sangho Lee- Inauguration of CEO : Sungwoon Kim
Nov. 2004	Awards	<ul style="list-style-type: none">- Named "5 Million Dollar Exporter" at the 41st Annual Trade Day hosted by the Korea International Trade Association
May 2006	Relocation of the HQ	<ul style="list-style-type: none">- New location: 1003 Parkview Office Tower 6, Jeongdong-dong, Bundang-gu, Seongnam-si, Republic of Korea
Nov. 2006	Awards	<ul style="list-style-type: none">- 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	<ul style="list-style-type: none">- 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: #907, S-dong, 231, Pangyo-eup-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea (Sampyeong-dong H-Square)
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 Picton Co., 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 Picton 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 Picton 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	<ul style="list-style-type: none"> - Established STYLEKOREAN UK LTD. in the United Kingdom
June 2024	Subsidiary Establishment	<ul style="list-style-type: none"> - Established STYLEKOREAN SG PTE. LTD. in Singapore
July 2024	Subsidiary Establishment	<ul style="list-style-type: none"> - Established STYLEKOREAN FR SAS.. in France
Sep. 2024	Brand Investments	<ul style="list-style-type: none"> - Equity investment in the ' Hyaah' brand of Only Ni Co., Ltd.

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	907, S-dong, 231, Pangyo-eup-ro, Bundang-gu, Seongnam-si, 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 Sangho Lee Inside Director Eunha Shin Inside Director Jieun Cho Auditor Jaebok Kim	-	Inside Director Kyungja Lee
Feb. 1, 2017	AGM	Inside Director Yeonkyu Park Inside Director Jinho Choi Inside Director Robert Inho Son (American) Auditor Joonkyu Kang	Inside Director Sungwoon Kim	Inside Director Kyungja Lee
				Inside Director Eunha Shin
				Auditor Jaebok Kim
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 Junkyu 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 Taeksoon Lee	-	Outside Director Yoon Mark Manjoong
Mar.30, 2023	AGM	Auditor Obin Kwon	Inside Director Sungwoon Kim Inside Director Jinho Choi Inside Director Robert Inho Son (American)	Auditor Junkyu Kang (term expiration)

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%	Stock Acquisition

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 a long history of distribution and logistics know-how, 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 allows 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	23 rd (September 30, 2024)	22 nd (December 31, 2023)	21 st (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: September 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	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
			1. Manufacturing Cosmetics and Beauty-related Products
Added	Mar. 30, 2023	-	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 \$207 billion by 2023. 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 2022, up 5.3% from the previous year.

In addition, the health functional food market is expected to reach \$336.9 billion in 2023, up 9.4% year-on-year, according to the Export Information and Analysis Department of the Korea Agro-Fisheries Trade Corporation.

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 is expected to reach over \$356 billion (KRW 241.391 trillion) by 2032, a decade from last year, 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. The 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 will 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 not currently 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 not underway 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, Silicon2 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 utilizes "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)	September 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	59,988	11.58%	33,927	9.9%	16,056	9.71%
		Company B	22,470	4.34%	15,515	4.53%	8,471	5.13%
		Company C	17,388	3.36%	5,026	1.47%	3,831	2.32%
		Other	346,347	66.87%	217,497	63.43%	99,391	60.14%
		Subtotal	446,193	86.15%	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	14,889	2.87%	13,855	4.04%	14,042	8.5%
		Company B	1,119	0.22%	3,321	0.97%	5,731	3.47%
		Company C	615	0.12%	274	0.08%	1,486	0.9%
		Other	30	0.01%	90	0.02%	2,120	1.28%
		Subtotal	16,653	3.22%	17,540	5.11%	23,379	14.15%
Fulfillment	K-Beauty products on external online platforms Sales agency and shipping agency business	Company A	28,765	5.55%	33,244	9.7%	4,434	2.68%
		Company B	7,325	1.41%	8,557	2.5%	2,523	1.53%
		Company C	5,916	1.14%	2,877	0.84%	2,074	1.25%
		Other	12,533	2.42%	8,553	2.48%	4,871	2.95%
		Subtotal	54,539	10.52%	53,231	15.52%	13,902	8.41%
Other revenue	Rental revenue, etc.	-	577	0.11%	125	0.04%	242	0.14%
Revenue total			517,962	100.00%	342,861	100.00%	165,272	100.00%

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

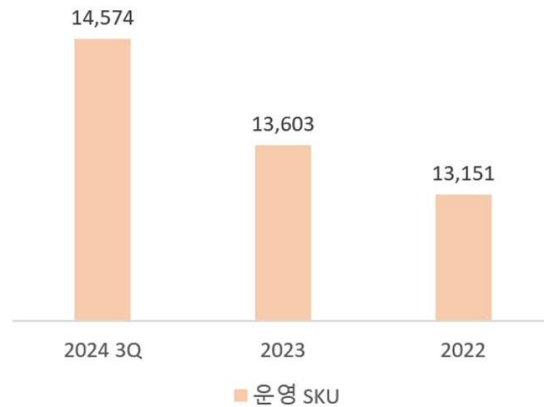
Note 2) Revenue for each business unit represents the revenue from the top three major customers for each business unit by year.

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 14,000 SKUs in operation as of September 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

<div> <div>Paste Product</div> <div>Add Selected to Wishlist</div> <div>Remove Selected</div> </div>								
<input checked="" type="checkbox"/>	Image	Product Code	Product Name	Retail Price	Weight	Qty	Amount	Select
<input checked="" type="checkbox"/>		PeriPCM01-AD010	[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	<div>Wishlist</div> <div>Remove</div>
<input checked="" type="checkbox"/>		PeriPCM01-AD009	[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	<div>Wishlist</div> <div>Remove</div>
<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	<div>Wishlist</div> <div>Remove</div>
<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	<div>Wishlist</div> <div>Remove</div>

CA 고객들의 실시간 주문 서비스 제공

Brands


Search Condition

Brand

=== Select Brand ===

Function

=== Select Function ===

Available Stock 

Search



☐ Select All Products

Add to Cart

Wishlist

Cancel





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 140 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.

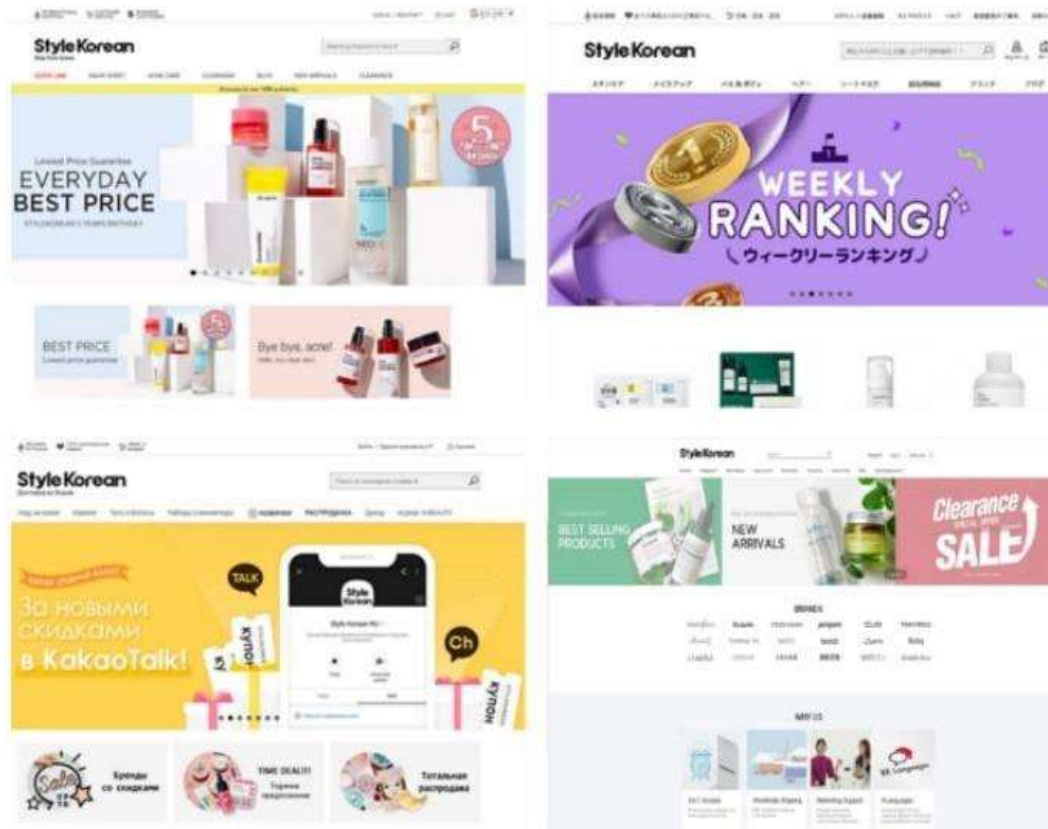
Additionally, to help CA partners succeed in their local business, the Company provides not just product supply, but also sales strategy support and marketing resources in order to enable CA partners to grow and support K-Beauty's local expansion, rather than being partners for simple sales.

(c) Personal Account (PA) business

The PA business operates StyleKorean.com (<https://www.stylekorean.com>), which sells K-Beauty products in more than 120 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

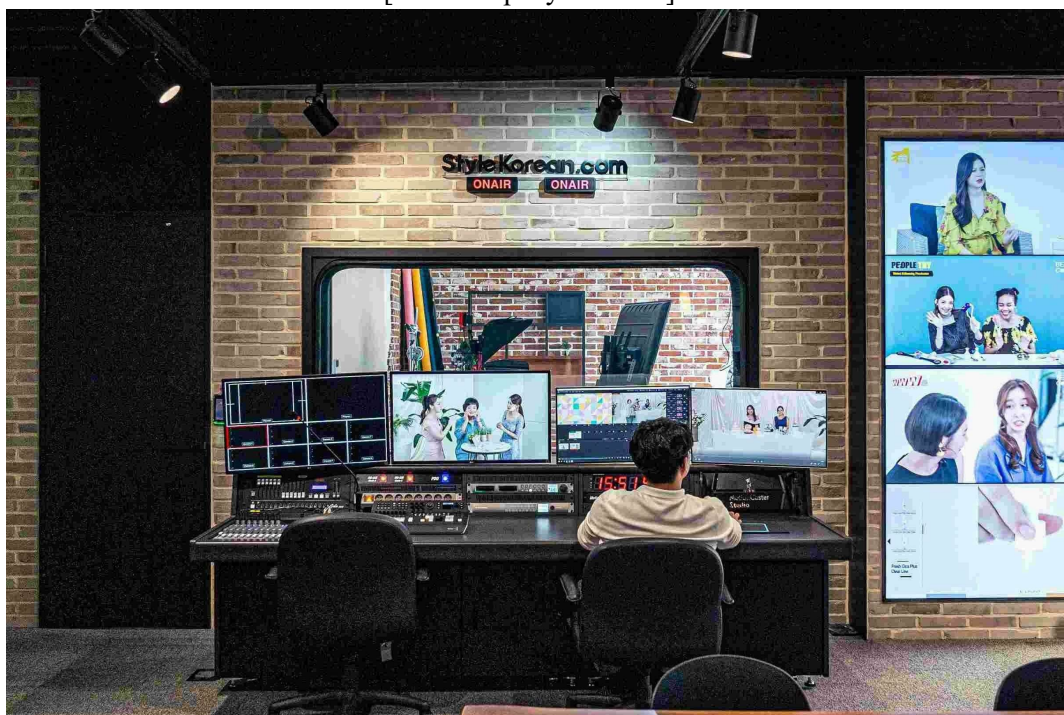
The fulfillment business is a business that provides operation outsourcing and consignment/delivery for small K-beauty brands that have difficulties entering and managing operations the open market on its own. Additionally, the Company facilitates entry into open markets tailored to each brand's characteristics. 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 14,000 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	September 30, 2024 (23rd)		2023 (22nd)		2022 (21st)	
	Amount	Portion	Amount	Portion	Amount	Portion
CA	334,064	86.24%	228,566	79.35%	94,034	77.41%
PA	12,468	3.22%	14,741	5.12%	17,209	14.17%
Fulfillment	40,833	10.54%	44,736	15.53%	10,233	8.42%
Total	387,365	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 (2024.09.30)	Location
Headquarters	Land	Owned	Rooms 905 through 911	5,822	62	-	5,885	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	158	359	16,845	
	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	54,878	-	59,647	10928 Bloomfield Ave. Santa Fe Springs CA 90670
	Buildings			3,301	15,704	145	18,860	
Warehouse	Warehouse	Leased	Opo CS Warehouse	2,382	947	901	2,427	650-23, Opo-ro, Opo-eup, Gwangju-si, Gyeonggi-do, Republic of Korea
	AGV	Owned		1,103	-	418	685	
Warehouse (under construction)	Land	Owned	Hakwoon Complex 5	19,510	532	-	19,829	1170, Hanun-ri, Yangchon-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	September 30, 2024 (23rd)		2023 (22nd)		2022 (21st)	
				Sales	Portion	Sales	Portion	Sales	Portion
CA (Corporate Account)	Product sales	Company A	Export	59,988	11.58%	33,927	9.9%	16,056	9.71%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	59,988	11.58%	33,927	9.9%	16,056	9.71%
		Company B	Export	22,470	4.34%	15,515	4.53%	8,471	5.13%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	22,470	4.34%	15,515	4.53%	8,471	5.13%
		Company C	Export	17,388	3.36%	5,026	1.47%	3,831	2.32%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	17,388	3.36%	5,026	1.47%	3,831	2.32%
		Other	Export	312,270	60.29%	187,976	54.82%	86,032	52.05%
			Domestic	34,077	6.58%	29,521	8.61%	13,359	8.08%
			Subtotal	346,347	66.87%	217,497	63.43%	99,391	60.14%

		Subtotal	Export	412,116	79.56%	242,444	70.71%	114,390	69.21%
			Domestic	34,077	6.58%	29,521	8.61%	13,359	8.08%
			Subtotal	446,193	86.15%	271,965	79.33%	127,749	77.3%
PA (Personal Account)	Product sales	Company A	Export	14,889	2.87%	13,855	4.04%	14,042	8.50%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	14,889	2.87%	13,855	4.04%	14,042	8.50%
		Company B	Export	1,119	0.22%	3,321	0.97%	5,731	3.47%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	1,119	0.22%	3,321	0.97%	5,731	3.47%
		Company C	Export	615	0.12%	-	0.00%	1,486	0.9%
			Domestic	-	0.00%	274	0.08%	-	0.00%
			Subtotal	615	0.12%	274	0.08%	1,486	0.9%
		Other	Export	21	0.01%	90	0.02%	1,760	1.06%
			Domestic	9	0.00%	-	0.00%	360	0.22%
			Subtotal	30	0.01%	90	0.02%	2,120	1.28%
		Subtotal	Export	16,644	3.21%	17,266	5.04%	23,019	13.93%
			Domestic	9	0.00%	274	0.08%	360	0.22%
			Subtotal	16,653	3.22%	17,540	5.11%	23,379	14.15%
Fulfillment	Product sales	Company A	Export	28,765	5.55%	33,244	9.7%	4,434	2.68%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	28,765	5.55%	33,244	9.7%	4,434	2.68%
		Company B	Export	7,325	1.41%	8,557	2.5%	2,523	1.53%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	7,325	1.41%	8,557	2.5%	2,523	1.53%
		Company C	Export	5,916	1.14%	2,877	0.84%	2,074	1.25%
			Domestic	-	0.00%	-	0.00%	-	0.00%
			Subtotal	5,916	1.14%	2,877	0.84%	2,074	1.25%
		Other	Export	12,400	2.39%	8,361	2.43%	4,386	2.66%
			Domestic	133	0.03%	192	0.05%	485	0.29%
			Subtotal	12,533	2.42%	8,553	2.48%	4,871	2.95%
		Subtotal	Export	54,406	10.50%	53,039	15.47%	13,417	8.12%
			Domestic	133	0.03%	192	0.06%	485	0.29%
			Subtotal	54,539	10.52%	53,231	15.52%	13,902	8.41%
Others	Other revenues	-	-	577	0.11%	125	0.04%	242	0.14%
Total				517,962	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 September 30, 2024)

(Unit: mil KRW)

Revenue type	Item	Classification	Sales channel	Revenue, by channel	Revenue ratio
CA Revenue	Cosmetics	Sales	Revenue from supply contracts through the wholesale site, which serves retail partners worldwide	446,193	86.15%
PA Sales			Revenue from direct sales to consumers worldwide via the StyleKorean Retail platform, operational across global, Japan, Russia, Indonesia, and U.S. websites.	16,653	3.22%
Fulfillment sales			Revenue from fulfillment services, including operations outsourcing and drop shipping (DS).	54,539	10.52%
Others			Others	Ad revenue, etc.	577
Total				517,962	100.00%

Note) Revenue is based on IFRS consolidated financial statements in the 3rd quarter of 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 120 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 120 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 September 30, 2024)

(Unit: mil KRW)

Revenue types	Customer	Revenue amount	Revenue ratio
CA Sales	iHerb, Inc	59,988	11.58%
DA Sales	Amazon.com	28,765	5.55%
PA Sales	Style Korea USA (formerly Independent online store)	14,889	2.87%
	Other	414,320	80.00%
	Total	517,962	100.00%

Major customers are defined as those contributing 5% 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 risks arise 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	September 30, 2024			December 31, 2023		
	Currency	Foreign currency	KRW equivalent	Currency	Foreign currency	KRW equivalent
Cash equivalent assets	USD	14,850,078,10	19,596,163,061	USD	6,495,166.38	8,374,867,529
	EUR	338,191.90	498,515,152	EUR	1,229,544.31	1,754,055,617
	Others	-	-	Others	21,820,726.86	272,978,638
Short-term loan	USD	30,000,000.00	39,588,000,000	-	-	-
Accounts receivable	USD	45,860,171.66	60,517,082,523	USD	42,970,427.49	55,406,069,192
	EUR	22,633,438.10	33,363,045,766	EUR	3,839,967.64	5,478,059,435
	Others	29,081,777.96	683,091,281	Others	168,552,239.53	489,055,311
Short-term borrowings	USD	(30,000,000.00)	(39,588,000,000)	-	-	-
Total			114,657,897,783	Total		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	September 30, 2024		December 31, 2023	
	FX increase	FX decrease	FX increase	FX decrease
Increase (decrease) in profit and loss before tax	11,465,789,778	(11,465,789,778)	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.

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	September 30, 2024	December 31, 2023
Accounts receivable	58,534,152,019	21,282,743,325
Short-term other financial assets	6,768,224,828	17,103,561,266
Other financial assets	2,026,752,749	1,296,330,857
Total	67,329,129,596	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) Current Reporting Period

(Unit: KRW)

Current Year End	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Non-derivatives				
Accounts payable	6,923,996,882	-	-	6,923,996,882
Other current financial liabilities	3,980,393,651	-	-	3,980,393,651
Short-term borrowings	188,908,099,931	-	-	188,908,099,931
Current portion of long-term debt	163,802,317	-	-	163,802,317
Long term borrowings (*)	105,193,818	341,433,942	3,732,430,173	4,179,057,933
Lease liabilities	3,611,995,307	1,477,096,953	1,865,238,228	6,954,330,488
Total Non-derivatives	203,693,481,906	1,818,530,895	5,597,668,401	211,109,681,202
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 provide 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	September 30, 2024	December 31, 2023
Total Borrowings	148,344,922,089	58,762,207,426
Deductions: Cash and cash equivalents	(62,611,744,567)	(17,217,510,020)
Net liabilities (a)	85,733,177,522	41,544,697,406
Total stockholders' equity (b)	222,763,704,223	134,951,936,183
Total Assets (c=a+b)	308,496,881,745	176,496,633,589
Gearing ratio (a/c)	27.79%	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

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 Co., Ltd.	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
Picton Co., Ltd	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 shares (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) : 5,000 shares (6.25%)	Aug 4, 2022	300,000,000 KRW
Picton Co., Ltd	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
Picton Co., Ltd	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
ONLY Ni CO.,LTD	Enhance brand image through share subscription agreements	Acquisition of shares under stock purchase agreement (number of shares) : 400 shares (16.67%)	Sep. 23, 2024	1,000,000,000 KRW

B. Research and Development Activities

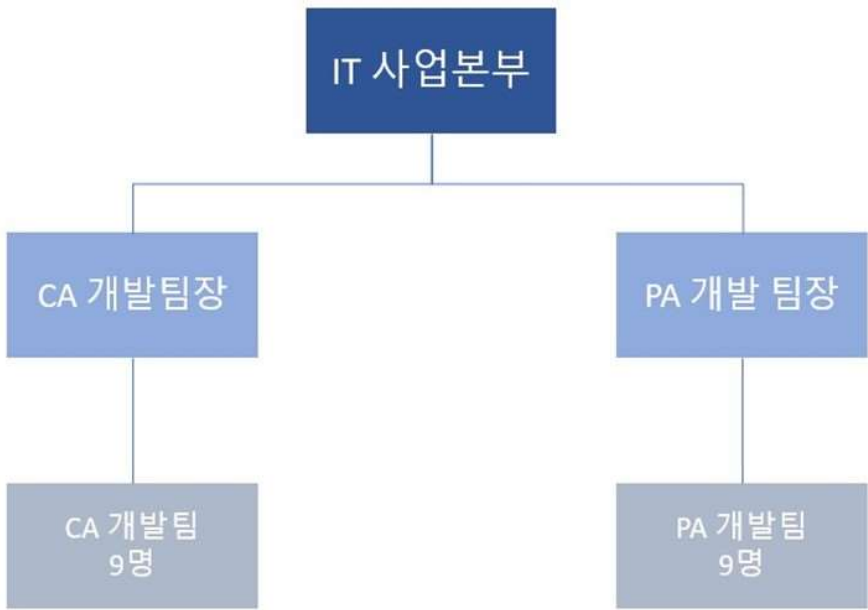
(1) Overview of R&D activities

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 9 명	CA Development Team (9 members)
PA 개발팀 9 명	PA Development Team (9 members)

Organizations	Main tasks
CA Development Team	- 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	- 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	September 30, 2024 (23rd)	2023 (22nd)	2022 (21st)	Remarks
Research and development expense account (*1)	733,217	871,345	657,815	-
(Government subsidy)	-	-	-	-
R&D expense as a percentage of sales [R&D expense /current FY sales×100].	0.15%	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% for 8 years 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 sales. 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	September 30, 2024	2023	2022	2021
Direct international sales of cosmetics products online (*1)	100,275	110,958	103,268	105,156
Revenue of the Company	5,180	3,429	1,653	1,310
Market share estimation	5.17%	3.09%	1.60%	1.25%

Note 1) Source: Korea Cosmetic Industry Institute, 2021-2024 3Q 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)

Year of business	23rd	22nd	21st
	Sep. 30, 2024	Dec. 31, 2023	Dec. 31, 2022
[Current assets]	258,008,067,151	136,394,594,980	73,230,909,481
• Quick assets	134,955,609,232	57,857,995,621	44,628,603,354
• Inventories	123,052,457,919	78,536,599,359	28,602,306,127
[Non-current assets]	159,113,526,420	78,875,966,099	55,985,406,547
• Investment assets	24,406,681,768	16,230,428,752	10,354,117,315
• Property, plant, and equipment	131,926,765,725	59,208,762,860	44,113,068,737
• Intangible assets	1,518,387,611	660,690,211	90,829,875
• Other non-current assets	1,261,691,316	2,776,084,276	1,427,390,620
Total Assets	417,121,593,571	215,270,561,079	129,216,316,028
[Current liabilities]	184,141,883,792	74,179,193,067	28,605,613,290
[Non-current liabilities]	9,994,312,756	6,139,431,829	4,223,839,431
Total Liabilities	194,136,196,548	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]	1,782,497,878	2,836,862,823	2,708,863,492
[Other capital items]	319,588,599	837,480,621	1,070,382,365
[Retained earnings]	159,542,863,291	70,805,907,906	32,792,703,634
Total Capital	222,985,397,023	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 3Q	22 nd 3Q	22 nd	21 st
	(Jan. 1, 2024 - Sep. 30, 2024)	(Jan. 1, 2023 - Sep. 30, 2023)	(Jan. 1, 2023 - Dec. 31, 2023)	(Jan. 1, 2022 - Dec. 31, 2022)
Revenue	517,962,077,636	237,183,698,247	342,860,997,946	165,272,164,547
Operating profit (loss)	110,986,335,140	32,928,100,592	47,809,343,470	14,239,439,136
Profit from continuing operations (loss)	110,577,039,587	36,200,851,672	48,123,416,307	14,267,181,469
Net profit (net loss)	88,736,955,385	28,031,925,970	38,013,204,272	11,155,656,520
Comprehensive income	87,682,590,440	28,965,704,640	38,013,204,272	11,636,092,279
Earnings per share (loss per share)	1,468	465	631	186
Number of companies subject to consolidation accounting	5	5	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
	Sep. 30, 2024	Dec. 31, 2023	Dec. 31, 2022
[Current assets]	252,533,574,217	129,371,378,163	69,027,574,235
• Quick assets	193,507,854,285	91,540,763,997	52,040,768,483
• Inventories	59,025,719,932	37,830,614,166	16,986,805,752
[Non-current assets]	111,395,806,285	70,043,994,534	51,365,849,563
• Investment assets	62,992,851,323	20,619,683,508	15,289,526,692
• Property, plant, and equipment	46,593,573,093	47,473,752,480	34,791,858,327
• Intangible assets	1,489,227,113	658,708,790	60,092,400
• Other non-current assets	320,154,756	1,291,849,756	1,224,372,144
Total Assets	363,929,380,502	199,415,372,697	120,393,423,798
[Current liabilities]	174,106,113,942	72,085,450,258	27,539,175,282
[Non-current liabilities]	3,032,215,136	1,231,673,218	466,746,574
Total Liabilities	177,138,329,078	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]	123,094,419,733	62,752,487,930	29,465,609,924
Total Capital	186,791,051,424	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 3Q	22 nd 3Q	22 nd	21 st
	(Jan. 1, 2024 - Sep. 30, 2024)	(Jan. 1, 2023 - Sep. 30, 2023)	(Jan. 1, 2023 - Dec. 31, 2023)	(Jan. 1, 2022 - Dec. 31, 2022)
Revenue	473,309,157,854	229,079,042,299	331,539,726,901	161,752,951,005
Operating profit (loss)	76,507,779,581	28,415,893,960	42,331,865,455	12,851,672,041
Profit from continuing operations (loss)	73,568,689,058	30,229,709,633	40,583,254,539	12,665,275,140
Net profit (net loss)	60,341,931,803	24,317,926,123	33,286,878,006	10,061,775,418
Comprehensive income	60,341,931,803	24,317,926,123	33,286,878,006	10,061,775,418
Earnings per share (loss per share)	998	403	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. 1. Consolidated Financial Statements

23rd (As of September 30, 2024)

22nd (As of December 31, 2023)

(Unit: KRW)

	23rd September 30, 2024	22nd December 31, 2023
Asset		
Current assets	258,008,067,151	136,394,594,980
Cash and cash equivalents (Notes 5, 6, 7)	62,611,744,567	17,217,510,020
Accounts receivable (Notes 5, 6, 7, 8, 32)	58,534,152,019	21,282,743,325
Short-term other financial assets (Notes 5, 6, 7, 8, 32)	6,768,224,828	17,103,561,266
Other current assets (Note 14)	2,384,053,851	1,316,781,292
Current income tax assets	4,657,433,967	937,399,718
Inventories (Note 9)	123,052,457,919	78,536,599,359
Non-current assets	159,113,526,420	78,875,966,099
Financial assets at fair value through profit or loss (Notes 5, 6, 7, 8)	1,000,000,000	
Other financial assets (Notes 10)	2,026,752,749	1,296,330,857
Equity investments in associates (Note 10)	21,379,929,019	16,230,428,752
Property, plant, and equipment (Note 11)	125,441,297,960	54,127,549,015
Right-of-use assets (Note 12)	6,485,467,765	5,081,213,845
Intangible assets (Note 13)	1,518,387,611	660,690,211
Deferred income tax assets (Note 24)	1,261,691,316	1,479,753,419
Total assets	417,121,593,571	215,270,561,079
Liabilities		
Current liabilities	184,363,576,592	74,179,193,067
Accounts payable (Notes 5, 6, 7, 18, 32)	6,923,996,882	501,545,548
Contract liabilities (Note 16)	1,021,266,499	1,231,347,058
Short-term borrowings (Notes 5, 6, 7, 17)	144,588,000,000	55,000,000,000
Current portion of long-term liabilities (Notes 5, 6, 7, 17)	131,038,734	125,053,387
Short-term other financial liabilities (Notes 5, 6, 7, 18)	3,980,393,651	2,356,176,495
Other current liabilities (Note 19)	7,856,357,534	4,620,604,383
Current income tax liabilities (Notes 24)	16,767,856,654	7,642,136,185
Current lease liabilities (Notes 5, 6, 7, 12)	3,094,666,638	2,702,330,011
Non-current liabilities	9,994,312,756	6,139,431,829
Long-term borrowings (Notes 5, 6, 7, 17)	3,625,883,355	3,637,154,039
Derivative liabilities (Notes 5, 6, 7)	2,567,995,207	
Non-current lease liabilities (Notes 5, 6, 7, 12)	3,626,993,382	2,330,484,542
Net defined benefit liabilities	48,483,371	50,261,766

Restoration provision (Note 15)	124,957,441	121,531,482
Total liabilities	194,357,889,348	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)	1,560,805,078	2,836,862,823
Other capital items (Note 20, 23)	319,588,599	837,480,621
Retained earnings (Note 22)	159,542,863,291	70,805,907,906
Non-controlling interest		
Total equity	222,763,704,223	134,951,936,183
Total liabilities and equity	417,121,593,571	215,270,561,079

2-2. Consolidated Statements of Comprehensive Income

23rd (January 01, 2024 – September 30, 2024)

22nd (January 01, 2023 – September 30, 2023)

(Unit: KRW)

	23rd (September 30, 2024)		22 nd (September 30, 2023)	
	3 months	Accumulated	3 months	Accumulated
Revenue (Notes 4, 25, 32)	186,674,420,221	517,962,077,636	100,951,476,394	237,183,698,247
COGs (Note 26, 32)	122,184,027,166	341,285,128,452	68,112,079,846	160,331,829,177
Gross profit	64,490,393,055	176,676,949,184	32,839,396,548	76,851,869,070
Selling general and administrative expenses (Notes 26, 27, 32)	21,894,230,973	65,690,614,044	17,710,095,802	43,923,768,478
Operating profit	42,596,162,082	110,986,335,140	15,129,300,746	32,928,100,592
Non-operating profit(loss)	(5,040,897,439)	(409,295,553)	1,911,984,970	3,272,751,080
Interest income (Notes 7, 28, 32)	476,382,877	1,217,914,970	138,400,860	575,609,347
Other financial income (Notes 7, 28)	3,394,595,240	10,270,111,661	1,886,405,942	3,821,181,522
Interest expenses (Notes 7, 28)	(1,396,595,858)	(2,914,649,985)	(203,458,357)	(501,941,238)
Other financial expenses (Notes 7, 28)	(8,194,656,295)	(10,508,128,046)	(990,490,640)	(2,265,101,287)
Other income (Note 29)	120,959,070	237,393,496	128,121,036	164,763,820
Other expenses (Note 29)	3,661,676	(184,592,865)	(2,294,884)	(184,281,225)
Equity method profit(loss)	554,755,851	1,472,655,216	955,301,013	1,662,520,141
Equity method profit (Note 10)	584,931,229	1,884,890,488	722,462,056	1,788,980,946
Equity method loss (Note 10)	(30,175,378)	(412,235,272)	232,838,957	(126,460,805)
Net income before income tax expense	37,555,264,643	110,577,039,587	17,041,285,716	36,200,851,672
Income tax expense (Note 24)	7,702,809,953	21,840,084,202	3,903,674,572	8,168,925,702
Net Income	29,852,454,690	88,736,955,385	13,137,611,144	28,031,925,970
Ownership shares of the parent company	29,852,454,690	88,736,955,385	13,137,611,144	28,031,925,970
Non-controlling interest				
Other comprehensive income	(3,283,827,257)	(1,276,057,745)	389,236,844	933,778,670
Items that will be reclassified to profit(loss) (other post-tax comprehensive income)	(3,283,827,257)	(1,276,057,745)	389,236,844	933,778,670
Capital changes in equity method	51,731,656	80,629,996	(11,897,043)	106,507,056
Overseas business profit(loss) in KRW	(3,335,558,913)	(1,356,687,741)	401,133,887	827,271,614
Total comprehensive income	26,568,627,433	87,460,897,640	13,526,847,988	28,965,704,640
Earnings per share				
Basic EPS (Unit: KRW) (Note 33)	493	1465	218	465
Diluted EPS (Unit: KRW) (Note 33)	490	1458	215	459

2-3. Consolidated Statements of Changes in Equity

23rd (January 01, 2024 – September 30, 2024)

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

(Unit: KRW)

		Equity					
		Issued capital	Capital surplus	Accumulated other comprehensive income	Other components of equity	Retained earnings	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					28,031,925,970	28,031,925,970
	Capital changes in equity method			106,507,056			106,507,056
	Overseas business profit(loss) in KRW			827,271,614			827,271,614
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 September 30, 2023		30,266,265,000	30,046,845,630	3,642,642,162	906,881,384	60,824,629,604	125,687,263,780
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					88,736,955,385	88,736,955,385
	Capital changes in equity method			80,629,996			80,629,996
	Overseas business profit(loss) in KRW			(1,356,687,741)			(1,356,687,741)
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 September 30, 2024		30,537,340,000	30,803,107,255	1,560,805,078	319,588,599	159,542,863,291	222,763,704,223

2-4. Consolidated Statements of Cash Flows

23rd (January 01, 2024 – September 30, 2024)

22nd (January 01, 2023 – September 30, 2023)

(Unit: KRW)

	23rd (September 30, 2024)	22nd (September 30, 2023)
Cash flow from operating activities	36,305,389,789	(22,472,880,256)
Cash flow generated from operating activities	54,099,444,626	(21,147,633,628)
Net Income	88,736,955,385	28,031,925,970
Profit(loss) adjustment (Note 30)	30,623,438,543	7,833,198,367
Increase or decrease in assets and liabilities (Note 30)	(65,260,949,302)	(57,012,757,965)
Interest received	1,574,592,657	323,991,823
Interest paid	(3,199,777,555)	(147,919,258)
Dividends paid	50,310,000	
Income tax paid	(16,219,179,939)	(1,501,319,193)
Cash flow from investing activities	(80,477,580,099)	(5,504,885,166)
Cash inflow from investing activities	178,461,237	126,928,916,491
Decrease in short-term financial instruments (Note 30)		121,361,944,584
Decrease in short-term loans	90,000,000	59,878,452
Disposal of property, plant, and equipment	64,140,638	5,501,685,455
Decrease in lease deposits	24,320,599	5,408,000
Cash outflow from investing activities	(80,656,041,336)	(132,433,801,657)
Increase in short-term financial instruments		(114,087,348,059)
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)
Other cash payments to acquire equity or debt instruments of other entities, classified as investing activities (Note 30)	(1,000,000,000)	
Acquisition of property, plant, and equipment (Note 30)	(74,367,719,040)	(16,555,453,191)
Acquisition of intangible assets	(836,717,131)	(606,629,880)
Increase in lease deposit	(731,543,677)	(394,926,735)
Increase in other deposits		(30,723,292)
Cash flow from financing activities	89,697,183,906	13,874,199,336
Cash inflow from financing activities	107,283,114,800	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	227,278,800	157,000,000
Cash outflow from financing activities	(17,585,930,894)	(21,587,423,664)
Repayment of short-term borrowings (Note 30)	(15,000,000,000)	(20,001,491,908)
Repayment of long-term borrowings (Note 30)	(97,905,403)	
Repayments of long term borrowings		(95,385,319)

Lease payments	(2,486,059,891)	(1,396,546,437)
Capital transaction costs	(1,965,600)	
Decrease in lease deposits		(94,000,000)
Change in cash assets due to foreign currency translation	(130,759,049)	(2)
Increase (or decrease) in cash and cash equivalents	45,394,234,547	(14,103,566,088)
Cash and cash equivalents (Beginning of the year)	17,217,510,020	21,188,944,927
Cash and cash equivalents (End of the year)	62,611,744,567	7,085,378,839

3. Notes to Consolidated Financial Statements

Ending of the 23rd (Current) Year: as of September 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 Room 907, Building S, H Square, 231, Pangyoyeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do.

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 30,537,340,000 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	2,427,722	3.99 %	
Securities Finance (distribution)	1,055,388	1.73 %	
Choi, Jin-Ho	826,782	1.36 %	
MICHANG OIL IND. CO., LTD	765,120	1.26 %	
Seo, Dong Suk	655,277	1.08 %	
Other shareholders	31,302,195	51.41 %	
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
		Sep. 30, 2024	Dec. 31, 2023	
StyleKorean Inc.	U.S.	100.00	100.00	Cosmetics sales & distribution
STYLEKOREAN MY SDN. BHD.	Malaysia	100.00	100.00	Cosmetics sales & distribution
STYLEKOREAN EU B.V.	Netherlands	100.00	100.00	Cosmetics sales & distribution

SKO Sp. z o.o.	Poland	100.00	100.00	Cosmetics sales & distribution
MOIDA LLC (*1)	Russia	100.00	100.00	Cosmetics sales & distribution
STYLEKOREAN VIETNAM CO., LTD(*1)	Vietnam	100.00	100.00	Cosmetics sales & distribution
STYLEKOREAN UK LIMITED.(*1)	UK	100.00	-	Cosmetics sales & distribution
STYLEKOREAN FR SAS.(*1)	France	100.00	-	Cosmetics sales & distribution
STYLEKOREAN SG PTE. LTD.(*1)	Singapore	100.00	-	Cosmetics sales & distribution
SILICON 2 TW CO.,LTD(*2)	Taiwan	-	100.00	Cosmetics sales & distribution

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

(*2) The business operations have effectively ceased, and the liquidation process is underway.

(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	September 30, 2024			December 31, 2023		
	Asset	Liabilities	Capital	Asset	Liabilities	Capital
StyleKorean Inc.	158,597,300,733	89,345,755,129	69,251,545,604	65,838,911,380	47,078,583,231	18,760,328,149
STYLEKOREAN MY SDN, BHD	15,437,575,806	12,397,102,988	3,040,472,818	8,315,243,436	8,324,576,719	(9,333,283)
STYLEKOREAN EU B.V.	7,473,452,050	3,606,965,941	3,866,486,109	8,001,811,944	6,412,702,807	1,589,109,137
SKO Sp. z o.o.	27,476,452,034	22,040,414,447	5,436,037,587	1,157,436,302	655,876,688	501,559,614
STYLEKOREAN VIETNAM CO.,LTD	1,563,104,578	937,967,925	625,136,653	21,645,560	1,360,590	20,284,970
MOIDA LLC	86,010,926	72,379,075	13,631,851	13,645,667	-	13,645,667
STYLEKOREAN UK LIMITED.	178,297,563	-	178,297,563	-	-	-
STYLEKOREAN FR SAS.	147,559,004	-	147,559,004	-	-	-
STYLEKOREAN SG PTE. LTD.	104,330,074	-	104,330,074	-	-	-

(Unit: KRW)

Classification	September 30, 2024		December 31, 2023	
	Revenue	Net Profit	Revenue	Net Profit
StyleKorean Inc.	160,036,807,197	17,491,725,204	74,039,146,216	7,145,737,386
STYLEKOREAN MY SDN, BHD	18,967,179,867	2,783,415,801	7,900,071,419	(328,011,472)
STYLEKOREAN EU B.V.	24,097,058,948	2,218,824,921	4,221,836,702	446,460,383
SKO Sp. z o.o.	33,493,897,831	4,863,100,316	45,811,379	(144,752,389)
STYLEKOREAN VIETNAM CO.,LTD	145,555,088	(516,968,139)	-	-
MOIDA LLC	39,485,127	570,760	-	-

(4) Changes in the scope of consolidation target

Changes in the scope of consolidation target in the current reporting period and previous reporting period is as follows:

1) Current reporting period

Company name	Change(s)
STYLEKOREAN UK LIMITED.	New investment
STYLEKOREAN FR SAS.	New investment
STYLEKOREAN SG PTE. LTD.	New investment

2) Previous reporting period

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 quarterly consolidated financial statements of the consolidated entity for the nine-month reporting period ending September 30, 2024, have been prepared in accordance with K-IFRS No. 1034, Interim Financial Reporting. These statements have been prepared in accordance with the Korean International Financial Reporting Standards (K-IFRS) effective as of September 30, 2024, or adopted early.

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

The consolidated entity has applied the following revised and newly issued standards and interpretations starting from the fiscal year beginning January 1, 2024:

A. K-IFRS No. 1001 Presentation of Financial Statements (Amendment) — Classification of Liabilities as Current or Non-current

This amendment clarifies that the classification of liabilities as current or non-current is based on the rights existing at the end of the reporting period, regardless of expectations about whether the entity will exercise its right to defer settlement. It specifies that compliance with covenants as of the reporting period's end ensures the existence of such rights and defines settlement as the transfer of cash, equity instruments, or other assets or services to the counterparty.

B. K-IFRS No. 1116 Leases (Amendment) — Sale and Leaseback Transactions

This amendment addresses subsequent measurement for sale and leaseback transactions. It requires the lessee to measure the lease liability in the same way as any other lease liability but does not recognize any gain or loss on the portion of the right-of-use asset retained by the seller-lessee. The amendment introduces the concept of “revised lease payments.”

C. K-IFRS No. 1001 Presentation of Financial Statements (Amendment) — Crypto Assets

This amendment requires disclosures regarding crypto assets directly held, held on behalf of clients, or issued, including accounting policies and the impact on the financial statements, to provide critical information to financial statement users.

D. K-IFRS No. 1007 Statement of Cash Flows and No. 1107 Financial Instruments: Disclosures (Amendment) — Supplier Finance Arrangements

This amendment requires separate disclosure of supplier finance arrangements, enabling financial statement users to evaluate their effects on liabilities and cash flows. It also mandates the disclosure of liquidity risks arising from these arrangements. Under transitional provisions, such disclosures are not required for interim periods in the first year of adoption. The amendments do not have a material impact on the financial statements.

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

As of the reporting date, the following revised and newly issued standards and interpretations have been issued but are not yet effective for annual periods beginning on or after January 1, 2023. The consolidated entity has not adopted them early.

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 establishes a consistent approach for assessing exchangeability between currencies and determining the spot exchange rate when exchangeability is lacking. It also requires the disclosure of relevant information.

This amendment is effective for annual periods beginning on or after January 1, 2025, with early application permitted.

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 326,451,000 (previous reporting period: KRW 281,447,000).

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	September 30, 2024	September 30, 2023
United States	171,188,135,194	80,044,292,520
Poland	49,641,959,775	5,183,825,674
Korea	33,741,046,579	22,867,891,582
United Arab Emirates	25,071,352,098	2,627,916,335
Netherlands	22,329,563,533	9,188,878,610
Indonesia	19,511,780,246	12,955,506,457
Malaysia	21,332,413,125	11,280,907,499
Australia	15,699,423,761	10,397,073,778
Canada	13,042,926,312	6,392,157,516

Other	146,403,477,012	76,245,248,276
Total	517,962,077,636	237,183,698,247

(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	September 30, 2024	September 30, 2023
Customer (A)	59,987,637,486	-

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 JPY 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	September 30, 2024			September 30, 2023		
	Currency	Foreign currency	KRW equivalent	Currency	Foreign currency	KRW equivalent
Demand deposits	USD	14,850,078.10	19,596,163,061	USD	6,495,166.38	8,374,867,529
	EUR	338,191.90	498,515,152	EUR	1,229,544.31	1,754,055,617
	Others	-	-	Others	21,820,726.86	272,978,638
Short-term loans	USD	30,000,000.00	39,588,000,000	-	-	-
Accounts Receivable	USD	45,860,171.66	60,517,082,523	USD	42,970,427.49	55,406,069,192
	EUR	22,633,438.10	33,363,045,766	EUR	3,839,967.64	5,478,059,435
	Others	29,081,777.96	683,091,281	Others	168,552,239.53	489,055,311
Short-term borrowings	USD	(30,000,000)	(39,588,000,000)	-	-	-
Total			114,657,897,783	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	September 30, 2024		September 30, 2023	
	FX increase	FX decrease	FX increase	FX decrease
Increase (decrease) in profit and loss before tax	11,465,789,778	(11,465,789,778)	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	September 30, 2024	December 31, 2023
Accounts Receivable	58,534,152,019	21,282,743,325
Short-term other financial assets	6,768,224,828	17,103,561,266
Other financial assets	2,026,752,749	1,296,330,857
Total	67,329,129,596	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 September 30, 2024

(Unit: KRW)

September 30, 2024	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Non-derivatives				
Accounts payable	6,923,996,882	-	-	6,923,996,882
Other current financial liabilities	3,980,393,651	-	-	3,980,393,651
Short-term borrowings	188,908,099,931	-	-	188,908,099,931
Current portion of long-term debt	163,802,317	-	-	163,802,317
Long term borrowings (*1)	105,193,818	341,433,942	3,732,430,173	4,179,057,933
Lease liabilities	3,611,995,307	1,477,096,953	1,865,238,228	6,954,330,488
Total Non-derivatives	203,693,481,906	1,818,530,895	5,597,668,401	211,109,681,202
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)

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

2) As of December 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 (*1)	-	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

(*1) 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	September 30, 2024	December 31, 2023
Total borrowings	148,344,922,089	58,762,207,426
Deductions: Cash and cash equivalents	(62,611,744,567)	(17,217,510,020)
Net liabilities (a)	85,733,177,522	41,544,697,406
Total stockholders' equity (b)	222,763,704,223	134,951,936,183
Total assets (c=a+b)	308,496,881,745	176,496,633,589
Gearing ratio (a/c)	27.79%	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	September 30, 2024		December 31, 2023	
	Book value	Fair value	Book value	Fair value
Financial Assets				
Cash and cash equivalents	62,611,744,567	62,611,744,567	17,217,510,020	17,217,510,020
Accounts Receivable	58,534,152,019	58,534,152,019	21,282,743,325	21,282,743,325
Short-term other financial assets	6,768,224,828	6,768,224,828	17,103,561,266	17,103,561,266
Other financial assets	2,026,752,749	2,026,752,749	1,296,330,857	1,296,330,857
Total	129,940,874,163	129,940,874,163	56,900,145,468	56,900,145,468
Financial Liabilities				
Accounts payable	6,923,996,882	6,923,996,882	501,545,548	501,545,548
Short-term other financial liabilities	3,980,393,651	3,980,393,651	2,356,176,495	2,356,176,495
Current lease liabilities	3,094,666,638	3,094,666,638	2,702,330,011	2,702,330,011
Short-term borrowings	144,588,000,000	144,588,000,000	55,000,000,000	55,000,000,000
Current portion of long-term debt	131,038,734	131,038,734	125,053,387	125,053,387
Long term borrowings	3,625,883,355	3,625,883,355	3,637,154,039	3,637,154,039
Other financial liabilities	2,567,995,207	2,567,995,207	-	-
Non-current lease liabilities	3,626,993,382	3,626,993,382	2,330,484,542	2,330,484,542
Total	168,538,967,849	168,538,967,849	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)

September 30, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss	-	-	1,000,000,000	1,000,000,000
Financial Liabilities				
Derivative Liabilities	-	-	2,567,995,207	2,567,995,207

(3) Value Evaluation and Input Variables

(Unit: KRW)

September 30, 2024	Fair Value	Level	Evaluation Method	Variable
Financial Assets				
Equity Instruments	1,000,000,000	3	Net asset valuation, etc.	Net asset value
Financial Liabilities				
Foreign currency-linked currency swap	2,567,995,207	3	Cash flow discount using market observation variables	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	September 30, 2024	December 31, 2023
Financial assets measured at amortized cost		
Cash and cash equivalents	62,611,744,567	17,217,510,020
Accounts Receivable	58,534,152,019	21,282,743,325
Short-term other financial assets	6,768,224,828	17,103,561,266
Other financial assets	2,026,752,749	1,296,330,857
Subtotal	129,940,874,163	56,900,145,468
Financial assets at fair value through profit or loss		
Financial assets at fair value	1,000,000,000	-
Total financial assets	130,940,874,163	56,900,145,468
Financial liabilities measured at amortized cost		
Accounts payable	6,923,996,882	501,545,548
Short-term other financial liabilities	3,980,393,651	2,356,176,495
Current lease liabilities	3,094,666,638	2,702,330,011
Short-term borrowings	144,588,000,000	55,000,000,000
Current portion of long-term debt	131,038,734	125,053,387
Long term borrowings	3,625,883,355	3,637,154,039
Non-current lease liabilities	3,626,993,382	2,330,484,542
Subtotal	165,970,972,642	66,652,744,022
Financial assets at fair value through profit or loss		
Derivative liabilities	2,567,995,207	-
Total financial liabilities	168,538,967,849	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.

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Financial assets measured at amortized cost		
Interest income	1,217,914,970	575,609,347
Foreign exchange gains	6,486,106,361	2,547,910,811
Foreign exchange loss	(3,066,376,252)	(1,941,233,069)
Foreign currency conversion gains	3,739,703,426	1,146,374,835
Foreign currency conversion loss	(4,739,259,325)	(160,454,764)
Provision for bad debts	(566,077,821)	(118,402,297)
Subtotal	3,072,011,359	2,049,804,863
Financial assets measured at fair value through profit or loss		
Foreign exchange gains on futures forward contracts	44,301,874	-
Foreign exchange losses on futures forward contracts	(134,497,262)	(36,517,578)
Subtotal	44,301,874	(36,517,578)
Financial liabilities measured at amortized cost		
Interest expenses	(2,914,649,985)	(501,941,238)
Financial liabilities measured at fair value through profit or loss		
Derivative valuation loss	(2,567,995,207)	-
Total	(2,366,331,959)	1,511,346,047

8. Accounts Receivable and Other Financial Assets

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

(Unit: KRW)

Classification	September 30, 2024	December 31, 2024
Accounts Receivable	59,312,851,048	21,551,728,309
Deductions: Provision for losses	(778,699,029)	(268,984,984)
Total	58,534,152,019	21,282,743,325

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

(Unit: KRW)

Classification	September 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Short-term financial assets	-	-	15,000,000,000	-
Accounts receivable	6,768,224,828	-	1,959,506,465	-
Accrued revenue	-	-	54,054,801	-
Short-term loans	-	-	90,000,000	-

Lease deposits	-	1,968,067,952	-	1,216,247,455
Other deposits	-	58,684,797	-	80,083,402
Total	6,768,224,828	2,026,752,749	17,103,561,266	1,296,330,857

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Beginning book value	268,984,984	113,252,022
Bad debt expense (reversal of allowance for doubtful accounts)	536,340,637	118,402,297
Accounts Receivable Write-off	(72,225,766)	5,365,751
Effect of exchange rate fluctuations	45,599,174	-
Ending book value	778,699,029	237,020,070

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	September 30, 2024	December 31, 2023
Unimpaired receivables		
Within 1 month	4,015,380,505	17,988,093,653
Within 1 to 3 months	27,843,842,767	2,385,029,838
Within 3 to 6 months	26,313,898,143	1,048,513,407
Within 6 to 12 months	625,449,243	129,720,968
1 year or more	514,280,390	370,443
Subtotal	59,312,851,048	21,551,728,309
Impaired receivables	-	-
Total	59,312,851,048	21,551,728,309
Allowances for bad debt on accounts receivable	778,699,029	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	September 30, 2024	December 30, 2023
Goods	124,078,692,914	79,310,651,760
Provision for valuation of goods	(1,026,234,995)	(774,052,401)
Total	123,052,457,919	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	September 30, 2024	September 30, 2023
Inventory valuation loss	243,411,781	(463,624,185)

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
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2024	Dec. 31, 2023		
ONEAND Co., Ltd.	24.10%	24%	1,687,015,508	1,404,866,707	South Korea	Cosmetics manufacturing and sales
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd. (*1)	10%	10%	1,018,994,449	1,035,958,514	South Korea	Cosmetics manufacturing and sales
Benton Co., Ltd.	25%	25%	319,556,040	449,147,581	South Korea	Cosmetics manufacturing and sales
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	20%	20%	149,306,720	147,412,445	Kuwait	Cosmetics distribution and sales
PT. Style Korean Indonesia	49%	49%	2,001,271,249	1,898,936,281	Indonesia	Cosmetics distribution and sales
BE THE SKIN Co., Ltd.	30%	30%	215,989,661	189,314,788	South Korea	Cosmetics distribution and sales
Picton Co., Ltd.	32.52%	32.52%	2,182,308,731	1,176,553,904	South Korea	Cosmetics distribution and sales
JC & Company Co., Ltd.	20%	20%	146,344,073	55,900,988	South Korea	Cosmetics distribution and sales
Plant Base Co., Ltd.	20%	20%	63,909,596	57,745,702	South Korea	Cosmetics distribution and sales
AIDKOREA COMPANY Co., Ltd.	31.25%	31.25%	2,198,363,726	1,727,018,979	South Korea	Cosmetics distribution and sales
HANTEO GLOBAL, INC. (*2)	14.48%	14.83%	3,697,611,452	4,108,376,537	South Korea	Software development and supply
SILICON2 JAPAN CO.,LTD	50%	50%	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%	-	-	South Korea	Cosmetics distribution and sales
ARUMI KOREAN COSMETICS SPA. (*3)	35%	35%	-	-	Chile	Cosmetics distribution and sales
Total			21,379,929,019	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	September 30, 2024			December 31, 2023		
	Assets	Liabilities	Capital	Assets	Liabilities	Capital
ONEAND Co., Ltd.	19,090,829,565	12,932,516,552	6,158,313,013	13,210,279,995	8,239,812,597	4,970,467,398
Benton Co., Ltd.	5,671,154,733	4,390,278,953	1,280,875,780	5,123,747,755	3,259,677,280	1,864,070,475
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	15,933,452,285	7,010,894,053	8,922,558,232	10,362,704,201	1,667,107,279	8,695,596,922
PT. Style Korean Indonesia	17,660,952,356	12,240,514,480	5,420,437,876	9,765,249,044	5,071,460,201	4,693,788,843
HELLO SKIN Co., Ltd.	1,834,072,103	2,382,757,304	(548,685,201)	2,572,285,635	1,316,005,441	1,256,280,194
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	796,846,805	7,689,601	789,157,204	790,945,802	11,259,970	779,685,832
BE THE SKIN Co., Ltd.	2,986,302,782	2,807,257,295	179,045,487	2,834,677,600	2,739,191,944	95,485,656
Picton Co., Ltd.	16,819,176,532	10,663,662,685	6,155,513,847	4,897,582,360	2,799,297,950	2,098,284,410
JC & Company Co., Ltd.	568,958,228	125,092,654	443,865,574	225,139,105	302,811,767	(77,672,662)
Plant Base Co., Ltd.	413,928,675	686,650,713	(272,722,038)	463,651,695	741,093,870	(277,442,175)
AIDKOREA COMPANY Co., Ltd.	9,937,374,651	4,653,384,483	5,283,990,168	7,292,105,953	3,542,314,363	3,749,791,590
HANTEO GLOBAL, INC.	7,920,407,729	5,939,755,685	1,980,652,044	7,814,680,532	4,365,637,468	3,449,043,064

(Unit: KRW)

Classification	September 30, 2024			September 30, 2023		
	Revenue	Net Income	Total Comprehensive Income	Revenue	Net Income	Total Comprehensive Income
ONEAND Co., Ltd.	11,089,100,041	1,187,845,615	1,187,845,615	10,583,357,561	1,979,018,753	1,979,018,753
Benton Co., Ltd.	10,036,897,312	(381,954,695)	(381,954,695)	9,553,810,624	1,176,215,143	1,176,215,143
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	27,964,724,643	226,961,310	226,961,310	16,895,556,741	1,986,578,283	1,986,578,283
PT. Style Korean Indonesia	19,187,229,412	522,619,018	370,432,559	13,899,921,594	1,169,502,896	1,165,350,000
HELLO SKIN Co., Ltd.	6,112,941,589	(1,745,528,727)	(1,745,528,727)	3,793,110,371	44,846,869	44,846,869
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	334,592,757	(14,907,336)	(14,907,336)	414,140,360	(37,229,765)	(37,229,765)
BE THE SKIN Co., Ltd.	5,441,818,054	83,559,831	21,605,032	4,553,692,526	(28,506,292)	(28,506,292)
Picton Co., Ltd.	22,117,218,905	4,063,741,437	4,063,741,437	8,263,346,330	859,633,187	859,633,187
JC & Company Co., Ltd.	2,020,212,270	521,538,232	521,538,232	592,790,258	(62,584,932)	(62,584,932)
Plant Base Co., Ltd.	247,924,302	4,720,137	4,720,137	555,201,577	(25,863,474)	(25,863,474)
AIDKOREA COMPANY Co., Ltd.	16,499,357,182	1,504,981,063	1,504,981,063	11,064,385,379	532,449,530	532,449,530
HANTEO GLOBAL, INC.	12,962,170,631	(1,543,391,020)	(1,543,391,020)	17,913,406,736	104,724,808	104,724,808

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

1) As of September 30, 2024

(Unit: KRW)

Company name	Jan. 01, 2024	Acquisition	Equity method valuation for the current period			September 30, 2024
			Equity method profit or loss	Changes in equity (equity method)	Dividend	
ONEAND Co., Ltd.	1,404,866,707	-	282,148,802	-	-	1,687,015,508
Benton Co., Ltd.	449,147,581	-	(79,281,541)	-	(50,310,000)	319,556,040
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	1,035,958,514	-	(16,964,065)	-	-	1,018,994,449
PT. Style Korean Indonesia	1,898,936,281	-	2,360,261	99,974,707	-	2,001,271,249
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	147,412,445	-	(2,981,467)	4,875,742	-	149,306,720
BE THE SKIN Co., Ltd.	189,314,788	-	26,674,873	-	-	215,989,661
Picton Co., Ltd.	1,176,553,904	-	1,005,754,827	-	-	2,182,308,731
JC & Company Co., Ltd.	55,900,988	-	90,443,084	-	-	146,344,073
Plant Base Co., Ltd.	57,745,702	-	6,163,894	-	-	63,909,596
AIDKOREA COMPANY Co., Ltd.	1,727,018,979	-	471,344,747	-	-	2,198,363,726
HANTEO GLOBAL, INC.	4,108,376,537	(97,756,886)	(313,008,199)	-	-	3,697,611,452
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	1,472,655,216	104,850,449	(50,310,000)	21,379,929,019

2) As of September 30, 2023

(Unit: KRW)

Company name	Jan. 01, 2023	Acquisition	Equity method valuation for the current period		Sep. 30, 2023
			Equity method profit or loss	Changes in equity (equity method)	
Benton Co., Ltd.	189,809,061	-	305,868,594	-	495,677,655
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	808,573,038	-	184,177,419	-	992,750,457
ONEAND Co., Ltd.	920,038,017	-	440,360,483	-	1,360,398,500
PT. Style Korean Indonesia	1,508,474,926	-	497,628,657	126,818,985	2,132,922,568
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	152,505,887	-	(7,445,953)	8,000,073	153,060,007
BE THE SKIN Co., Ltd.	187,939,777	-	(9,025,811)	-	178,913,966
TOBOCO Co., Ltd.	107,851,802	700,000,000	240,422,993	-	1,048,274,795
Plant Base Co., Ltd.	91,127,374	-	(17,397,323)	-	73,730,051
JC & Company Co., Ltd.	52,932,374	-	(12,152,743)	-	40,779,631
AIDKOREA COMPANY Co., Ltd.	1,397,152,962	-	129,548,611	-	1,526,701,573
HANTEO GLOBAL, INC. (*2)	4,907,352,347	-	(89,464,786)	-	4,817,887,561
SILICON2 JAPAN CO.,LTD	24,297,750	-	-	-	24,297,750
Total	10,348,055,315	700,000,000	1,662,520,141	134,819,058	12,845,394,514

(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 September 30, 2024

(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)			
ONEAND Co., Ltd.	6,158,313,013	0.24	1,483,930,845	330,879,969	(127,795,306)	1,687,015,508
Benton Co., Ltd.	1,280,875,780	0.25	320,218,945	52,302,616	(52,965,521)	319,556,040
Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	8,922,558,232	0.10	892,255,823	212,910,120	(86,171,494)	1,018,994,449
PT. Style Korean Indonesia	5,420,437,876	0.49	2,656,014,559	10,938,741	(665,682,051)	2,001,271,249
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	789,157,204	0.20	157,831,441	-	(8,524,721)	149,306,720
BE THE SKIN Co., Ltd.	179,045,487	0.30	53,716,152	163,729,924	(1,456,415)	215,989,661
TOBOCO Co., Ltd.	6,155,513,847	0.33	2,001,793,121	580,125,193	(399,609,583)	2,182,308,731
JC & Company Co., Ltd.	443,865,574	0.20	88,773,114	72,361,867	(14,790,908)	146,344,073
Plant Base Co., Ltd.	(272,722,038)	0.20	(54,544,408)	119,161,234	(707,230)	63,909,596
AIDKOREA COMPANY Co., Ltd.	5,283,990,168	0.31	1,651,246,928	642,023,673	(94,906,875)	2,198,363,726
HANTEO GLOBAL, INC.	1,980,652,044	0.14	286,784,323	3,437,808,018	(26,980,889)	3,697,611,452
SILICON2 JAPAN CO.,LTD	48,595,500	0.50	24,297,750	-	-	24,297,750
Sukoshi Mart Holdings Inc.	37,751,894,068	0.20	7,674,960,064	-	-	7,674,960,064
Total	74,142,176,755		17,237,278,657	5,622,241,355	(1,479,590,993)	21,379,929,019

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%	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%	869,559,692	212,910,120	(46,511,298)	1,035,958,514
ONEAND Co., Ltd.	4,970,467,398	24%	1,197,702,987	305,043,362	(97,879,642)	1,404,866,707
PT. Style Korean Indonesia	4,693,788,843	49%	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%	155,937,166	-	(8,524,721)	147,412,445
BE THE SKIN Co., Ltd.	95,485,656	30%	28,645,697	163,730,041	(3,060,950)	189,314,788
TOBOCO Co., Ltd.	2,098,284,410	33%	682,368,914	580,125,193	(85,940,203)	1,176,553,904
Plant Base Co., Ltd.	(277,442,175)	20%	(55,488,435)	119,161,234	(5,927,097)	57,745,702
JC & Company Co., Ltd.	(77,672,662)	20%	(15,534,532)	72,361,867	(926,347)	55,900,988
AIDKOREA COMPANY Co., Ltd.	3,749,791,590	31%	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%	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	September 30, 2024			December 31, 2023		
	Cost	Accumulated depreciation	Book value	Cost	Accumulated depreciation	Book value
Land	65,531,787,035	-	65,531,787,035	10,591,662,658	-	10,591,662,658
Building	37,516,084,784	(1,810,630,312)	35,705,454,472	21,650,945,050	(1,303,627,925)	20,347,317,125
Vehicles	227,796,589	(144,908,655)	82,887,934	181,371,027	(114,591,215)	66,779,812
Furniture	2,126,520,634	(1,441,620,081)	684,900,553	1,843,513,788	(1,272,283,238)	571,230,550
Machinery and equipment	4,859,455,391	(202,255,024)	4,657,200,367	1,213,326,152	(34,426,535)	1,178,899,617
Logistics automation facility	1,338,109,939	(2,409,961,416)	(1,071,851,477)	3,739,022,665	(1,877,929,955)	1,861,092,710
Assets under construction	19,850,919,076	-	19,850,919,076	19,510,566,543	-	19,510,566,543
Total	131,450,673,448	(6,009,375,488)	125,441,297,960	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 September 30, 2024

(Unit: KRW)

Classification	Land	Building	Vehicles	Furniture	Machinery and equipment	Logistics automation facility	Assets under construction	Total
Book value (January 1, 2024)	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	56,208,385,668	16,175,024,203	43,674,828	197,300,858	164,377,625	36,526,950	1,542,428,909	74,367,719,041
Replacement	-	-	-	122,771,914	-	1,089,265,468	(1,212,042,382)	(5,000)
Disposal	-	-	-	(26,520,243)	(51,736,416)	-	-	(78,256,659)
Depreciation expense	-	(504,099,708)	(29,440,023)	(193,677,923)	(178,897,657)	(530,246,006)	-	(1,436,361,317)
Others (*1)	(1,268,261,291)	(312,787,148)	1,873,317	13,795,397	23,211,746	(7,145,147)	9,966,006	(1,539,347,120)
Book value (September 30, 2024)	65,531,787,035	35,705,454,472	82,887,934	684,900,553	1,135,854,915	2,449,493,975	19,850,919,076	125,441,297,960

(*1) Difference from foreign currency conversion.

2) As of September 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	-	233,016,182	24,192,952	7,168,500	347,013,404	16,532,009,989
Replacement	-	-	-	-	-	-	-	-
Disposal	(1,258,373,962)	(4,422,413,847)	-	(847,339)	-	-	-	(5,681,635,148)
Depreciation expense	-	(345,661,575)	(26,526,605)	(156,114,525)	(76,573,555)	(422,760,802)	-	(1,027,637,062)
Others (*1)	286,632,217	203,777,572	2,858,115	34,213,615	51,620,862	(1,790,710)	-	577,311,671
Book value (September 30, 2023)	10,796,558,462	20,657,974,372	77,388,625	547,414,972	77,933,876	2,056,782,839	18,995,496,344	53,209,549,490

(*1) 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)	September 30, 2024	December 31, 2023
680 Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do 9th Floor, H Square JS Building	500.61	5,718,000.00	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	5,822,842,262	24,000,000,000	Hana Bank
		14,000,000,000	
Land, buildings	8,235,992,982	-	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 532,216,000 with a capitalization rate of 3.84% 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	September 30, 2024	December 31, 2023
Right-of-use assets		
Buildings	9,998,449,955	6,247,928,221
Vehicles	421,461,868	421,461,868
Accumulated depreciation and amortization	(3,934,444,058)	(1,588,176,244)
Total	6,485,467,765	5,081,213,845
Lease liabilities		
Current	3,094,666,638	2,702,330,012
Non-current	3,626,993,382	2,330,484,541
Total	6,721,660,020	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	September 30, 2024	December 31, 2023
Lease liabilities		
Within 1 year	3,094,666,638	2,702,330,012
Over 1 year and within 5 years	3,626,993,382	2,330,484,541
Total	6,721,660,020	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 September 30, 2024>

(Unit: KRW)

Classification	Beginning balance	Acquisition	Disposal	Depreciation and amortization	Others	Ending balance
Buildings	4,841,742,461	4,016,660,993	-	(2,512,149,918)	(21,233,060)	6,325,020,476
Vehicles	239,471,384	-	-	(79,024,095)	-	160,447,289
Total	5,081,213,845	4,016,660,993	-	(2,591,174,013)	(21,233,060)	6,485,467,765

<As of September 30, 2023>

(Unit: KRW)

Classification	Beginning balance	Acquisition	Depreciation and amortization	Others	Ending balance
Buildings	1,010,288,636	4,376,565,923	(1,300,604,139)	(692,885)	4,085,557,535
Vehicles	293,280,061	47,590,875	(75,058,187)	-	265,812,749
Total	1,303,568,697	4,424,156,798	(1,375,662,326)	(692,885)	4,351,370,284

- (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	September 30, 2024	September 30, 2023
Amortization of right-of-use assets	2,591,174,013	1,375,662,326
Interest expenses related to lease liabilities (included in financial expenses)	223,617,137	62,204,474
Short-term lease expense	-	120,640,621
Lease expense for non-short term small assets	53,837,215	46,237,355
Total	2,868,628,365	1,604,744,776

- (6) Total cash outflows for leases during the current reporting period is KRW 2,763,514,243, and total cash outflows for leases during the previous reporting period is KRW 1,625,628,887.

13. Intangible Assets

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

(Unit: KRW)

Classification	September 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	738,431,279	(691,012,448)	47,418,831	59,537,317	(37,600,896)	21,936,421
Total	2,209,400,059	(691,012,448)	1,518,387,611	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	September 30, 2024	September 30, 2023
Beginning book value (Net)	660,690,211	90,829,875
Acquisition	836,717,131	606,585,782
Amortization expense	(6,444,973)	(35,390,656)
Effect of exchange rate fluctuations	27,425,242	837,173
Ending book value (Net)	1,518,387,611	662,862,174

- (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	September 30, 2024	December 31, 2023
Advance payments	1,893,713,213	1,117,392,038
Prepaid expenses	320,493,637	156,703,832
Prepaid taxes	169,847,001	42,685,422
Total	2,384,053,851	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	September 30, 2024	December 31, 2023
Beginning book value	121,531,482	113,561,653
Increase	3,425,959	6,443,714
Decrease	-	-
Effect of exchange rate fluctuations	-	-
Ending book value	124,957,441	120,005,367

16. Contractual Liabilities

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

(1) As of September 30, 2024

(Unit: KRW)

Classification	Customer loyalty program	Others	Total
Beginning balance	618,778,182	612,568,876	1,231,347,058
Incurred	654,549,880	423,276,977	1,077,826,857
Utilized	(192,713,999)	-	(192,713,999)
Extinguished, etc.	(482,973,037)	(638,257,089)	(1,121,230,126)
Effect of exchange rate fluctuations	6,526,373	19,510,336	26,036,709
Ending balance	604,167,399	417,099,100	1,021,266,499

(2) As of September 30, 2023

(Unit: KRW)

Classification	Customer loyalty program	Others	Total
Beginning balance	272,402,203	277,470,586	549,872,789
Incurred	2,002,495,545	1,062,062,314	3,064,557,859
Utilized	(1,077,068,149)	-	(1,077,068,149)
Extinguished, etc.	(760,194,940)	(277,470,586)	(1,037,665,526)
Ending balance	437,634,659	1,062,062,314	1,499,696,973

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 (%)	September 30, 2024	December 31, 2023
				As of September 30, 2024		
Short-term borrowings	Working Capital	KB Kookmin Bank (*1)	2025-03-20	4.21%	10,000,000,000	10,000,000,000
		Shinhan Bank	2025-03-31	4.21%	10,000,000,000	10,000,000,000
		KEB Hana Bank(*3)	2024-11-27	3.56%	20,000,000,000	20,000,000,000
		Woori bank	2025-03-18	3.80%	30,000,000,000	-
		KEB Hana Bank	2025-03-22	3.95%	20,000,000,000	-
		KDB Bank	2025-05-17	4.08%	15,000,000,000	-
		Citi Bank	2025-06-27	4.08%	39,588,000,000	-
		Shinhan Bank(*2)	2024-05-24	3.81%	-	15,000,000,000
Total					144,588,000,000	55,000,000,000
Long-term borrowings	Facility funds	Bank of America(*3)	2027-12-04	2.80	3,756,922,089	3,762,207,426
Deductions : Maturity within 1 year					(131,038,734)	(125,053,387)
Total					3,625,883,355	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				
	Less than 1 year	1 year - 2 years or less	2 years - 5 years or less	More than 5 years	Total
Long term borrowings (*1)	105,193,818	341,433,942	3,732,430,173	-	4,179,057,933

(*1) 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	8,235,992,982	-	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	September 30, 2024	December 31, 2023
Accounts payable	6,923,996,882	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	September 30, 2024	December 31, 2023
Accrued payables	957,331,388	1,142,620,063
Accrued Expenses	2,801,369,463	1,213,556,432
Lease Deposits	221,692,800	-
Total	3,980,393,651	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	September 30, 2024	December 31, 2023
Advance payments	7,681,696,017	4,504,140,626
Withholdings	166,947,967	71,721,800
VAT withheld	7,713,550	44,741,957
Total	7,856,357,534	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	September 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	Jun. 10, 2024	484,000	242,000,000	626,762,422
September 30, 2024	Sep. 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	September 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	September 30, 2024	September 30, 2023
Beginning balance	30,176,344,833	29,625,573,816
Exercise of stock options	626,762,422	421,271,814
Ending balance	30,803,107,255	30,046,845,630

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

(Unit: KRW)

Classification	September 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 September 30, 2024

(Unit: KRW)

Classification	Before income tax	Income tax	After income tax
Surplus from revaluation of real estate	2,574,710,287	(538,114,450)	2,036,595,837
Foreign operation translation gains/losses	(601,047,207)	-	(601,047,207)

Changes in equity (equity method)	158,552,466	(33,296,018)	125,256,448
Total	2,132,215,546	(571,410,468)	1,560,805,078

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	September 30, 2024	December 31, 2023
Undistributed Retained Earnings	159,542,863,291	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 (*)	4th grant (*)
Grant date	Nov. 12, 2016	Dec. 14, 2017	Apr. 22, 2019	Mar. 31, 2021
Payment method	Stock assignment (registered common shares)	Stock assignment (registered common shares)	Stock assignment (registered common shares)	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	-

(*) 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 and 2nd 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.

(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 (Sep. 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	Terms of service: 2 years	Terms of service: 3 years	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 September 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 September 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	-	(193,573,814)	(193,573,814)
Ending balance	858,881,118	48,000,266	906,881,384

24. Income Tax Expense

Income tax expenses were 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Sale of goods	186,074,180,938	517,258,264,053	100,901,687,305	237,067,592,296
Provision of services	600,239,283	703,813,583	1,445,756	4,122,618
Rent income	-	-	48,343,333	111,983,333
Total	186,674,420,221	517,962,077,636	100,951,476,394	237,183,698,247

26. Cost Classification by Category

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

(Unit: KRW)

Classification	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Changes in inventory assets	(6,915,920,941)	(46,080,067,387)	(10,922,081,683)	(51,368,725,635)
Cost of goods sold	129,099,948,107	387,365,195,839	79,034,161,529	211,700,554,812
Employee wages	5,133,601,082	14,683,427,858	3,372,845,832	8,905,855,003
Depreciation and amortization expenses	1,490,594,234	4,025,285,468	935,197,112	2,431,970,050
Advertising and sales promotion expenses	1,377,615,590	6,468,829,998	2,185,365,410	5,757,721,148
Commission expenses	6,541,519,546	22,655,762,493	6,673,133,934	15,009,705,534
Transportation costs	4,591,619,994	10,969,246,572	2,961,734,795	7,596,895,075
Other expenses	2,759,280,527	6,888,061,655	1,581,818,719	4,221,621,668
Total operating expense (*1)	144,078,258,139	406,975,742,496	85,822,175,648	204,255,597,655

(*1) 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries	4,834,347,035	13,930,154,496	3,188,322,491	8,394,879,837
Retirement benefits	299,254,047	753,273,362	184,523,341	510,975,166
Employee benefits	338,708,294	909,210,194	213,004,771	580,998,984
Transportation costs	4,591,619,994	10,969,246,572	2,961,734,795	7,596,895,075
Rent	139,577,883	294,950,351	78,970,507	148,689,406
Fees	6,541,519,546	22,655,762,493	6,673,133,934	15,009,705,534
Depreciation (*1)	1,488,345,320	4,018,840,495	932,982,064	2,396,579,394
Intangible asset amortization cost	2,248,914	6,444,973	2,215,048	35,390,656
Tax and utilities	543,271,195	1,197,814,221	190,124,984	738,718,805
Advertising expenses	1,441,190,342	4,528,345,035	1,761,102,869	4,862,602,666
Provision for bad debts (reversal of allowance for bad debts)	146,465,252	566,077,821	52,820,089	118,402,297
Stock compensation cost	-	-	-	30,072,833
Other	1,527,683,151	5,860,494,031	1,471,160,909	3,499,857,825
Total of SG&A	21,894,230,973	65,690,614,044	17,710,095,802	43,923,768,478

(*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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Financial income				
Interest income	476,382,877	1,217,914,970	138,400,860	575,609,347
Foreign exchange profit	1,669,234,448	6,486,106,361	682,936,685	2,547,910,811
Foreign exchange conversion profit	1,725,360,792	3,739,703,426	1,100,247,828	1,146,374,835
Foreign exchange profit from futures forward contracts	-	44,301,874	103,221,429	126,895,876
Total	3,870,978,117	11,488,026,631	2,024,806,802	4,396,790,869
Financial expenses				
Amortized interest cost of financial liability	1,320,640,030	2,687,606,889	164,487,423	425,439,810

Interest expense (*1)	75,955,828	227,043,096	38,970,934	76,501,428
Foreign exchange loss	1,761,756,605	3,066,376,252	832,603,523	1,941,233,069
Foreign exchange conversion loss	4,561,836,250	4,739,259,325	3,331,873	160,454,764
Foreign exchange losses on futures forward contracts	-	134,497,262	154,555,244	163,413,454
Derivatives valuation loss	1,871,063,440	2,567,995,207	-	-
Total	9,591,252,153	13,422,778,031	1,193,948,997	2,767,042,525

(*1) The capitalization interest rate used to calculate the amount of capitalized borrowing costs is the weighted average interest rate applied to the Company's general borrowings during the current period, 3.84%.

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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Other non-operating income				
Gains on disposal of tangible assets	-	-	1,377,636	1,377,636
Reversal of Restoration Provision	-	-	98,351,388	98,351,388
Other	120,959,070	237,393,496	28,392,012	65,034,796
Subtotal	120,959,070	237,393,496	128,121,036	164,763,820
Other non-operating expenses				
Loss on disposal of tangible assets	55,072,961	59,191,480	1,000	181,327,329
Donations	-	-	1,373,970	1,373,970
Impairment loss on invested stocks of associates and joint ventures	-	97,756,886	-	-
Other	(58,734,637)	27,644,499	919,914	1,579,926
Subtotal	(3,661,676)	184,592,865	2,294,884	184,281,225
Total	124,620,746	52,800,631	125,826,152	(19,517,405)

30. Cash flow statement

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Interest income	(1,217,914,970)	(575,609,347)
Interest cost	2,914,649,985	644,790,607
Dividend income	21,840,084,202	8,168,925,702
Income tax expense	566,077,821	118,402,297

Depreciation (*1)	4,018,840,495	2,396,579,394
Foreign currency conversion gain or loss	999,555,899	(985,920,071)
Current profit or loss - profit or loss on disposal of fair value financial assets	-	36,517,578
Current profit or loss - fair value financial asset valuation gain or loss	2,567,995,207	-
Impairment loss on stocks invested in subsidiaries/associates	97,756,886	-
Equity method gain (loss)	(1,472,655,216)	(1,662,520,141)
Intangible asset amortization cost	6,444,973	35,390,656
Profit and loss on disposal of tangible and intangible assets	59,191,480	179,949,692
Profit and loss on disposal of right of use assets	-	(98,351,388)
Inventory disposal and valuation loss	243,411,781	(455,029,445)
Stock-based compensation expense	-	30,072,833
Total	30,623,438,543	7,833,198,367

(*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	September 30, 2024	September 30, 2023
Decrease (increase) in accounts receivable	(41,254,704,415)	(14,125,803,392)
Decrease (increase) in other financial assets	10,067,194,560	(3,128,783,561)
Decrease (increase) in inventories	(42,569,947,382)	(43,657,138,727)
Decrease (increase) in other assets	(881,455,103)	(4,137,629,743)
Increase (decrease) in accounts payable	4,941,438,229	4,703,675,917
Increase (decrease) in other financial liabilities	(5,037,152)	1,241,357,578
Increase (decrease) in contract liabilities	(236,117,269)	949,824,184
Increase (decrease) in other liabilities	4,680,709,316	1,141,739,779
Payment of retirement benefits	(3,030,086)	-
Total	(65,260,949,302)	(57,012,757,965)

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Increase in right-of-use assets due to recognition of lease liabilities, etc.	3,845,909,801	6,603,696,501
Liquidity classification of lease liabilities	1,485,472,599	1,244,478,596
Exercise of stock options	517,892,022	193,573,814
Tangible asset account reclassification	1,089,265,468	54,940
Liquidity replacement for long-term borrowings	101,038,793	1,496,588
Accounts Receivable Write-off	72,225,766	-

(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	(2,486,394,632)	92,700,500,000	(97,905,403)	-
Other non-financial changes (*2)	4,108,629,876	(2,115,000,000)	101,038,793	(98,889,669)
Effect of exchange rate fluctuations	66,610,223	(997,500,000)	2,851,957	87,618,985
Net liabilities at end of current FY	6,721,660,020	144,588,000,000	131,038,734	3,625,883,355

(*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:

(Unit: KRW)

Financial Institution	Classification	Currency	Contract Limit	Executed Amount
Kookmin Bank	Over-the-counter derivatives trading (forwards)	KRW	2,354,000,000	-

(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
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Land	5,822,842,262	24,000,000,000	Hana Bank
Building	16,687,917,153	14,000,000,000	Hana Bank
Land, building	8,235,992,982	-	Bank of America

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

(Unit: KRW)

Beneficiary	Guarantees	Guaranteed	Period	Description
Korea Health Industry Development Institute	20,000,000	Seoul Guarantee Insurance	2024-12-31	2024 Small and Medium Cosmetics Overseas Expansion Support Program
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
Korea Health Industry Development Institute	200,000,000	Seoul Guarantee Insurance	2025-03-31	2024 Small and Medium Cosmetics Overseas Expansion Support Program
Kakao Pay Co., Ltd.	10,000,000	Seoul Guarantee Insurance	2025-05-01	Kakao Pay Service Agreement
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	2025-09-06	Electronic payment Agency service contract
KG Inicis Co., Ltd.	300,000,000	Seoul Guarantee Insurance	2025-10-28	KG Inicis INIPAY Service Use Agreement

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	September 30, 2024	December 31, 2023	Notes
Related companies and joint ventures	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.	-
	Picton Co., Ltd	Picton 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.	-
	SILICON2 JAPAN CO.,LTD	SILICON2 JAPAN CO.,LTD	-
	Sukoshi Mart Holdings Inc.	Sukoshi Mart Holdings Inc.	-
Key management team	Kim Sungwoon	Kim Sungwoon	-
	Son In-ho	Son In-ho	-

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

1) As of September 30, 2024

Classification	Company name	Receivable(*1)	Payable(*2)	SG&A	Dividend Income
Related companies	PT. Style Korean Indonesia	17,388,250,501	-	-	-
	One And Co., Ltd.	-	9,942,418,374	-	-
	Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	-	11,371,798,369	36,480,240	-
	Benton Co., Ltd.	-	2,249,552,217	-	50,310,000
	Hello Skin Co., Ltd.	-	4,224,062,500	-	-
	ARUMI KOREAN COSMETICS SPA.	14,900,474	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	124,235,936	-	-	-
	Be The Skin Co., Ltd.	-	213,138,379	814,559	-
	Picton Co., Ltd	-	18,407,805,060	100,000	-
	JC&Company Co., Ltd.	13,764,838	844,106,737	-	-
	Plant Base Co., Ltd.	-	2,672,727	-	-
	Aid Korea Company Co., Ltd.	-	5,672,648,800	-	-
	Hanteo Global Co., Ltd.	1,760,000	659,898,755	-	-
	Sukoshi Mart Holdings Inc.	5,947,278,697	-	-	-
Total		23,490,190,446	53,588,101,918	37,394,799	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 September 30, 2023

Classification	Company name	Receivable(*1)	Payable(*2)	Interest profit	SG&A	Miscellaneous loss
Related companies	PT. Style Korean Indonesia	11,725,320,322	-	-	15,049,778	-
	One And Co., Ltd.	-	7,282,113,974	-	9,620,454	-
	Pyunkang Oriental Medicine Dermatology Research Institute Co., Ltd.	271,909	8,679,944,318	-	-	-
	Benton Co., Ltd.	1,440,298	2,854,100,609	-	300,000	-
	Hello Skin Co., Ltd.	-	3,068,704,350	-	-	-
	STYLEKOREAN VIETNAM CO.,LTD	-	-	189,535	-	285,350
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	87,348,582	-	-	-	-
	Be The Skin Co., Ltd.	-	200,314,103	-	-	-
	Picton Co., Ltd	-	5,350,430,900	-	1,946,900	-
	JC&Company Co., Ltd.	20,762,742	203,202,560	-	-	-
	Plant Base Co., Ltd.	-	110,645,816	-	-	-
	Aid Korea Company Co., Ltd.	-	3,949,873,131	-	-	-
	Hanteo Global Co., Ltd.	117,638,638	1,619,313,368	-	-	-
Total		11,952,782,491	33,318,643,129	189,535	26,917,132	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 September 30, 2024

(Unit: KRW)

Classification	Company name	Receivable		Liability	
		Accounts Receivable	Other	Accounts Payable	Other
Related companies	PT. Style Korean Indonesia	10,987,877,809	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	-	-	-	3,375
	Picton Co., Ltd	-	-	153,384,000	-
	JC&Company Co., Ltd.	-	-	13,988,630	-
	Aid Korea Company Co., Ltd.	-	-	479,099,744	-
	Hanteo Global Co., Ltd.	-	6,039,660	-	-
	Sukoshi Mart Holdings Inc.	506,351,443	-	-	52,587,355
Total		11,494,229,252	6,039,660	646,472,374	52,590,730

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 September 30, 2024

(Unit: KRW)

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

2) As of September 30, 2023

(Unit: KRW)

Classification	Company name	Loan Transaction	Capital transaction
		Collection	Cash investment, etc.
Related companies	Picton Co., 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries and other short-term employee benefits	232,499,996	764,999,988	180,833,336	536,666,672

33. Earnings per share

(1) Net profit per common share

Primary earnings per share were 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: Shares/KRW)

Classification	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net income	29,852,454,690	88,736,955,385	13,137,611,144	28,031,925,970
Net profit attributable to common stocks	29,852,454,690	88,736,955,385	13,137,611,144	28,031,925,970
Weighted average number of common shares in circulation (*1)	60,587,798	60,587,798	60,269,094	60,269,094
Beginning earnings per share	493	1,465	218	465

(*1) The weighted average number of common shares in circulation reflects the effect of deciding on Bonus issue through a resolution of the board of directors on June 30, 2022, and allocating 50,147,695 shares at the rate of 5 shares per share on July 15, 2022, the date of new share allocation.

(*) 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	161	60,389,234	9,722,666,674
2024.06.10 - 2024.06.30	Exercise of stock options	112	60,873,234	6,817,802,208
Total		273		16,540,468,882
Weighted average number of common shares(value / 273)				60,587,798

(*) 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	60,177,235	6,619,495,850
2023.04.21 - 2023.09.30	Exercise of stock options	163	60,331,084	9,833,966,692
Total		273		16,453,462,542
Weighted average number of common shares(value / 273)				60,269,094

(2) Diluted earnings per share

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

(Unit: Shares/KRW)

Classification	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net income	29,852,454,690	88,736,955,385	13,137,611,144	28,031,925,970
Diluted profit on common stock	29,852,454,690	88,736,955,385	13,137,611,144	28,031,925,970
Weighted average number of common shares outstanding for calculating diluted earnings per share	60,876,829	60,876,829	60,964,937	60,964,937
Weighted average number of common shares in circulation	60,587,798	60,587,798	60,269,094	60,269,094
Potentially dilutive common stock (*1)	289,031	289,031	695,843	695,843
Diluted earnings per share	490	1,458	215	459

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

4. Financial statements

4-1. Financial statements

Financial statements

The 23rd, as of September 30, 2024

The 22nd, as of December 31, 2023

(Unit: KRW)

	23rd September 30, 2024	22nd December 31, 2023
Asset		
Current assets	252,533,574,217	129,371,378,163
Cash and cash equivalents (Notes 5, 6, 7)	52,015,585,847	12,823,953,095
Account receivable (Notes 5,6,7,8,32)	93,100,610,538	60,645,740,634
Short-term other financial assets (Note 5, 6, 7, 8, 32)	46,345,737,260	17,039,023,242
Other current assets (Note 14)	2,045,920,640	1,032,047,026
Inventories (Note 9)	59,025,719,932	37,830,614,166
Non-current assets	111,395,806,285	70,043,994,534
Derivative assets (Note 6,7)	1,000,000,000	
Other financial assets (Note 5,6,7,8)	1,319,695,000	971,695,000
Equity investments in subsidiaries (Note 10)	44,288,184,957	7,954,773,630
Equity investments in associates (Note 10)	16,384,971,366	12,664,909,878
Tangible assets (Note 11)	44,332,179,530	44,545,582,297
Right of use assets (Note 12)	2,261,393,563	2,928,170,183
Intangible assets (Note 13)	1,489,227,113	658,708,790
Deferred income tax assets (Note 24)	320,154,756	320,154,756
Total assets	363,929,380,502	199,415,372,697
Liabilities		
Current liabilities	174,106,113,942	72,085,450,258
Accounts Payable (Note 5,6,7,18,32)	6,455,555,853	501,545,548
Contract liabilities (Note 16)	719,420,285	547,683,840
Short-term borrowings (Note 5, 6, 7, 17)	144,588,000,000	55,000,000,000
Short-term other financial liabilities (Notes 5, 6, 7, 18)	2,504,838,609	3,086,688,653
Other current liabilities (Note 19)	6,557,694,596	3,703,815,322
Current income tax liabilities (Note 24)	11,315,761,285	7,485,401,070
Current lease liabilities (Notes 5, 6, 7, 12)	1,964,843,314	1,760,315,825
Non-current liabilities	3,032,215,136	1,231,673,218
Derivative liabilities (Note 5,6,7)	2,567,995,207	
Non-current lease liabilities (Notes 5, 6, 7, 12)	339,262,488	1,110,141,736
Restoration provision (Note 15)	124,957,441	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)	123,094,419,733	62,752,487,930
Total equity	186,791,051,424	126,098,249,221
Total liabilities and equity	363,929,380,502	199,415,372,697

4-2. Comprehensive income statement

Comprehensive income statement

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

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

(Unit: KRW)

	23rd (September 30, 2024)		22 nd (September 30, 2023)	
	3 months	Accumulated	3 months	Accumulated
Revenue (Notes 4, 25, 32)	162,513,047,294	473,309,157,854	96,806,295,360	229,079,042,299
COGs (Note 26, 32)	124,558,708,598	362,418,251,896	73,939,815,402	175,269,501,735
Gross profit	37,954,338,696	110,890,905,958	22,866,479,958	53,809,540,564
Selling general and administrative expenses (Notes 26, 27, 32)	12,129,168,066	34,383,126,377	9,075,913,324	25,393,646,604
Operating profit	25,825,170,630	76,507,779,581	13,790,566,634	28,415,893,960
Non-operating profit(loss)	(7,107,817,693)	(2,939,090,523)	1,035,471,116	1,813,815,673
Interest income (Notes 7, 28, 32)	667,921,560	1,399,953,237	136,411,624	573,583,093
Other financial income (Notes 7, 28)	1,602,249,482	8,433,725,720	1,886,000,481	3,783,359,698
Interest expenses (Notes 7, 28)	(1,322,215,413)	(2,686,445,495)	(166,024,788)	(404,960,840)
Other financial expenses (Notes 7, 28)	(8,068,459,528)	(10,144,382,536)	(927,871,243)	(2,083,590,388)
Other income (Note 29)	14,488,841	61,239,322	107,518,480	127,968,919
Other expenses (Note 29)	(1,802,635)	(3,180,771)	(563,438)	(182,544,809)
Net income before income tax expense	18,717,352,937	73,568,689,058	14,826,037,750	30,229,709,633
Income tax expense (Note 24)	3,365,152,852	13,226,757,255	2,944,911,900	5,911,783,510
Net Income	15,352,200,085	60,341,931,803	11,881,125,850	24,317,926,123
Other comprehensive income				
Total comprehensive income	15,352,200,085	60,341,931,803	11,881,125,850	24,317,926,123
Earnings per share				
Basic EPS (Unit: KRW) (Note 33)	253	996	197	403
Diluted EPS (Unit: KRW) (Note 33)	252	991	194	398

4-3. Changes in Equity

Changes in Equity

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

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

(Unit: KRW)

		Equity					
		Issued capital	Capital surplus	Accumulated other comprehensive income	Other components of equity	Retained earnings	Total capital
Balance as of January 1, 2023		30,189,340,000	29,625,573,816	2,036,595,837	1,070,382,365	29,465,609,924	92,387,501,942
Total comprehensive income	Net Income					24,317,926,123	24,317,926,123
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 September 30, 2023		30,266,265,000	30,046,845,630	2,036,595,837	906,881,384	53,783,536,047	117,040,123,898
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					60,341,931,803	60,341,931,803
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 September 30, 2024		30,537,340,000	30,803,107,255	2,036,595,837	319,588,599	123,094,419,733	186,791,051,424

4-4. Cash flow

Cash flow

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

22nd (January 01, 2023 – September 30, 2023)

(Unit: KRW)

	23rd (September 30, 2024)	22nd (September 30, 2023)
Cash flow from operating activities	33,346,078,265	(26,714,907,655)
Cash flow generated from operating activities	43,978,657,563	(24,381,233,860)
Net Income	60,341,931,803	24,317,926,123
Profit(loss) adjustment (Note 30)	23,139,970,400	7,469,945,969
Increase or decrease in assets and liabilities (Note 30)	(39,503,244,640)	(56,169,105,952)
Interest received	1,399,953,237	323,991,823
Interest paid	(2,686,445,495)	(62,790,728)
Dividends paid	50,310,000	
Income tax paid	(9,396,397,040)	(2,594,874,890)
Cash flow from investing activities	(84,429,601,327)	(6,712,777,813)
Cash inflow from investing activities	90,000,000	126,928,916,491
Decrease in short-term financial instruments (Note 30)		121,361,944,584
Decrease in short-term loans	90,000,000	59,878,452
Disposal of property, plant, and equipment		5,501,685,455
Decrease in lease deposits		5,408,000
Cash outflow from investing activities	(84,519,601,327)	(133,641,694,304)
Increase in short-term financial instruments		(114,087,348,059)
Increase in short-term loans	(41,445,000,000)	
Acquisition of invested stocks in subsidiaries (Note 30)	(36,333,411,327)	(1,649,063,250)
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)	(836,663,522)	(16,323,943,605)
Acquisition of intangible assets	(836,464,990)	(606,356,390)
Increase in lease deposit	(348,000,000)	(248,375,000)
Increase in other deposits		(26,608,000)
Other cash payments to acquire equity or debt instruments of other entities, classified as investing activities (Note 30)	(1,000,000,000)	
Cash flow from financing activities	90,405,914,863	14,154,223,250
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	(16,649,921,137)	(21,307,399,750)
Repayment of short-term borrowings (Note 30)	(15,000,000,000)	(20,000,000,000)

Lease payments	(1,647,955,537)	(1,213,399,750)
Capital transaction costs	(1,965,600)	
Decrease in lease deposits		(94,000,000)
Change in cash assets due to foreign currency translation	(130,759,049)	140,823,113
Increase (or decrease) in cash and cash equivalents	39,191,632,752	(19,132,639,105)
Cash and cash equivalents (Beginning of the year)	12,823,953,095	20,197,648,575
Cash and cash equivalents (End of the year)	52,015,585,847	1,065,009,470

5. Notes for Financial Statements

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

Ending of the 22nd (Current) Year: as of September 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, Pangyoeyeok-ro, Bundang-gu, Seongnam-si, Gyeonggi-do.

The Company since its establishment has gone through a number of paid-in capital increases and free capital increases, and its capital at the closing of the current year is 30,537,340,000 KRW. The status of major shareholders at the current closing is as follows:

(Unit: Share)

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	2,427,722	3.99%	
Securities Finance (distribution)	1,055,388	1.73%	
Choi, Jin-Ho	826,782	1.36%	
MICHANG OIL IND. CO., LTD	765,120	1.26%	
Seo, Dong Suk	655,277	1.08%	
Other shareholders	31,302,195	51.41%	
Total	60,873,234	100%	

2. Significant Accounting Policies

The following are 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 nine-month period ended September 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 September 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

The Company has newly applied the following established and revised standards and interpretations from the accounting period beginning on January 1, 2024.

(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 K-IFRS No. 1116 'Lease' - Lease liabilities arising from sale-and-lease

As per the amendments to K-IFRS No. 1116 'Lease' require the seller-lessee to measure lease liabilities arising from sale-and-lease transactions where no gain or loss amount be recognized for continuously held usage rights, the Company has clarified the requirement.

(3) 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.

(4) Amendments to K-IFRS No. 1007 'Cash Flow Statement' and No. 1107 'Financial Products: Disclosure' - Supplier Finance Agreement

Korean Financial Accounting Standards No. 1007 'Statement of Cash Flows' and No. 1107 'Financial Instruments: Disclosure' have been revised to describe the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. This amendment is intended to help financial statement users understand the impact of supplier financing arrangements on the Company's liabilities, cash flow, and liquidity risk. The changes do not need to be disclosed for the interim periods within the first financial year of application, in accordance with the transitional provisions. The application of amendments 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

Corporate Accounting Standards No. 1021 'Effects of Exchange Rate Fluctuations' and No. 1101 'First adoption of the Korean International Financial Reporting Standards', which assess exchangeability with other currencies, estimate spot exchange rates when exchangeability is lacking, and require additional disclosure of such effects, have been revised. 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.

This amendment is not expected to have a material impact on the 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 683,029 thousand won (previous reporting period: KRW 476,745 thousand won).

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.

The company has reviewed its exposure to climate-related and other business risks; however, as of the end of this quarter, no risks that could impact the company's financial performance or financial position have been identified. The company has sufficient financial flexibility to meet the covenants of its existing borrowings, and it holds adequate working capital and unused credit lines through financing agreements to support its operations and ongoing investments.

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.

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	September 30, 2024	September 30, 2023
United States	118,141,518,822	66,042,656,391
Poland	60,959,202,382	5,183,825,674
South Korea	33,741,046,579	22,867,891,582
United Arab Emirates	25,071,352,098	2,627,916,335
Netherlands	21,576,284,091	18,867,179,457
Indonesia	19,511,780,246	12,955,506,457
Malaysia	16,559,921,224	11,081,355,255
Australia	15,699,423,761	10,397,073,778
Canada	13,042,926,312	6,392,157,516
Other	149,005,702,339	72,663,479,854
Total	473,309,157,854	229,079,042,299

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

Classification	September 30, 2024			December 31, 2023		
	Currency	Foreign currency	KRW equivalent	Currency	Foreign currency	KRW equivalent
Ordinary deposit	USD	14,850,078	19,596,163,058	USD	6,495,166	8,374,867,529
	EUR	338,192	498,515,152	EUR	1,229,544	1,754,055,617
	Other	-	-	Other	21,820,727	272,978,638
Short-term loans	USD	30,000,000.00	39,588,000,000	USD	-	-
Accounts receivable	USD	45,860,172	60,517,082,494	USD	42,970,427	55,406,069,192
	EUR	22,633,438	33,363,045,764	EUR	3,839,968	5,478,059,435
	Other	29,081,778	683,091,281	Other	168,552,240	489,055,311
Short-term borrowings	USD	(30,000,000)	(39,588,000,000)	USD	-	-
Total			114,657,897,749	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	September 30, 2024		December 31, 2023	
	FX increase	FX decrease	FX increase	FX decrease
Increase (decrease) in profit and loss before tax	11,465,789,775	(11,465,789,775)	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	September 30, 2024	December 31, 2023
Accounts receivable	93,100,610,538	60,645,740,634
Short-term other financial assets	46,345,737,260	17,039,023,242
Other financial assets	1,319,695,000	971,695,000
Total	140,766,042,798	78,656,458,876

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 September 30, 2024

(Unit: KRW)

30-Sep-24	Less than 1 year	1 year - 2 years or less	2 year - 5 years or less	Total
Non-derivatives				
Accounts payable	6,455,555,853	-	-	6,455,555,853
Other current financial liabilities	2,504,838,609	-	-	2,504,838,609
Contract liabilities	719,420,285	-	-	719,420,285
Short-term borrowings	147,601,853,028	-	-	147,601,853,028
Lease liabilities	1,964,843,314	332,063,721	15,442,790	2,312,349,825

Total Non-derivatives	159,246,511,089	332,063,721	15,442,790	159,594,017,600
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 December 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	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

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	September 30, 2024	December 31, 2023
Total borrowings	144,588,000,000	55,000,000,000
Deductions: Cash and cash equivalents	(52,015,585,847)	(12,823,953,095)
Net liabilities (a)	92,572,414,153	42,176,046,905
Total stockholders' equity (b)	186,791,051,424	126,098,249,221
Total assets (c=a+b)	279,363,465,577	168,274,296,126
Gearing ratio (a/c)	33.14%	25.06%

6. Fair Value of Financial Instruments

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

(Unit: KRW)

Classification	September 30, 2024		December 31, 2023	
	Book value	Fair value	Book value	Fair value
Financial Assets				
Cash and cash equivalents	52,015,585,847	52,015,585,847	12,823,953,095	12,823,953,095
Accounts Receivable	93,100,610,538	93,100,610,538	60,645,740,634	60,645,740,634
Short-term other financial assets	46,345,737,260	46,345,737,260	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	192,781,628,645	192,781,628,645	91,480,411,971	91,480,411,971
Financial Liabilities				
Accounts payable	6,455,555,853	6,455,555,853	501,545,548	501,545,548
Short-term other financial liabilities	2,504,838,609	2,504,838,609	3,086,688,653	3,086,688,653
Current lease liabilities	1,964,843,314	1,964,843,314	1,760,315,825	1,760,315,825
Short-term borrowings	144,588,000,000	144,588,000,000	55,000,000,000	55,000,000,000
Derivative Liabilities	2,567,995,207	2,567,995,207	-	-
Non-current lease liabilities	339,262,488	339,262,488	1,110,141,736	1,110,141,736
Total	158,420,495,471	158,420,495,471	61,458,691,762	61,458,691,762

(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)

September 30, 2024	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss	-	-	1,000,000,000	1,000,000,000
Financial Liabilities				
Derivative Liabilities	-	-	2,567,995,207	2,567,995,207

(3) Value Evaluation and Input Variables

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

September 30, 2024	Fair Value	Level	Evaluation Method	Variable
Financial Assets				
Equity Instruments	1,000,000,000	3	Net asset valuation, etc.	Net asset value
Financial Liabilities				
Foreign currency-linked currency swap	2,567,995,207	3	Cash flow discount using market observation variables	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	September 30, 2024	December 31, 2023
Financial assets measured at amortized cost		
Cash and cash equivalents	52,015,585,847	12,823,953,095
Accounts Receivable	93,100,610,538	60,645,740,634
Short-term other financial assets	46,345,737,260	17,039,023,242
Other financial assets	1,319,695,000	971,695,000
Subtotal	192,781,628,645	91,480,411,971
Financial assets at fair value through profit or loss		
Financial assets at fair value	1,000,000,000	-
Total financial assets	193,781,628,645	91,480,411,971
Financial liabilities measured at amortized cost		
Accounts payable	6,455,555,853	501,545,548
Short-term other financial liabilities	2,504,838,609	3,086,688,653
Current lease liabilities	1,964,843,314	1,760,315,825
Short-term borrowings	144,588,000,000	55,000,000,000
Non-current lease liabilities	339,262,488	1,110,141,736
Subtotal	155,852,500,264	61,458,691,762
Financial assets at fair value through profit or loss		
Derivative liabilities	2,567,995,207	-
Total financial liabilities	158,420,495,471	61,458,691,762

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

Classification	September 30, 2024	September 30, 2023
Financial assets measured at fair value through profit or loss		
Foreign exchange gains on futures forward contracts	(90,195,388)	(36,517,578)
Subtotal	(90,195,388)	(36,517,578)
Financial assets measured at amortized cost		
Interest income	1,399,953,237	573,583,093
Foreign exchange gains	6,224,095,770	2,510,088,987
Foreign exchange loss	(2,925,130,848)	(1,919,339,688)
Foreign currency conversion gains	2,115,018,076	1,146,374,835
Foreign currency conversion loss	(4,516,759,219)	(837,246)
Provision for bad debts	(806,465,847)	(683,956,199)
Dividend gains	50,310,000	-
Subtotal	1,541,021,169	1,625,913,782
Financial liabilities measured at fair value through profit or loss		
Derivative valuation loss	(2,567,995,207)	-
Subtotal	(2,567,995,207)	-
Financial liabilities measured at amortized cost		
Interest expenses	(2,686,445,495)	(404,960,840)
Subtotal	(2,686,445,495)	(404,960,840)
Total	(3,803,614,921)	1,184,435,364

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	September 30, 2024	December 31, 2024
Accounts Receivable	95,061,693,197	61,800,357,446
Deductions: Provision for losses	(1,961,082,659)	(1,154,616,812)
Total	93,100,610,538	60,645,740,634

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

(Unit: KRW)

Classification	September 30, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Short-term financial assets	-	-	15,000,000,000	-
Accounts receivable	6,757,737,260	-	1,894,968,441	-
Accrued revenue	-	-	54,054,801	-
Short-term loans	39,588,000,000	-	90,000,000	-

Short-term securities	-	-	-	-
Lease deposits	-	1,276,375,000	-	928,375,000
Other deposits	-	43,320,000	-	43,320,000
Total	46,345,737,260	1,319,695,000	17,039,023,242	971,695,000

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Beginning book value	1,154,616,812	258,808,098
Bad debt expense (reversal of allowance for doubtful accounts)	806,465,847	683,956,199
Ending book value	1,961,082,659	942,764,297

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	September 30, 2024	December 31, 2023
Unimpaired receivables		
Within 1 month	17,295,553,254	15,318,350,749
Within 1 to 3 months	54,515,448,593	34,549,754,857
Within 3 to 6 months	21,651,240,465	10,752,456,525
Within 6 to 12 months	1,598,933,631	1,179,424,872
1 year or more	517,254	370,443
Subtotal	95,061,693,197	61,800,357,446
Impaired receivables	-	-
Total	95,061,693,197	61,800,357,446
Allowances for bad debt on accounts receivable	1,961,082,659	1,154,616,812

(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	September 30, 2024	December 30, 2023
Goods	59,643,432,182	38,217,249,678
Provision for valuation of goods	(617,712,250)	(386,635,512)
Total	59,025,719,932	37,830,614,166

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Inventory valuation loss	231,076,738	23,276,985

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
	Sep. 30, 2024	Dec. 31, 2023	Sep. 30, 2024	Dec. 31, 2023		
StyleKorean Inc.	100.00%	100%	40,569,172,380	5,816,672,380	United States	Cosmetics distribution and sales
STYLEKOREAN VIETNAM CO.,LTD	100.00%	100%	1,215,507,186	64,782,500	Vietnam	Cosmetics distribution and sales
STYLEKOREAN MY SDN. BHD.	100.00%	100%	482,976,000	482,976,000	Malaysia	Cosmetics distribution and sales
SKO Sp. z o.o.	100.00%	100%	517,231,250	517,231,250	Poland	Cosmetics distribution and sales
STYLEKOREAN EU B.V.	100.00%	100%	1,052,126,500	1,052,126,500	Netherlands	Cosmetics distribution and sales
MOIDA LLC	100.00%	100%	20,985,000	20,985,000	Russia	Cosmetics distribution and sales
STYLEKOREAN UK LIMITED.	100.00%	-	178,297,563	-	United Kingdom	Cosmetics distribution and sales
STYLEKOREAN FR SAS.	100.00%	-	147,559,004	-	France	Cosmetics distribution and sales
STYLEKOREAN SG PTE. LTD.	100.00%	-	104,330,074	-	Singapore	Cosmetics distribution and sales
Total			44,288,184,957	7,954,773,630		

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

(Unit: KRW)

Classification	September 30, 2024	December 31, 2023
Beginning book value	7,954,773,630	6,305,710,380
Acquisition(*)	36,333,411,327	1,649,063,250
Ending book value	44,288,184,957	7,954,773,630

(*) The capital increased for Style Korean Inc. and STYLE KOREAN VIETNAM CO., LTD, as well as the newly established investments of STYLE KOREAN UK LIMITED and STYLE KOREAN SG PTE. LTD. and STYLE KOREAN FR SAS (Note 32).

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

(Unit: KRW)

Classification	September 30, 2024			December 31, 2023		
	Assets	Liabilities	Capital	Assets	Liabilities	Capital
StyleKorean Inc.	158,597,300,733	89,124,062,329	69,473,238,404	65,838,911,380	47,078,583,231	18,760,328,149
STYLEKOREAN MY SDN, BHD	15,437,575,806	12,397,102,988	3,040,472,818	8,315,243,436	8,324,576,719	(9,333,283)
STYLEKOREAN EU B.V.	7,473,452,050	3,606,965,941	3,866,486,109	8,001,811,944	6,412,702,807	1,589,109,137
SKO Sp. z o.o.	27,476,452,034	22,040,414,447	5,436,037,587	1,157,436,302	655,876,688	501,559,614
STYLEKOREAN VIETNAM CO.,LTD	1,563,104,578	937,967,925	625,136,653	21,645,560	1,360,590	20,284,970
MOIDA LLC	86,010,926	72,379,075	13,631,851	13,645,667	-	13,645,667
STYLEKOREAN UK LIMITED.	178,297,563	-	178,297,563	-	-	-
STYLEKOREAN FR SAS.	147,559,004	-	147,559,004	-	-	-
STYLEKOREAN SG PTE. LTD.	104,330,074	-	104,330,074	-	-	-

(Unit: KRW)

Classification	September 30, 2024		September 30, 2023	
	Sales	Net income	Sales	Net income
StyleKorean Inc.	160,036,807,197	17,491,725,204	74,039,146,216	7,145,737,386
STYLEKOREAN MY SDN, BHD	18,967,179,867	2,783,415,801	7,900,071,419	(328,011,472)
STYLEKOREAN EU B.V.	24,097,058,948	2,218,824,921	4,221,836,702	446,460,383
SKO Sp. z o.o.	33,493,897,831	4,863,100,316	45,811,379	(144,752,389)
STYLEKOREAN VIETNAM CO.,LTD	145,555,088	(516,968,139)	-	(27,445,656)
MOIDA LLC	39,485,127	570,760	-	(8,711,543)

(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
	Sep. 30, 2024	Dec. 31, 2023	Sep. 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
Benton Co., Ltd.	25.00%	25.00%	300,005,000	300,005,000	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
PT. Style Korean Indonesia	49.00%	49.00%	876,376,221	876,376,221	Indonesia	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
Be The Skin Co., Ltd.	30.00%	30.00%	100,000,952	100,000,952	Korea	Cosmetics distribution and sales business
Picton Co., 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	Japan	Cosmetics distribution and sales business
Sukoshi Mart Holdings Inc.	20.33%	11.83%	7,674,960,064	3,954,898,576	Canada	Cosmetics distribution and sales business

Hello Skin Co., Ltd. (*3)	25.00%	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	September 30, 2024			December 31, 2023		
	Assets	Liabilities	Capital	Assets	Liabilities	Capital
One And Co., Ltd.	19,090,829,565	12,932,516,552	6,158,313,013	13,210,279,995	8,239,812,597	4,970,467,398
Benton Co., Ltd.	5,671,154,733	4,390,278,953	1,280,875,780	5,123,747,755	3,259,677,280	1,864,070,475
Pyunkang Oriental Medicine Dermatological Research Institute Co., Ltd	15,933,452,285	7,010,894,053	8,922,558,232	10,362,704,201	1,667,107,279	8,695,596,922
PT. Style Korean Indonesia	17,660,952,356	12,240,514,480	5,163,276,155	9,765,249,044	5,071,460,201	4,693,788,843
Hello Skin Co., Ltd.	1,834,072,103	2,382,757,304	(548,685,201)	2,572,285,635	1,316,005,441	1,256,280,194
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	796,846,805	7,689,601	847,780,790	790,945,802	11,259,970	779,685,832
Be The Skin Co., Ltd.	2,986,302,782	2,807,257,295	179,045,487	2,834,677,600	2,739,191,944	95,485,656
Picton Co., Ltd	16,819,176,532	10,663,662,685	6,155,513,847	4,897,582,360	2,799,297,950	2,098,284,410
JC&Company Co., Ltd.	568,958,228	125,092,654	443,865,574	225,139,105	302,811,767	(77,672,662)
Plant Base Co., Ltd.	413,928,675	686,650,713	(272,722,038)	463,651,695	741,093,870	(277,442,175)
Aid Korea Company Co., Ltd.	9,937,374,651	4,653,384,483	5,283,990,168	7,292,105,953	3,542,314,363	3,749,791,590
Hanteo Global Co., Ltd.	7,920,407,729	5,939,755,685	1,980,652,044	7,814,680,532	4,365,637,468	3,449,043,064

(Unit: KRW)

Category	September 30, 2024			December 31, 2023		
	Sales	Net income	Total comprehensive income	Sales	Net income	Total comprehensive income
One And Co., Ltd.	11,089,100,041	1,187,845,615	1,187,845,615	14,221,506,420	2,219,325,040	2,219,325,040
Benton Co., Ltd.	10,036,897,312	(381,954,695)	(381,954,695)	12,638,619,287	922,996,223	922,996,223
Pyunkang Oriental Medicine Dermatological Research Institute Co., Ltd	27,964,724,643	226,961,310	226,961,310	22,927,123,930	2,205,188,351	2,205,188,351
PT. Style Korean Indonesia	19,187,229,412	522,619,018	522,619,018	18,164,102,324	1,190,418,268	1,186,284,651
Hello Skin Co., Ltd.	6,112,941,589	(1,745,528,727)	(1,745,528,727)	5,951,286,816	371,802,225	371,802,225
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	334,592,757	(14,907,336)	(14,907,336)	537,194,988	(36,812,736)	(36,812,736)
Be The Skin Co., Ltd.	5,441,818,054	83,559,831	83,559,831	6,822,777,000	7,422,201	7,422,201

Picton Co., Ltd	22,117,218,905	4,063,741,437	4,063,741,437	11,728,287,458	1,279,491,877	1,279,491,877
JC&Company Co., Ltd.	2,020,212,270	521,538,232	521,538,232	1,222,906,187	14,661,930	14,661,930
Plant Base Co., Ltd.	247,924,302	4,720,137	4,720,137	673,171,586	(139,960,770)	(139,960,770)
Aid Korea Company Co., Ltd.	16,499,357,182	1,504,981,063	1,504,981,063	15,521,675,844	1,236,142,128	1,236,142,128
Hanteo Global Co., Ltd.	12,962,170,631	(1,543,391,020)	(1,543,391,020)	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	September 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

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	September 30, 2024			December 31, 2023		
	Cost	Accumulated Depreciation(*)	Book value	Cost	Accumulated Depreciation(*)	Book value
Land	5,884,681,942	-	5,884,681,942	5,822,842,262	-	5,822,842,262
Building	18,232,626,240	(1,387,402,447)	16,845,223,793	18,074,330,250	(1,027,930,751)	17,046,399,499
Vehicles	96,723,850	(89,934,407)	6,789,443	96,723,850	(76,754,853)	19,968,997
Furniture	1,244,038,404	(1,080,421,655)	163,616,749	1,166,930,624	(994,307,717)	172,622,907
Machinery and equipment	1,109,236,364	(191,617,728)	917,618,636	1,109,236,364	(25,232,273)	1,084,004,091
Logistics automation facility	2,786,500,000	(2,101,321,267)	685,178,733	2,786,500,000	(1,683,610,167)	1,102,889,833
Assets under construction	19,829,070,234	-	19,829,070,234	19,296,854,708	-	19,296,854,708
Total	49,182,877,034	(4,850,697,504)	44,332,179,530	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 532,215 thousand won (KRW 204,727 thousand won for the previous FY), and the capitalized borrowing interest rate used to calculate borrowing costs eligible for capitalization is 3.84% (2.56% for electricity).

(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 September 30, 2024

(Unit: KRW)

Classification	Land	Building	Vehicles	Furniture	Machinery and equipment	Logistics automation facility	Assets under construction	Total
Book value (January 1, 2024)	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	61,839,680	158,295,990	-	84,312,326	-	-	532,215,526	836,663,522
Replacement	-	-	-	(5,000)	-	-	-	(5,000)
Depreciation expense	-	(359,471,696)	(13,179,554)	(93,313,484)	(166,385,455)	(417,711,100)	-	(1,050,061,289)
Book value (September 30, 2024)	5,884,681,942	16,845,223,793	6,789,443	163,616,749	917,618,636	685,178,733	19,829,070,234	44,332,179,530

2) As of December 30, 2023

Classification	Land	Building	Vehicles	Furniture	Machinery and equipment	Logistics automation facility	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 expense	-	(421,235,426)	(19,344,770)	(132,370,491)	(22,392,273)	(557,300,000)	-	(1,152,642,960)
Book value (December 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 expenses for property, plant, and equipment during the current and previous fiscal years have been fully recognized 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	22,510,759,415	24,000,000,000	Hana Bank
		14,000,000,000	

(5) The official land values are as follows.

(Unit: KRW)

Address	Area (m ²)	Official land value (KRW/m ²)	September 30, 2024	December 31, 2023
680 Sampyeong-dong, Bundang-gu, Seongnam-si, Gyeonggi-do 9th Floor, H Square JS Building	500.61	5,718,000.00	2,862,487,980	2,806,419,660

(6) 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

(7) Borrowing Costs

During the current fiscal year, the capitalized borrowing costs for qualifying assets classified as property, plant, and equipment amount to KRW 532,216 thousand won with a capitalization rate of 3.84% used for determining the amount of borrowing costs eligible for capitalization.

In the previous fiscal year, the capitalized borrowing cost was KRW 204,727 thousand won with a capitalization rate of 2.56% 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	September 30, 2024	December 31, 2023
Right-of-use assets		
Buildings	4,390,051,426	3,443,089,050
Vehicles	421,461,868	421,461,868
Accumulated depreciation and amortization	(2,550,119,731)	(936,380,735)
Total	2,261,393,563	2,928,170,183
Lease liabilities		
Current	1,964,843,314	1,760,315,825
Non-current	339,262,488	1,110,141,736
Total	2,304,105,802	2,870,457,561

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

(Unit: KRW)

Classification	September 30, 2024	December 31, 2023
Lease liabilities		
Within 1 year	1,964,843,314	1,760,315,825
Over 1 year and within 5 years	339,262,488	1,110,141,736
Total	2,304,105,802	2,870,457,561

(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 September 30, 2024>

(Unit: KRW)

Classification	Beginning balance	Acquisition	Depreciation and amortization	Ending balance
Buildings	2,688,698,799	946,962,376	(1,534,714,901)	2,100,946,274
Vehicles	239,471,384	-	(79,024,095)	160,447,289
Total	2,928,170,183	946,962,376	(1,613,738,996)	2,261,393,563

<As of December 31, 2023>

(Unit: KRW)

Classification	Beginning balance	Acquisition	Disposal	Depreciation and amortization	Ending balance
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 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	September 30, 2024	September 30, 2023
Amortization of right-of-use assets	1,613,738,996	1,201,315,040
Interest expenses related to lease liabilities (included in financial expenses)	134,641,402	63,899,874
Short-term lease expense	-	25,800,000
Lease expense for non-short term small assets	53,837,215	46,237,355
Total	1,802,217,613	1,337,252,269

- (6) Total cash outflows for leases during the current reporting period is KRW 1,647,955,537, and total cash outflows for leases during the previous reporting period is KRW 1,213,399,750.

13. Intangible Assets

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

(Unit: KRW)

Classification	September 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	42,950,000	(24,691,667)	18,258,333	27,695,000	(7,740,000)	19,955,000
Total	1,513,918,780	(24,691,667)	1,489,227,113	666,448,790	(7,740,000)	658,708,790

(*) 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	September 30, 2024	December 31, 2023
Beginning book value (Net)	658,708,790	60,092,400
Acquisition	836,464,990	606,356,390
Amortization expense	(5,946,667)	(7,740,000)
Ending book value (Net)	1,489,227,113	658,708,790

- (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	September 30, 2024	December 31, 2023
Advance payments	1,835,150,135	918,270,816
Prepaid expenses	40,923,504	113,776,210
Prepaid taxes	169,847,001	-
Total	2,045,920,640	1,032,047,026

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	September 30, 2024	December 31, 2023
Beginning book value	121,531,482	113,561,653
Increase	3,425,959	7,969,829
Ending book value	124,957,441	121,531,482

16. Contractual Liabilities

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

(1) As of September 30, 2024

(Unit: KRW)

Classification	Customer loyalty program	Others	Total
Beginning balance	457,138,328	90,545,512	547,683,840
Incurred	578,614,366	171,916,378	750,530,744
Utilized	(173,983,409)	-	(173,983,409)
Extinguished, etc.	(314,265,378)	(90,545,512)	(404,810,890)
Ending balance	547,503,907	171,916,378	719,420,285

(2) As of December 31, 2023

(Unit: KRW)

Classification	Customer loyalty program	Others	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, etc.	(36,698,560)	(34,078,017)	(70,776,577)
Ending balance	457,138,328	90,545,512	547,683,840

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 (%)	September 30, 2024	December 31, 2023
				As of September 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	3.558	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(*1)	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	39,588,000,000	-
Total					144,588,000,000	55,000,000,000

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

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

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	September 30, 2024	December 31, 2023
Accounts payable	6,455,555,853	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	September 30, 2024	December 31, 2023
Accrued payables	578,944,774	745,525,128
Accrued Expenses	1,925,893,835	2,341,163,525
Total	2,504,838,609	3,086,688,653

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	September 30, 2024	December 31, 2023
Advance payments	6,467,236,369	3,632,093,522
Withholdings	90,458,227	71,721,800
Total	6,557,694,596	3,703,815,322

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	September 30, 2024	December 31, 2023
Par value per share	500	500
Number of issued shares (*1)	60,873,234	60,177,234
Number of treasury shares	-	-
Issued Capital(*2)	30,537,340,000	30,295,340,000

(*) 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	Jun. 10, 2024	484,000	242,000,000	626,762,422
September 30, 2024	Sep. 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	September 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	September 30, 2024	September 30, 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	September 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 September 30, 2024

(Unit: KRW)

Classification	Before income tax	Income tax	After income tax
Surplus from revaluation of real estate	2,574,710,287	(538,114,450)	2,036,595,837

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

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	September 30, 2024	December 31, 2023
Undistributed Retained earnings	123,094,419,733	62,752,487,930

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 (*)	4th grant (*)
Grant date	Nov. 12, 2016	Dec. 14, 2017	Apr. 22, 2019	Mar. 31, 2021
Payment method	Stock assignment (registered common shares)	Stock assignment (registered common shares)	Stock assignment (registered common shares)	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)	-	-	782,674	-
Exercisable shares (unit: Shares)	-	-	782,674	-

(*) 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 and 2nd 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.

(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 (Sep. 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	Terms of service: 2 years	Terms of service: 3 years	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 September 30, 2024

(Unit: KRW)

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

2) As of December 31, 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 expenses were 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Sale of goods	161,751,259,972	472,245,026,175	96,678,052,145	228,714,939,068
Provision of services	761,787,322	1,064,131,679	79,899,882	252,119,898
Rent income	-	-	48,343,333	111,983,333
Total	162,513,047,294	473,309,157,854	96,806,295,360	229,079,042,299

26. Cost Classification by Category

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

(Unit: KRW)

Classification	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Changes in inventory assets	6,493,714,913	(24,042,394,811)	(21,468,550,472)	(26,017,715,685)
Cost of goods sold	118,064,993,685	386,460,646,707	109,668,112,351	201,287,217,420
Employee wages	3,198,851,029	9,870,989,649	1,095,263,459	6,736,968,920
Depreciation and amortization expenses	920,140,001	2,669,746,952	371,217,350	2,016,900,401
Advertising and sales promotion expenses	985,243,095	3,320,263,582	1,457,024,513	3,738,982,603
Commission expenses	1,966,795,638	5,325,372,688	246,072,495	3,543,757,151
Transportation costs	3,554,468,209	8,781,720,059	(766,815,838)	5,961,141,646
Other expenses	1,503,670,094	4,415,033,447	732,721,283	3,395,895,883
Total operating expense (*1)	136,687,876,664	396,801,378,273	91,335,045,141	200,663,148,339

(*) 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries	2,924,613,766	9,187,959,892	2,292,012,599	6,260,223,695
Retirement benefits	274,237,263	683,029,757	170,757,530	476,745,225
Employee benefits	205,418,699	581,490,284	119,642,310	342,528,189
Transportation costs	3,554,468,209	8,781,720,059	2,144,921,564	5,961,141,646
Rent	20,373,183	53,837,215	21,559,985	46,938,355
Fees	1,966,795,638	5,325,372,688	1,149,110,349	3,543,757,151
Depreciation (*)	918,063,334	2,663,800,285	741,881,296	2,011,095,401
Intangible asset amortization cost	2,076,667	5,946,667	1,935,000	5,805,000
Tax and utilities	196,607,499	495,550,739	105,782,217	534,267,436
Advertising expenses	547,061,783	2,206,773,439	930,245,522	3,064,944,400
Provision for bad debts (reversal of allowance for bad debts)	146,949,437	806,465,847	518,861,410	683,956,199
Stock compensation cost	-	-	-	30,072,833
Other	1,372,502,588	3,591,179,505	879,203,542	2,432,171,074
Total of SG&A	12,129,168,066	34,383,126,377	9,075,913,324	25,393,646,604

(*) 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Financial income				
Interest income	667,921,560	1,399,953,237	136,411,624	573,583,093
Dividend income	-	50,310,000	-	-
Foreign exchange profit	1,409,618,729	6,224,095,770	682,531,224	2,510,088,987
Foreign exchange conversion profit	192,630,753	2,115,018,076	1,100,247,828	1,146,374,835
Foreign exchange profit from futures forward contracts	-	44,301,874	103,221,429	126,895,876
Total	2,270,171,042	9,833,678,957	2,022,412,105	4,356,942,791
Financial expenses				

Amortized interest cost of financial liability	1,279,523,168	2,548,378,134	136,045,922	341,060,966
Interest expense (*)	42,692,245	138,067,361	29,978,866	63,899,874
Foreign exchange loss	1,751,772,269	2,925,130,848	810,710,142	1,919,339,688
Foreign exchange conversion loss	4,445,623,819	4,516,759,219	(37,394,143)	837,246
Foreign exchange losses on futures forward contracts	-	134,497,262	154,555,244	163,413,454
Derivatives valuation loss	1,871,063,440	2,567,995,207	-	-
Total	9,390,674,941	12,830,828,031	1,093,896,031	2,488,551,228

(*) The capitalization interest rate used to calculate the amount of capitalized borrowing costs is the weighted average interest rate applied to the Company's general borrowings during the current period, 3.84%.

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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Other non-operating income				
Gains on disposal of tangible assets	-	-	1,377,636	1,377,636
Reversal of Restoration Provision	-	-	98,351,388	98,351,388
Other	14,488,841	61,239,322	7,789,456	28,239,895
Subtotal	14,488,841	61,239,322	107,518,480	127,968,919
Other non-operating expenses				
Loss on disposal of tangible assets	-	5,000	1,000	181,327,329
Other	1,802,635	3,175,771	562,438	1,217,480
Subtotal	1,802,635	3,180,771	563,438	182,544,809
Total	12,686,206	58,058,551	106,955,042	(54,575,890)

30. Cash flow statement

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Interest income	(1,399,953,237)	(573,583,093)
Interest cost	2,686,445,495	404,960,840
Dividend income	(50,310,000)	-
Income tax expense	13,226,757,255	5,911,783,510
Bad debt expense	806,465,847	683,956,199

Depreciation (*)	2,663,800,285	2,011,095,401
Amortization of intangibles	5,946,667	5,805,000
Foreign currency conversion gain or loss	2,401,741,143	(1,145,537,589)
Current profit or loss - profit or loss on disposal of fair value financial assets	-	36,517,578
Current profit or loss – fair value financial asset valuation gain or loss	2,567,995,207	-
Profit and loss on disposal of tangible and intangible assets	5,000	179,949,693
Profit and loss on disposal of right of use assets	-	(98,351,388)
Inventory disposal and valuation loss	231,076,738	23,276,985
Stock-based compensation expenses	-	30,072,833
Total	23,139,970,400	7,469,945,969

(*) 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	September 30, 2024	September 30, 2023
Decrease (increase) in accounts receivable	(35,790,317,845)	(34,721,620,276)
Decrease (increase) in other receivables	10,191,285,982	(2,986,042,179)
Decrease (increase) in inventories	(21,426,182,504)	(24,303,898,602)
Decrease (increase) in other assets	(1,013,873,614)	(831,918,691)
Increase (decrease) in accounts payable	5,954,010,305	5,680,351,539
Increase (decrease) in other financial liabilities	-	146,864,483
Increase (decrease) in contract liabilities	171,736,445	204,409,519
Increase (decrease) in other liabilities	2,410,096,591	874,439,069
Payment of retirement benefits	-	(231,690,814)
Total	(39,503,244,640)	(56,169,105,952)

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

(Unit: KRW)

Classification	September 30, 2024	September 30, 2023
Increase in right-of-use assets due to recognition of lease liabilities, etc.	946,962,376	5,428,984,115
Liquidity classification of lease liabilities	550,618,981	1,559,881,321
Exercise of stock options	517,892,022	193,573,814

(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
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	(1,647,955,537)	91,703,000,000
Other non-financial changes (*2)	1,081,603,778	(2,115,000,000)
Net liabilities at end of current FY	2,304,105,802	144,588,000,000

(*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:

(Unit: KRW)

Financial Institution	Classification	Currency	Contract Limit	Executed Amount
Kookmin Bank	Over-the-counter derivatives trading (forwards)	KRW	2,354,000,000	-

(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	22,510,759,415	24,000,000,000	Hana Bank
		14,000,000,000	

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

Beneficiary	Currency	Guarantees	Guaranteed	Period	Description
Korea Health Industry Development Institute	KRW	20,000,000	Seoul Guarantee Insurance	2024-12-31	2024 Small and Medium Cosmetics Overseas Expansion Support Program
Korea SMEs and Startups Agency	KRW	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	KRW	285,703,030	Seoul Guarantee Insurance	2025-03-01	「2024 Media Content Marketing Project」 Business Agreement
Korea Health Industry Development Institute	KRW	200,000,000	Seoul Guarantee Insurance	2025-03-31	2024 Small and Medium Cosmetics Overseas Expansion Support Program
Kakao Pay Co., Ltd.	KRW	10,000,000	Seoul Guarantee Insurance	2025-05-01	Kakao Pay Service Agreement
Korea Electric Power Corporation	KRW	7,200,000	Seoul Guarantee Insurance	2025-06-19	Electricity supply contract
Eximbay Co., Ltd.	KRW	60,000,000	Seoul Guarantee Insurance	2025-09-06	Electronic payment Agency service contract
KG Inicis Co., Ltd.	KRW	300,000,000	Seoul Guarantee Insurance	2025-10-28	KG Inicis INIPAY Service Use Agreement
PDC Industrial Center 198 Sp. z o.o	EUR	3,353,809	SILICON2 Co., LTD.	2025-03-22	Solidarity guarantee under Polish corporate warehouse contract
Total		1,192,484,429			

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	September 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	
	STYLEKOREAN UK LIMITED	-	
	STYLEKOREAN SG PTE. LTD.	-	
	STYLEKOREAN FR SAS	-	
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.	
	Picton Co., Ltd	Picton Co., 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 September 30, 2024

(Unit: KRW)

Classification	Company Name	Sales (*1)	Purchases (*2)	Interest income	Selling and Administrative Expenses	Other losses
Subsidiaries	StyleKorean Inc.	106,990,505,794	-	356,677,687	44,131,244	-
	STYLEKOREAN VIETNAM CO.,LTD	905,954,622	-	-	-	-
	STYLEKOREAN MY SDN. BHD.	14,183,026,954	-	-	11,661,012	-
	SKO Sp. z o.o.	51,156,416,809	-	-	-	-
	STYLEKOREAN EU B.V.	10,452,197,867	-	-	-	-
	MOIDA LLC	-	-	-	36,621,500	-
Associates	PT. Style Korean Indonesia	17,388,250,501	-	-	-	-
	ONEAND Co., Ltd.	-	9,942,418,374	-	-	-
	Pyunkang Korean Medicine Skin Co., Ltd.	-	11,371,798,369	-	36,480,240	-
	Benton Co., Ltd.	-	2,249,552,217	-	-	50,310,000
	HELLO SKIN Co., Ltd.	-	4,224,062,500	-	-	-
	ARUMI KOREAN COSMETICS SPA.	14,900,474	-	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	124,235,936	-	-	-	-
	BE THE SKIN Co., Ltd.	-	213,138,379	-	814,559	-
	Picton Co., Ltd	-	18,407,805,060	-	100,000	-
	JC&Company Co., Ltd.	13,764,838	844,106,737	-	-	-
	Plantbase Co., Ltd.	-	2,672,727	-	-	-
	AIDKOREA COMPANY Co., Ltd.	-	5,672,648,800	-	-	-
	Hanteo Global Co., Ltd.	1,760,000	659,898,755	-	-	-
	Sukoshi Mart Holdings Inc.	5,947,278,697	-	-	-	-
	Total	207,178,292,492	53,588,101,918	356,677,687	129,808,555	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 September 30, 2023

(Unit: KRW)

Classification	Company Name	Sales (*1)	Purchases (*2)	Interest income	Selling and Administrative Expenses	Other losses
Subsidiaries	StyleKorean Inc.	60,036,630,640	-	-	879,447	-
	STYLEKOREAN VIETNAM CO.,LTD	-	-	189,535	-	285,350
	STYLEKOREAN MY SDN. BHD.	7,700,519,175	-	-	-	-
	SKO Sp. z o.o.	388,019	-	-	-	-
	STYLEKOREAN EU B.V.	10,317,981,108	-	-	-	-

Associates	PT. Style Korean Indonesia	11,725,320,322	-	-	15,049,778	-
	ONEAND Co., Ltd.	-	7,282,113,974	-	9,620,454	-
	Pyunkang Korean Medicine Skin Co., Ltd.	271,909	8,679,944,318	-	-	-
	Benton Co., Ltd.	1,440,298	2,854,100,609	-	300,000	-
	HELLO SKIN Co., Ltd.	-	3,068,704,350	-	-	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	87,348,582	-	-	-	-
	BE THE SKIN Co., Ltd.	-	200,314,103	-	-	-
	Picton Co., Ltd	-	5,350,430,900	-	1,946,900	-
	JC&Company Co., Ltd.	20,762,742	203,202,560	-	-	-
	Plantbase Co., Ltd.	-	110,645,816	-	-	-
	AIDKOREA COMPANY Co., Ltd.	-	3,949,873,131	-	-	-
	Hanteo Global Co., Ltd.	117,638,638	1,619,313,368	-	-	-
Total		90,008,301,433	33,318,643,129	189,535	27,796,579	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 September 30, 2024

(Unit: KRW)

Classification	Company Name	Receivables			Liabilities	
		Accounts	Loans	Other receivables	Trade payables	Other liabilities
Subsidiaries	StyleKorean Inc.	37,581,533,169	41,445,000,000	-	-	-
	STYLEKOREAN VIETNAM CO.,LTD	868,212,820	-	-	-	-
	STYLEKOREAN MY SDN. BHD.	9,937,087,956	-	-	-	-
	SKO Sp. z o.o.	33,190,833,905	-	-	-	-
	STYLEKOREAN EU B.V.	69,207	-	-	-	-
	MOIDA LLC	-	-	8,468,740	-	-
Associates	PT. Style Korean Indonesia	10,987,877,809	-	-	-	-
	Pyunkang Korean Medicine Skin Co., Ltd.	-	-	-	1	-
	SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	-	-	-	-	3,375
	Picton Co., Ltd	-	-	-	153,384,000	-
	JC&Company Co., Ltd.	-	-	-	13,988,630	-
	AIDKOREA COMPANY Co., Ltd.	-	-	-	479,099,744	-
	Hanteo Global Co., Ltd.	-	-	6,039,660	-	-
	Sukoshi Mart Holdings Inc.	506,351,443	-	-	-	52,587,355
Total		93,071,966,309	41,445,000,000	14,508,400	646,472,375	52,590,731

2) As of December 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 September 30, 2024

(Unit: KRW)

Classification	Company Name	Loan of funds	Capital Transactions
		Loans	Cash contribution, etc.
Subsidiaries	StyleKorean Inc.	41,445,000,000	34,752,500,000
	STYLEKOREAN VIETNAM CO.,LTD	-	1,150,724,686
	STYLEKOREAN UK LIMITED	-	178,297,563
	STYLEKOREAN SG PTE. LTD.	-	104,330,074
	STYLEKOREAN FR SAS	-	147,559,004
Associates	Sukoshi Mart Holdings Inc.	-	3,720,061,488
Total		41,445,000,000	40,053,472,815

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	Picton 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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Salaries and other short-term employee benefits	232,499,996	764,999,988	180,833,334	536,666,672

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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net Income	15,352,200,085	60,341,931,803	11,881,125,850	24,317,926,123
Net profit attributable to common shares	15,352,200,085	60,341,931,803	11,881,125,850	24,317,926,123
Weighted average of common shares outstanding (*)	60,587,798	60,587,798	60,269,094	60,269,094
Basic EPS	253	996	197	403

(*) 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	161	60,389,234	9,722,666,674
2024.06.10 - 2024.09.30	Exercise of stock options	112	60,873,234	6,817,802,208
Total		273		16,540,468,882
Weighted average number of common shares(value / 273)				60,587,798

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

Duration	Changes	Days	No. of common shares	Value
2024.01.01 - 2024.04.20	Beginning balance	110	60,177,235	6,619,495,850
2024.04.21 - 2024.09.30	Exercise of stock options	163	60,331,084	9,833,966,692
Total		273		16,453,462,542
Weighted average number of common shares(value / 273)				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	September 30, 2024		September 30, 2023	
	3 months	Accumulated	3 months	Accumulated
Net Income	15,352,200,085	60,341,931,803	11,881,125,850	24,317,926,123
Diluted profit on common shares	15,352,200,085	60,341,931,803	11,881,125,850	24,294,168,585
Weighted average of common shares outstanding to calculate diluted EPS	60,901,343	60,901,343	60,964,937	60,964,937
Weighted average of common shares outstanding	60,612,312	60,612,312	60,269,094	60,269,094

Dilutive potential common shares (*)	289,031	289,031	695,843	695,843
Diluted EPS	252	991	194	398

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

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
3. Dividend
4. Voluntary reserves
5. Disposal of other retained earnings

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	September 30, 2024	December 31, 2023	December 31, 2022
		23rd 3Q	22nd	21st
Par value per share (KRW)		500	500	500
(Consolidated) Net Profit (unit: mil KRW)		88,737	38,013	11,156
(Separate) Net Profit (unit: mil KRW)		60,342	33,287	10,062
(Consolidated) EPS (KRW)		1,465	631	186
Total cash dividends (unit : mil KRW)		-	-	-
Total stock dividends (unit : mil 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 September 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 September 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 September 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 September 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 September 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
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Outstanding Balance	Public	-	-	-	-	-	-	-	-
	Private	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-

Outstanding Balance of Hybrid Capital Securities

(As of September 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 September 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	Additional Rental of Warehouse(s)
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 3Q)	Accounts receivable	59,312,851,048	(778,699,029)	1.31%
	Total	59,312,851,048	(778,699,029)	1.31%
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 3Q)	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)	509,714,045	155,732,962	28,206,129
4. Total ending amount of bad debt allowance	778,699,029	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 indicates 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 September 30, 2024)

(Unit: KRW, %)

Category		6- mths.	6+ mths.	1+ yr.	Total
			1- yr.	3- yrs.	
Amount	General	24,455,105,379	23,355,587,470	514,280,390	48,324,973,239
	Related parties	7,404,117,893	3,583,759,916		10,987,877,809
	Total	31,859,223,272	26,939,347,386	514,280,390	59,312,851,048
Composition ratio		53.71%	45.42%	0.87%	100.00%

C. Status of Inventories, etc.

(1) Holding status of inventories by each division

(Unit: KRW, %)

Division	Account Subject	23 rd (2024.3Q)	22 nd (2023)	21 st (2022)	Note
Cosmetics	Products	124,078,692,914	79,310,651,760	29,554,931,692	-
	Evaluated allowances for products	(1,026,234,995)	(774,052,401)	(952,625,565)	-
	Subtotal	123,052,457,919	78,536,599,359	28,602,306,127	-
Total	Products	124,078,692,914	79,310,651,760	29,554,931,692	-
	Evaluated allowances for products	(1,026,234,995)	(774,052,401)	(952,625,565)	-
	Total	123,052,457,919	78,536,599,359	28,602,306,127	-

Inventories to total assets ratio (%) [total inventories÷total ending assets]	29.50%	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 July 31, 2024, 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	123,304,640,513	123,304,640,513	(252,182,594)	123,052,457,919	-
Total	123,304,640,513	123,304,640,513	(252,182,594)	123,052,457,919	-

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	September 30, 2024		December 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
Financial Assets				
Cash and cash equivalents	62,611,744,567	62,611,744,567	17,217,510,020	17,217,510,020
Accounts receivable	58,534,152,019	58,534,152,019	21,282,743,325	21,282,743,325
Short-term other financial assets	6,768,224,828	6,768,224,828	17,103,561,266	17,103,561,266
Other financial assets	2,026,752,749	2,026,752,749	1,296,330,857	1,296,330,857
Total	129,940,874,163	129,940,874,163	56,900,145,468	56,900,145,468
Financial liabilities				
Trade payables	6,923,996,882	6,923,996,882	501,545,548	501,545,548
Short-term other financial liabilities	3,980,393,651	3,980,393,651	2,356,176,495	2,356,176,495
Current lease liabilities	3,094,666,638	3,094,666,638	2,702,330,011	2,702,330,011
Short-term borrowings	144,588,000,000	144,588,000,000	55,000,000,000	55,000,000,000
Current long-term liabilities	131,038,734	131,038,734	125,053,387	125,053,387
Long-term borrowings	3,625,883,355	3,625,883,355	3,637,154,039	3,637,154,039
Other financial liabilities	2,567,995,207	2,567,995,207	-	-
Non-current lease liabilities	3,626,993,382	3,626,993,382	2,330,484,542	2,330,484,542
Total	168,538,967,849	168,538,967,849	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.

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)

Previous Year End	Level 1	Level 2	Level 3	Total
Financial Assets				
Financial assets at fair value through profit or loss	-	-	1,000,000,000	1,000,000,000
Financial Liabilities				

Derivative Liabilities	-	-	2,567,995,207	2,567,995,207
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(3) Value Evaluation and Input Variables

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

September 30, 2024	Fair Value	Level	Evaluation Method	Variable
Financial Assets				
Equity Instruments	1,000,000,000	3	Net asset valuation, etc.	Net asset value
Financial Liabilities				
Foreign currency-linked currency swap	2,567,995,207	3	Cash flow discount using market observation variables	Exchange rates, interest rates

(4) 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>④ 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>

Resolution of the Board of Directors (Article 38 of the Articles of Incorporation)	<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>
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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
15	2024.07.19	1. Establishment of STYLEKOREAN KR SAS (Subsidiary in France) 2. Capital Increase of STYLEKOREAN VIETNAM CO., LTD	Approved
16	2024.08.02	Approval for guarantee for SKO Sp. Z o.o.	Approved
17	2024.08.22	Proceeding with Escrow Agreement for Due Diligence Deposit Prior to Investment Review for ECOVICE	Approved
18	2024.09.13	Investment in ONLY Ni CO.,LTD.	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 position of 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 is 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	Jinho 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: persons)

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 reports 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)	The 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 auditors 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
15	2024.07.19	1. Establishment of STYLEKOREAN KR SAS (Subsidiary in France) 2. Capital Increase of STYLEKOREAN VIETNAM CO., LTD	Approved	Attended
16	2024.08.02	Approval for guarantee for SKO Sp. Z o.o.	Approved	Attended
17	2024.08.22	Proceeding with Escrow Agreement for Due Diligence Deposit Prior to Investment Review for ECOVICE	Approved	Attended
18	2024.09.13	Investment in ONLY Ni CO.,LTD.	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	8	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 September 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 September 30, 2024)

(Unit: Share)

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	On December 31 st 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	On January 1 st to 7 th 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 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	Approved as proposed	-
The 19th Extraordinary General Meeting of Shareholders (Sep. 10, 2020)	Agenda 1: Share split Agenda 2: Amendment of Articles of Incorporation	Approved as proposed	-
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) 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	Approved as proposed	-
The 21st Regular General Meeting of Shareholders (Mar. 30, 2022)	Agenda 1: Approval of the 20th fiscal year's Financial Statement 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	Approved as proposed	-
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) 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	Approved as proposed	-
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) Agenda 2: Approval of remuneration limit for directors Agenda 3: Approval of remuneration limit for auditors	Approved as proposed	-

VII. Matters Regarding Shareholders

A. Shareholding Status of the Largest shareholders and their Related Parties

(As of September 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	Spouse 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	2,427,722	3.99	-
Jinho Choi	Registered executive director	Common Shares	1,609,728	2.67	826,782	1.36	-
Yong-A Kim	Younger sister of the largest shareholder	Common Shares	268,800	0.45	200,000	0.33	-
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	30,262,731	49.71	-
		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 September 30, 2024)

(Unit: Share)

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)		858	0.01	-

Overview of Minority Shareholders

(As of September 30, 2024)

(Unit: Share)

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	72,678	72,685	99.99	31,302,195	60,873,234	51.42	-

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 60,873,234 common shares, and those carrying voting rights are 60,873,234 shares.

F. Share Price and Trading Performance

(Unit: Share, KRW)

Type		April, 2024	May, 2024	June, 2024	July, 2024	August, 2024	September, 2024
Common Shares	High	14,970	41,350	54,200	50,100	47,550	47,700
	Low	11,640	14,340	38,600	40,250	32,150	38,100
Monthly Trading Volume		32,810,846	75,323,947	49,734,430	51,268,269	56,474,407	33,866,206

VIII. Matters Regarding Executive Directors and Employees

1. Overview of Executive Directors and Employees

A. Overview of Executive Directors

(As of September 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 Koryong Electronics - 2000 MDI Korea - 2002~Present Founder and CEO of Silicon2 Co., Ltd	18,924,639	-	Largest Shareholder himself	22 years and 7 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	2,427,722	-	Registered Executive director	7 years and 6 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	826,782	-	Registered Executive director	12 years	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 & Analysis 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 6 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 6 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 6 months	30-Mar-26

B. Overview of Employees

(As of September 30, 2024)

(Unit: KRW)

Employee										External contractors			Note
Business Division	Sex	HC				Average Continuous Service Year	Total Annual Wage	Average Wage per person	Male	Female	Sum		
		Permanent employees		Fixed term employees								Total	
		Total	(Part Time)	Total	(Part Time)								
IT	Male	12	-	0	-	12	2.28	503,633,139	41,969,428	46	77	123	-
IT	Female	8	-	0	-	8	1.39	229,584,367	28,698,046				-
Management Support	Male	8	-	0	-	8	3.18	289,107,466	36,138,433				-
Management Support	Female	22	-	0	-	22	4.88	877,126,821	39,869,401				-
Procurement	Male	3	-	0	-	3	3.93	120,849,999	40,283,333				-
Procurement	Female	7	-	0	-	7	4.50	306,228,893	43,746,985				-
Marketing	Male	6	-	0	-	6	2.05	236,347,162	39,391,194				-
Marketing	Female	26	-	6	-	32	1.58	779,802,781	24,368,837				-
Logistics	Male	26	-	2	-	28	2.80	832,869,890	29,745,353				-
Logistics	Female	19	-	0	-	19	3.94	507,254,839	26,697,623				-
Sales	Male	15	-	0	-	15	1.51	389,212,450	25,947,497				-
Sales	Female	81	-	1	-	82	2.82	2,884,965,226	35,182,503				-
Total		233	0	9	0	242	2.96	7,956,983,033	32,880,095				-

Note1) The number of employees, wages, and average continuous service year are based on the employees as of September 30, 2024.

Note2) Registered executives have been excluded, and the total annual wage amount reflects actual payments made from January to September 2024.

Note3) Taxation related to Stock options and withdrawals of employee stocks have been excluded.

Note4) Fixed-term employees are interns.

Note 5) External contractors are contract-based employees as of September 30, 2024.

C. Remuneration Status of Non-registered Executive Directors

(As of September 30, 2024)

(Unit: KRW)

Category	Number of Persons	Total Amount of Annual Remuneration	Average Remuneration per person	Note
Non-registered Executive Directors	3	306,849,995	102,283,332	-

Note1) The total amount of remuneration is the actual salary paid from January to September 2024.

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	823,499,988	137,249,998	-

2-2. By Type

(Unit: KRW)

Category	Number of Persons	A Total of Remuneration	Average Remuneration Per person	Note
Registered Director (Outside Director and Members of the audit committee are excluded)	3	764,999,988	254,999,996	-
Outside Director (Members of the audit committee are excluded)	2	36,000,000	18,000,000	-
Members of the audit committee	-	-	-	-
Auditor	1	22,500,000	22,500,000	-

<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: mil 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	320	-
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	320	-

<Table2>

(As of September 30, 2024)

(Unit: KRW, shares)

Person Granted	Relation-ship	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
						Exercise d	Canceled	Exercise d	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 (September 30, 2024), the closing price is 46,200 Korean won

IX. Matters Regarding the Affiliated Companies

A. Overview of Affiliated Companies

(As of September 30, 2024)

(Unit: Company)

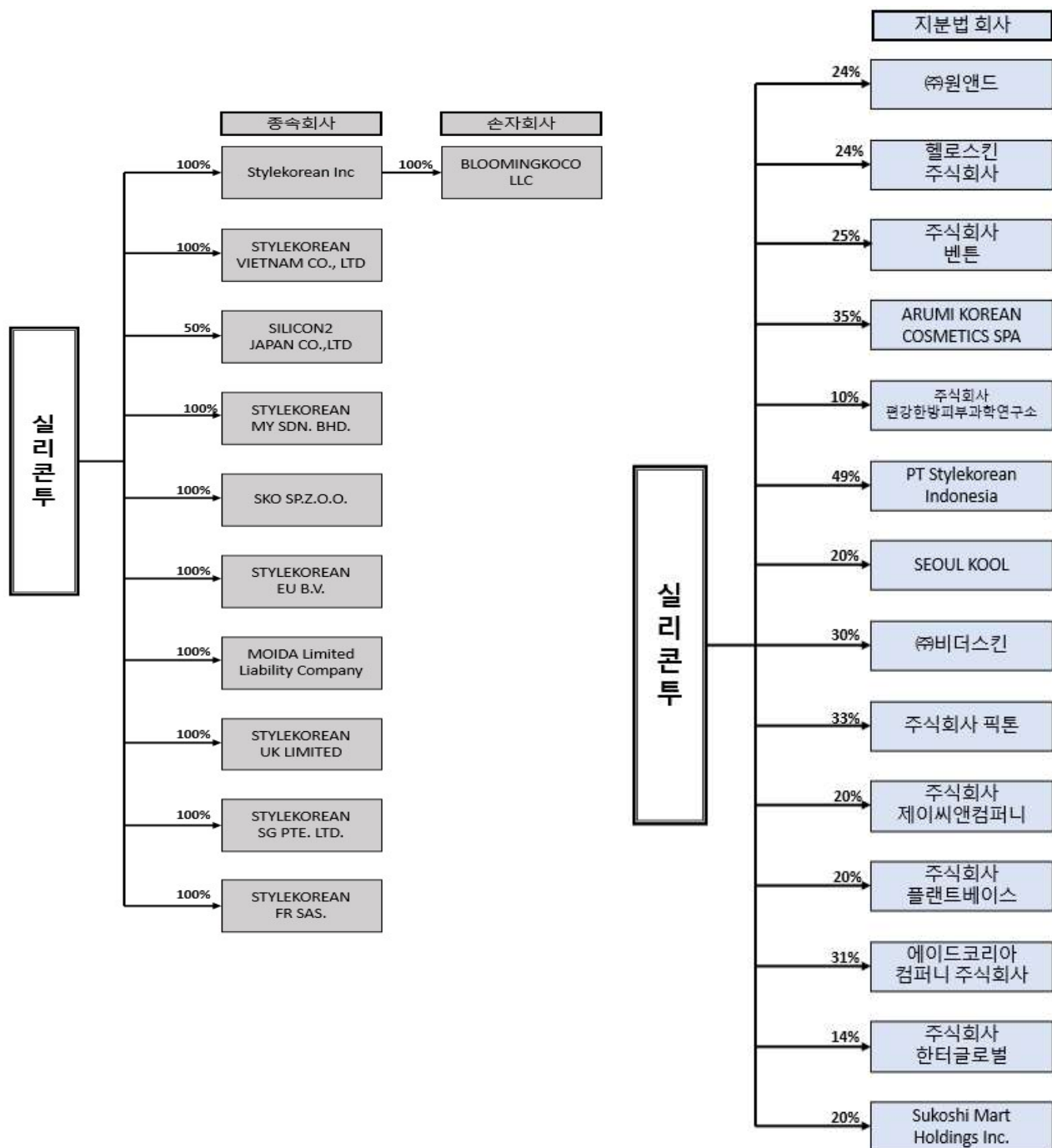
Name of Group Companies	Number of Affiliated Companies		
	Listed	Not listed	Sum
Silicon2's affiliated company	-	24	24

※ For details, refer to 'Detailed Table 2: Subsidiary Company Status (Detailed)

(1) 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	-
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.	-
STYLEKOREAN UK LTD.	-
STYLEKOREAN SG PTE. LTD.	-
STYLEKOREAN FR SAS.	-
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

(2) A organizational chart showing the relationships of control, subsidiaries, and investments among affiliated companies.



(3) 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.

(4) 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.

(5) 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
		PT Stylekorean Indonesia	Director
		SKO SP.Z.O.O.	CEO
		STYLEKOREAN UK LTD.	CEO
		STYLEKOREAN SG PTE. LTD.	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

B. Overview of Investment in Other Corporations

(As of September 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	-	9	9	7,955	36,334	-	44,289
General Investment	-	15	15	12,664	3,720	-	16,384
Simple Investment	-	-	-	-	-	-	-
Total	-	24	24	20,619	40,054	-	60,673

※For detailed information, refer to "Detailed Table-3. Status of Investment in Other Corporations (Detailed)"

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.

2. Details of Asset Transfers with Major Shareholders

This is not applicable to the Company as of the submission date of this report.

3. Details of Business transaction

This is not applicable to the Company as of the submission date of this report.

4. Details of Stock-based Compensation Transaction

This is not applicable to the Company as of the submission date of this report.

5. 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 Sep. 30, 2024)

(Unit: KRW 1 million)

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.

B. A checklist for SME Criteria

As of the submission date of this report, the Company qualifies as a small and medium-sized enterprise (SME)

■ 법인세법 시행규칙 [별지 제51조 제4호] <개정 2022. 03. 18>

(4쪽 중 제1쪽)

※ 제3쪽의 작성방법을 읽고 작성해 주시기 바랍니다.

사업 연도	2023. 01. 01 - 2023. 12. 31	중소기업 등 기준검토표	법 인 명	실리콘루															
사업 연도	2023. 12. 31		사업자등록번호	214-57-05369															
구분	① 요 건	② 검토 내 용	③ 적합 여부	④ 적정 여부															
대 기 업	⑧ 사 업 연 속 성 질 요 건	<table border="1"> <thead> <tr> <th>업종별 구분</th> <th>가동경비율비율</th> <th>사업수입금액</th> </tr> </thead> <tbody> <tr> <td>(01) (토목 및 토목업)업</td> <td>602131</td> <td>331,839,726,001</td> </tr> <tr> <td>(02) ()업</td> <td>(06)</td> <td>(08)</td> </tr> <tr> <td>(03) 그 밖의 사업</td> <td>(06)</td> <td>(09)</td> </tr> <tr> <td>계</td> <td></td> <td>331,839,726,001</td> </tr> </tbody> </table>	업종별 구분	가동경비율비율	사업수입금액	(01) (토목 및 토목업)업	602131	331,839,726,001	(02) ()업	(06)	(08)	(03) 그 밖의 사업	(06)	(09)	계		331,839,726,001	(17) 적 합 (Y)	(28)
	업종별 구분	가동경비율비율	사업수입금액																
	(01) (토목 및 토목업)업	602131	331,839,726,001																
	(02) ()업	(06)	(08)																
	(03) 그 밖의 사업	(06)	(09)																
계		331,839,726,001																	
⑨ 구 분 요 건	○ 이월소득 ①, ②를 동시에 충족할 것 ○ 매출액이 영업활동 「중소기업기본법」 제29조 제3항에 따른 소액서비스업에 해당하지 않는 사업 ○ 매출액 5천만원 미만	가. 매출액 - 당 회사 (10) (3,316.4 억원) - 「중소기업기본법」 별표 1의 규모기준 (11) (1,000 억원) 이하 나. 자산총액 (12) (1,994.0 억원)	(18) 적 합 (Y)	적 (Y)															
⑩ 부 속 성 질 요 건	「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업일 것	• 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음 • 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음 • 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음	(19) 적 합 (Y)	부 (N)															
⑪ 유 예 기 간	① 중소기업이 구분에 따른 중소기업으로 인정되는 요건을 충족하는지 여부 ② 중소기업기본법 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음 ③ 중소기업기본법 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음	○ 사업연도 종료 (13) (2021 년)	(20) 적 합 (Y)	부 (N)															
소 기 업	⑫ 사업연도 및 독립성요건을 충족할 것	중소기업 기본법 제29조 제2항 제2호에 따른 중소기업으로 인정되는지 여부	(21) 적 합 (Y) (N)	(27) 적 (Y)															
	⑬ 자산총액이 5천만원 미만으로서, 매출액이 영업활동 「중소기업기본법」 별표 3의 규모기준 ('경관·배출액' 중 '배출액' 으로 종용) 이내일 것	○ 매출액 - 당 회사 (14) (3,316.4 억원) - 「중소기업기본법」 별표 3의 규모기준 (15) (50.0 억원) 이하	(22) 적 합 (Y) (N)																

210mmX297mm [백상지 80g/㎡ 또는 동등지 80g/㎡]
(4쪽 중 제2쪽)

구분	① 요 건	② 검토 내 용	③ 적합 여부	④ 적정 여부
대 기 업	⑧ 「중소기업기본법」 상 중소기업 일괄	중소기업이 아니고 중소기업이 아닌 사업으로 인정되는지 여부	(23) 적 합 (Y) (N)	(28) 적 (Y)
	⑨ 소규모기업의 실적확인 요건이 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업일 것	• 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음 • 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업에 해당하지 않는 기업에 속하는 회사에 해당하지 않음	(24) 적 합 (Y) (N)	
	⑩ 실적 3년 평균 매출액이 영업활동 「중소기업기본법」 제29조 제2항 제2호에 따른 중소기업일 것	직전 3년 과세연도 매출액의 평균금액 직전 3년 과세연도 매출액의 평균금액 934.9 억원 1,344.5 억원 1,617.5 억원 1,266.7 억원	(25) 적 합 (Y) (N)	부 (N)

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	158,597,300,733	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	15,437,575,806	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	7,473,452,050	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	27,476,452,034	Majority ownership of voting rights (No.K-iFRS 1110)	Yes
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	1,563,104,578	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 Distribution & Sales business	86,010,926	Majority ownership of voting rights (No.K-iFRS 1110)	N/A

2. Overview of Affiliated Companies (Details)

☞ Move to the main text

(As of September 30, 2024)

(Unit: Company)

Listing Status	Number of Company	Name of Company	Corporate
Listed	-	-	-
		-	-
Not listed	24	Stylekorean Inc.	-
		STYLEKOREAN VIETNAM CO.,LTD	-
		PT.Style Korean Indonesia	-
		ARUMI KOREAN COSMETICS SPA	-
		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.	-
		STYLEKOREAN UK LTD.	-
		STYLEKOREAN SG PTE. LTD.	-

		STYLEKOREAN FR SAS.	-
		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 September 30, 2024)

(Unit: 1 mil KRW, shares, %)

Name of Company	Listing Status	Initial Acquisition 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	100.00	5,817	25,000,000	34,753	-	30,000,000	100	40,570	158,597	17,492
STYLEKOREAN VIETNAM CO.,LTD	Not listed	06-Jun-19	Participation in Management	6	5,000	100.00	65	11,507	1,151	-	16,507	100	1,216	-	-
STYLEKOREAN MY SDN. BHD.	Not listed	02-Jun-22	Participation in Management	482	1,697,357	100.00	483	-	-	-	1,697,357	100	483	15,438	2,783
SKO Sp. z o.o.	Not listed	23-Jan-23	Participation in Management	517	96,000	100.00	517	-	-	-	96,000	100	517	27,476	4,863
STYLEKOREAN EU B.V.	Not listed	13-Mar-23	Participation in Management	1,052	22,500	100.00	1,052	-	-	-	22,500	100	1,052	7,473	2,783
MOIDA Limited Liability Company	Not listed	18-Aug-23	Participation in Management	21	2	100.00	21	-	-	-	2	100	21	-	-
STYLEKOREAN UK LIMITED.	Not listed	15-Jun-24	Participation in Management	168	-	-	-	100,000	178	-	100,000	100	178	178	-
STYLEKOREAN FR SAS.	Not listed	10-Jul-24	Participation in Management	200	-	-	-	100,000	148	-	100,000	100	148	148	-
STYLEKOREAN SG PTE. LTD.	Not listed	26-Jun-24	Participation in Management	200	-	-	-	100,000	104	-	100,000	100	104	104	-
PT. Style Korean Indonesia	Not listed	21-Aug-18	General Investment	300	392,000	49.00	876	-	-	-	392,000	49	876	17,661	523
ONEAND Co., Ltd	Not listed	11-Mar-16	General Investment	50	80,000	24.10	400	-	-	-	80,000	24.1	400	19,091	1,188
Benton Co., Ltd	Not listed	25-Nov-16	General Investment	463	645,000	25.00	300	-	-	-	645,000	25	300	5,671	-382
Pyun Gang Korean Medicine Dermatological Science Research Institute Co., Ltd.	Not listed	20-Dec-17	General Investment	337	8,889	10.00	300	-	-	-	8,889	10	300	15,933	227
HelloSKIN Co., Ltd	Not listed	07-Oct-16	General Investment	34	6,667	25.00	-	-	-	-	6,667	23.8	0	1,834	-1,746
SEOUL KOOL FOR COSMETIC MATERIALS CO., WLL	Not listed	20-Jan-20	General Investment	100	-	20.00	147	-	-	-	-	20	147	797	-15
ARUMI KOREAN COSMETICS SPA	Not listed	26-Apr-17	General Investment	30	5,385	35.00	0	-	-	-	5,385	35	-	-	-
Be The Skin Co., Ltd	Not listed	08-Feb-21	General Investment	100	8,572	30.00	100	-	-	-	8,572	30	100	2,986	84
Picton Co., Ltd	Not listed	25-May-21	General Investment	200	500,000	32.52	1,000	-	-	-	500,000	32.52	1,000	16,819	4,064
JC&C Company Co., Ltd	Not listed	23-Jul-21	General Investment	1,000	3,000	20.00	56	-	-	-	3,000	20	56	569	522
Plant Base Co., Ltd	Not listed	28-Jul-21	General Investment	5,000	500	20.00	58	-	-	-	500	20	58	414	5

AID KOREA COMPANY Co., Ltd	Not listed	28-Oct-21	General Investment	24	25,000	31.25	1,300	-	-	-	25000	31.25	1300	9,937	1,505
HANTEO GLOBAL Co., Ltd	Not listed	14-Mar-22	General Investment	3,954	91,277	14.48	4,148	-	-	-	91,277	14.48	4,148	7,920	-1,543
SILICON2 JAPAN CO.,LTD	Not listed	18-Apr-22	General Investment	-	2,500	50.00	24	-	-	-	2,500	50	24	-	-
Sukoshi Mart Holdings Inc.	Not listed	12-Dec-23	General Investment	-	2,999,999	20.33	3,955	2,700,001	3,720	-	5,700,000	20.33	7,675	-	-
Total					11,589,648	-	20,619	28,011,508	40,054	-	39,601,156	-	60,673	309,048	32,352

【 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.