NAVER Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2023
with the independent auditor's report

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Independent auditor's report

(English Translation of a Report Originally Issued in Korean)

The Shareholders and Board of Directors
NAVER Corporation

Opinion

We have audited the consolidated financial statements of Naver Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2023, and the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2023 in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS").

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2023 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 11, 2024 expressed an unqualified opinion thereon.

Basis for opinion

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(1) Revenue recognition of search advertisement service – occurrence

The Group recognizes search advertisement service revenue when a platform user has searched relevant information and executed related activities on the Group's platform.

We have determined the recognition of revenue from the search advertisement service as a key audit matter because (i) search advertisement service revenue accounts for a significant portion of the Group's total operating revenues and (ii) there is a risk of potential material misstatement related to search advertisement service revenue due to various and complex systems involved in recognition and measurement of such revenue.

The main audit procedures we have performed for this key audit matter are as follows:

- we obtained an understanding on accounting policies, processes, and internal controls relating to the recognition of search advertisement service revenue;
- we evaluated the effectiveness of the design and operation of IT general controls and internal controls relating to the search advertisement services;
- we tested the accuracy and completeness of data transfer process between search-service-related systems and revenue recognition system in respect to data about revenue from search advertisement services;
- we performed analytical review on the recognition of search advertisement service revenue; and
- we assessed the evidence of search advertisement occurrence for a sample of data related thereto.

(2) Impairment testing of investments in subsidiaries - valuation

As described in Note 15 to the consolidated financial statements of the Group, investments in A Holdings Corporation, presented in the consolidated financial statements, account for a significant portion of the Group's assets and we determined that there is a risk of material misstatement due to the complexity of value-in-use estimation and significant possibility of management's biased judgment involved in such estimation. Therefore, we have decided that the accounting related to the impairment valuation of investments in A Holdings Corporation is a key audit matter.

The main audit procedures we have performed for this key audit matter are as follows:

- we obtained an understanding on accounting policies, processes, and internal controls relating to the impairment valuation of investments in A Holdings Corporation;
- we evaluated the effectiveness of design and operation of internal controls relating to the impairment valuation of investments in A Holdings Corporation;
- we evaluated the appropriateness and independence of external experts whom the Group used after the Group's management reviewed their careers and qualifications relating to the impairment valuation of investments in A Holdings Corporation;
- we compared assumptions applied in the impairment valuation of investments in A Holdings Corporation (e.g., discount rate, growth rate, etc.) with those used by comparable entities in the same industry or historical data of impairment valuation;
- we involved internal experts in reviewing methodology of estimating amount recoverable from investments in A Holdings Corporation and performing sensitivity analysis relating thereto;
- we involved internal experts in comparing the discount rate applied by management with the discount rate calculated independently based on observable information; and
- we reviewed whether A Holdings Corporation's business plan is consistent with the business plan approved by management of the Group.

(3) Allocation of consideration transferred regarding the acquisition of Poshmark, Inc. – valuation

As described in Note 34 to the consolidated financial statements of the Group, in January 2023, the Group acquired 100% of equity interests in Poshmark, Inc. at consideration transferred of KRW 1,887.8 billion, with the identified net assets, including intangible assets, valued at KRW 537.1 billion and recognized KRW 1,350.7 billion of goodwill.

The assets and liabilities recognized in relation to the business combination described above account for a significant portion of the Group's assets and liabilities on the consolidated statement of financial position, and it is highly probable that accounting errors will incur in allocating the consideration transferred to different items of assets, liabilities and goodwill due to complex process thereof. Plus, management's significant judgments and estimation is uncertain. In this regard, we have determined the allocation of consideration transferred in the business combination to be a key audit matter.

The main audit procedures we have performed for this key audit matter are as follows:

- we obtained an understanding on accounting policies, processes, and internal controls relating to the allocation of consideration transferred of Poshmark, Inc.;

- we evaluated the effectiveness of design and operation of internal controls relating to the allocation of consideration transferred of Poshmark, Inc.;
- we evaluated the appropriateness and independence of external experts whom the Group used after the Group's management reviewed their careers and qualifications relating to the allocation of consideration transferred of Poshmark, Inc.;
- we compared assumptions applied in the allocation of consideration transferred of Poshmark, Inc. (e.g., discount rate, growth rate, etc.) with those used in by comparable entities in the same industry;
- we reviewed the appropriateness of the fair value measurement of the consideration transferred for acquisition of Poshmark, Inc.;
- we involved internal experts in reviewing methodology used for the allocation of consideration transferred of Poshmark, Inc. and performing sensitivity analysis relating thereto;
- we involved internal experts in comparing the discount rate applied by management with the discount rate calculated independently based on observable information;
- we reviewed whether Poshmark, Inc.'s business plan is consistent with the business plan approved by management of the Group; and
- we reviewed the appropriateness of the accounting and the disclosures under KIFRS 1103 related to the business combination with Poshmark, Inc.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with KIFRS, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with KSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Jung ho, Chae.

Ernst & Young Han Young

March 11, 2024

This audit report is effective as of March 11, 2024 the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

NAVER Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2023

“The accompanying consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of the Group”

Su yeon, Choi
Chief Executive Officer
NAVER Corporation

NAVER Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2023 and 2022

(Korean won)

	Notes		December 31, 2023		December 31, 2022
Assets					
Current assets					
Cash and cash equivalents	6,7	₩	3,576,456,533,329	₩	2,724,168,321,708
Short-term financial instruments	6,7		808,248,060,681		1,216,410,034,221
Financial assets at fair value through profit or loss	5,6,7		697,743,584,418		745,584,919,599
Trade and other receivables	6,7		1,724,145,643,626		1,540,471,078,134
Inventories	9		14,811,319,796		8,651,839,041
Other current assets	10		181,397,740,106		194,039,763,315
Current tax assets			16,471,207,827		10,244,754,725
Non-current assets held for sale	37		8,802,368,097		-
			7,028,076,457,880		6,439,570,710,743
Non-current assets					
Property, plant and equipment	11		2,741,621,328,149		2,457,820,240,295
Right-of-use assets	12		691,832,707,701		738,710,004,475
Intangible assets	13		3,445,599,901,744		1,481,423,637,125
Investment properties	14		53,430,246,000		-
Long-term financial instruments	6,7		13,755,872,000		14,255,722,000
Financial assets at fair value through profit or loss	5,6,7		2,227,335,975,392		2,427,610,041,051
Financial assets at fair value through other comprehensive income	5,6,7		1,378,247,811,941		1,354,122,792,627
Investments in associates and joint ventures	15		17,588,864,100,100		18,541,286,921,720
Deferred tax assets	28		381,436,175,332		265,767,603,355
Trade and other receivables	6,7		97,199,883,555		76,754,808,757
Other non-current assets	10		90,426,504,601		101,720,406,988
			28,709,750,506,515		27,459,472,178,393
Total assets		₩	35,737,826,964,395	₩	33,899,042,889,136
Liabilities					
Current liabilities					
Trade and other payables	4,6,16	₩	1,838,187,891,754	₩	1,245,664,499,219
Financial liabilities at fair value through profit or loss	4,5,6		454,823,038,561		71,905,225,561
Short-term borrowings	4,6,18		333,041,315,118		261,430,486,390
Current portion of long-term borrowings	4,6,18		192,923,826,668		1,119,968,812,396
Current portion of long-term debentures	4,6,18		249,962,199,849		-
Current tax liabilities			334,267,425,429		349,087,471,196
Provisions	19		6,128,374,012		5,450,342,335
Lease liabilities	4,12		234,727,100,710		193,376,317,267
Other current liabilities	17		2,661,507,460,097		2,233,750,556,485
			6,305,568,632,198		5,480,633,710,849
Non-current liabilities					
Trade and other payables	4,6,16	₩	102,531,973,265	₩	69,639,961,691
Financial liabilities at fair value through profit or loss	4,5,6		249,253,989,426		684,617,869,427
Long-term borrowings	4,6,18		993,600,442,662		328,034,313,380
Debentures	4,6,18		1,655,718,953,449		1,704,518,276,546
Net defined benefit liabilities	20		607,892,193,638		577,397,964,363
Provisions	19		14,704,327,970		17,784,624,686
Lease liabilities	4,12		518,909,669,133		589,253,964,655
Deferred tax liabilities	28		1,051,478,119,905		985,870,669,008
Other non-current liabilities	17		169,847,196		10,969,054,080
			5,194,259,516,644		4,968,086,697,836
Total liabilities		₩	11,499,828,148,842	₩	10,448,720,408,685

(continued)

NAVER Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2023 and 2022, continued

	Notes		December 31, 2023		December 31, 2022
Equity					
Equity attributable to owners of the Parent Company					
Share capital	21	₩	16,481,339,500	₩	16,481,339,500
Capital surplus	21		1,242,632,248,504		1,556,453,389,615
Other components of equity	22		(2,597,430,397,696)		(2,474,526,129,371)
Retained earnings	24		24,544,359,050,688		23,645,687,007,296
			23,206,042,240,996		22,744,095,607,040
Non-controlling interests			1,031,956,574,557		706,226,873,411
Total equity			24,237,998,815,553		23,450,322,480,451
Total liabilities and equity		₩	35,737,826,964,395	₩	33,899,042,889,136

The accompanying notes are an integral part of the consolidated financial statements.

NAVER Corporation and its subsidiaries
Consolidated statements of comprehensive income
for each of the two years in the period ended December 31, 2023

(Korean won)

	Notes	2023	2022
Operating revenue	35	₩ 9,670,643,576,585	₩ 8,220,078,708,810
Operating expenses	25	(8,181,823,306,977)	(6,915,414,298,267)
Operating profit		1,488,820,269,608	1,304,664,410,543
Other income	26	206,488,339,818	310,571,804,200
Other expenses	26	(401,005,659,917)	(375,658,237,080)
Interest income		101,111,135,020	59,164,658,931
Finance income	27	502,205,185,394	619,735,977,200
Finance costs	27	(682,767,513,153)	(931,522,674,095)
Share of profit of associates and joint ventures	15	266,544,560,781	96,761,151,453
Profit before tax		1,481,396,317,551	1,083,717,091,152
Income tax expenses	28	(496,378,555,058)	(410,536,791,065)
Profit for the period		₩ 985,017,762,493	₩ 673,180,300,087
Profit for the period attributable to:			
Owners of the Parent Company		₩ 1,012,321,527,624	₩ 760,260,876,247
Non-controlling interests		(27,303,765,131)	(87,080,576,160)
Other comprehensive income (loss):			
Items that will be reclassified subsequently to profit or loss:			
Gain on foreign exchange translation of overseas operations		₩ 151,777,835,412	₩ 122,569,353,269
Share of other comprehensive loss of associates and joint ventures		(545,588,292,957)	(1,323,645,325,713)
		(393,810,457,545)	(1,201,075,972,444)
Items that will not be reclassified subsequently to profit or loss:			
Gain (loss) on valuation of equity instruments at fair value through other comprehensive income		31,535,428,016	(484,843,494,849)
Gain (loss) on disposal of equity instruments at fair value through other comprehensive income		4,928,744,939	(45,127,813,925)
Share of other comprehensive income of associates and joint ventures		29,859,125,802	274,285,784,800
Remeasurements of net defined benefit liabilities		66,838,639,983	68,746,473,204
		133,161,938,740	(186,939,050,770)
Total comprehensive income (loss) for the period, net of tax		₩ 724,369,243,688	₩ (714,834,723,127)
Owners of the Parent Company		748,831,191,489	(681,315,237,223)
Non-controlling interest		(24,461,947,801)	(33,519,485,904)
Earnings per share attributable to the equity holders of the Parent Company			
Basic earnings per share	29	₩ 6,661	₩ 5,007
Diluted earnings per share	29	6,576	4,985

The accompanying notes are an integral part of the consolidated financial statements.

NAVER Corporation and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2023

(Korean won)

	Notes	Equity attributable to owners of the Parent Company: Share capital	Capital surplus	Other components of equity	Retained earnings	Non-controlling interests	Total
As of January 1, 2022		₩ 16,481,339,500	₩1,490,214,367,768	₩ (1,051,465,837,344)	₩23,080,407,824,978	₩ 491,738,654,373	₩24,027,376,349,275
Total comprehensive loss for the period:							
Profit (loss) for the period		-	-	-	760,260,876,247	(87,080,576,160)	673,180,300,087
Loss on valuation of equity instruments at fair value through other comprehensive income	6	-	-	(474,353,140,790)	-	(10,490,354,059)	(484,843,494,849)
Loss on disposal of equity instruments at fair value through other comprehensive income	6	-	-	-	(45,127,813,925)	-	(45,127,813,925)
Gain on foreign exchange translation of overseas operations		-	-	63,009,982,513	-	59,559,370,756	122,569,353,269
Share of other comprehensive loss of associates and joint ventures		-	-	(1,048,615,188,657)	-	(744,352,256)	(1,049,359,540,913)
Remeasurements of net defined benefit liabilities		-	-	-	63,510,047,389	5,236,425,815	68,746,473,204
Transactions with shareholders:							
Dividends	30	-	-	-	(213,363,927,393)	-	(213,363,927,393)
Transaction of share-based payment	23	-	67,393,043,440	39,825,657,554	-	34,276,350,905	141,495,051,899
Transactions with non-controlling interests		-	(1,154,021,593)	(2,927,602,647)	-	213,731,354,037	209,649,729,797
As of December 31, 2022		₩ 16,481,339,500	₩1,556,453,389,615	₩ (2,474,526,129,371)	₩23,645,687,007,296	₩ 706,226,873,411	₩23,450,322,480,451
As of January 1, 2023		₩ 16,481,339,500	₩1,556,453,389,615	₩ (2,474,526,129,371)	₩23,645,687,007,296	₩ 706,226,873,411	₩23,450,322,480,451
Total comprehensive loss for the period:							
Profit (loss) for the period		-	-	-	1,012,321,527,624	(27,303,765,131)	985,017,762,493
Gain on valuation of equity instruments at fair value through other comprehensive income	6	-	-	30,594,156,033	-	941,271,983	31,535,428,016
Gain on disposal of equity instruments at fair value through other comprehensive income	6	-	-	-	4,928,744,939	-	4,928,744,939
Gain on foreign exchange translation of overseas operations		-	-	153,392,830,409	-	(1,614,994,997)	151,777,835,412
Share of other comprehensive loss of associates and joint ventures		-	-	(514,813,612,066)	-	(915,555,089)	(515,729,167,155)
Remeasurements of net defined benefit liabilities		-	-	-	62,407,544,550	4,431,095,433	66,838,639,983
Transactions with shareholders:							
Dividends	30	-	-	-	(62,397,685,220)	-	(62,397,685,220)
Transaction of share-based payment	23	-	61,712,784,537	113,906,312,734	-	42,522,317,838	218,141,415,109
Retirement of treasury shares	22	-	-	118,588,088,501	(118,588,088,501)	-	-
Transactions with non-controlling interests and changes in scope of consolidation		-	(375,533,925,648)	(24,572,043,936)	-	307,669,331,109	(92,436,638,475)
As of December 31, 2023		₩ 16,481,339,500	₩1,242,632,248,504	₩ (2,597,430,397,696)	₩24,544,359,050,688	₩ 1,031,956,574,557	₩24,237,998,815,553

The accompanying notes are an integral part of the consolidated financial statements.

NAVER Corporation and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2023

(Korean won)

	2023	2022
Cash flows from operating activities		
Cash generated from operations	₩ 2,672,160,565,366	₩ 2,298,686,419,871
Interest received	98,199,175,820	20,673,303,127
Interest paid	(129,405,367,641)	(40,173,810,844)
Dividends received	43,721,525,837	34,753,150,218
Income tax paid	(682,442,625,864)	(860,548,617,382)
Net cash provided by operating activities	2,002,233,273,518	1,453,390,444,990
Cash flows from investing activities		
Net decrease (increase) in short-term financial instruments	409,987,282,416	(574,934,228,334)
Net decrease in long-term financial instruments	500,000,000	-
Acquisition of financial assets at fair value through profit or loss	(2,693,963,338,618)	(5,151,401,634,229)
Proceeds from disposal of financial assets at fair value through profit or loss	2,718,635,244,975	4,727,172,598,822
Decrease of financial liabilities at fair value through profit or loss	-	(16,016,168,742)
Acquisition of property, plant and equipment	(640,623,697,250)	(700,733,545,914)
Proceeds from disposal of property, plant and equipment	7,316,798,534	12,203,857,538
Collection of lease receivables	6,274,783,190	7,462,366,762
Acquisition of intangible assets	(51,637,440,980)	(55,500,428,444)
Proceeds from disposal of intangible assets	633,805,661	923,978,480
Acquisition of financial assets at fair value through other comprehensive income	(32,121,513,088)	(46,595,632,596)
Proceeds from disposal of financial assets at fair value through other comprehensive income	75,852,751,999	126,380,427,929
Acquisition of investments in associates and joint ventures	(70,943,419,463)	(257,838,142,800)
Proceeds from disposal of investments in associates and joint ventures	604,752,359,248	702,978,746,957
Net increase (decrease) in cash due to business combination	(1,283,975,361,775)	4,264,026,832
Net cash flow from disposal of subsidiaries	(1,059,104,535)	-
Net decrease (increase) in short-term loans	3,268,499,231	(494,633,010)
Net decrease in long-term loans	205,778,560	146,412,000
Cash inflows (outflows) from other investing activities	(2,925,513,367)	6,093,902,790
Net cash used in investing activities	(949,822,085,262)	(1,215,888,095,959)
Cash flows from financing activities		
Increase in short term borrowings	905,385,000,000	139,564,583,333
Repayments of short-term borrowings	(1,276,242,190,115)	(358,505,249,749)
Increase in long term borrowings	835,080,704,000	106,435,416,667
Repayments of long-term borrowings	(616,872,943,838)	(100,690,379,540)
Proceeds from issuance of debentures	176,512,823,880	-
Repayment of lease liabilities	(204,064,693,090)	(178,551,442,728)
Increase in financial liabilities at fair value through profit or loss	100,598,886,266	130,504,106,918
Dividends paid	(62,397,685,220)	(213,363,927,393)
Exercise of stock options	28,003,591,900	61,406,468,500
Cash inflows from transactions with non-controlling interests	6,415,123,730	87,981,692,188
Cash outflows from transactions with non-controlling interests	(237,051,042)	(15,572,499,931)
Cash inflows from other financing activities	586,740,373	3,916,338,007
Cash outflows from other financing activities	(2,800,335,249)	(2,590,227,224)
Net cash used in financing activities	(110,032,028,405)	(339,465,120,952)
Effects of exchange rate changes on cash and cash equivalents	(90,090,948,230)	44,735,549,802
Net increase (decrease) in cash and cash equivalents	852,288,211,621	(57,227,222,119)
Cash and cash equivalents at the beginning of the period	2,724,168,321,708	2,781,395,543,827
Cash and cash equivalents at the end of the period	₩ 3,576,456,533,329	₩ 2,724,168,321,708

The accompanying notes are an integral part of the consolidated financial statements.

1. General

NAVER Corporation (the "Company" or "Parent Company") was established on June 2, 1999 under the *Commercial Act* of the Republic of Korea to provide internet portal services. The Company's headquarter is located at 95, Jeongjail- ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Korea.

On October 29, 2002, the Company listed its shares on the Korean Securities Dealers' Automated Quotations market. On November 28, 2008, the Company transferred its share listing to the Korea Composite Stock Price Index market. As of December 31, 2023, the major shareholders of the Company consist of National Pension Service (9.30%) and others.

The Company and its subsidiaries (collectively referred to as the "Group") engage in providing online search portal and online information service.

A. Consolidated Subsidiaries

Details of the consolidated subsidiaries as of December 31, 2023 and 2022 are as follows:

			Ownership interest held by the Group (%) (*1)		
	Location	Primary business	December 31, 2023	December 31, 2022	Closing month
NAVER Corporation:					
NAVER Cloud Corporation	Korea	Cloud service management	100.00	100.00	December
NAVER I&S Corp	Korea	Business support, workforce supply, and employee dispatch	100.00	100.00	December
NAVER WEBTOON COMPANY Corporation	Korea	Webtoon service development and management	100.00	100.00	December
Snow Corporation	Korea	Camera and communication application development service	90.00	82.96	December
Audiensori Corporation	Korea	Audio content production and distribution	100.00	100.00	December
WORKS MOBILE Corporation	Korea	Groupware development and service management	-	89.41	December
N Visions Co., Ltd.	Korea	Exhibition and performance planning business	100.00	100.00	December
NAVER LABS Corporation	Korea	New technology development and research	100.00	100.00	December
NAVER Financial Corporation	Korea	Electronic financial business	89.21	89.21	December
SB Next Media Innovation Fund	Korea	Investment	96.30	96.30	December
TBT Global Growth Fund I	Korea	Investment	89.91	89.91	December
NAVER-KTB Audio Contents Fund	Korea	Investment	99.00	99.00	December
SpringCamp Early Stage Fund 1	Korea	Investment	100.00	100.00	December
SpringCamp Early Stage Fund 2	Korea	Investment	99.22	99.22	December
SVA Content Media Private Equity Fund II	Korea	Investment	99.83	99.83	December
Do Ventures Annex Fund, LP	U.S.A	Investment	99.00	99.00	December
NAVER J.Hub Corporation	Japan	Global business support	100.00	100.00	December
NAVER CHINA CORPORATION	China	Software development and distribution	100.00	100.00	December
NAVER U.Hub Inc	U.S.A	Global business support	100.00	100.00	December
NAVER BAND Inc	U.S.A	North America community service marketing	100.00	100.00	December
NAVER France SAS	France	Europe IT investment and research and development	100.00	100.00	December
WEBTOON Entertainment Inc	U.S.A	Webtoon service development and management	71.20	67.52	December
NAVER VIETNAM COMPANY LIMITED	Vietnam	Online live broadcast service and local marketing	99.00	99.00	December
Naver-Quantum Contents 1 Fund	Korea	Investment	98.81	98.81	December
Smart Spring Fund(*2)	Korea	Investment	48.39	48.39	December
NAVER HANDS Corporation	Korea	Standard workplace operation for the disabled	100.00	100.00	December
NAVER WP I, L.P.	U.S.A	Managing local business	100.00	100.00	December
NAVER WP II, LLC	U.S.A	Managing local business	100.00	100.00	December
NW MEDIA CONTENTS INC.	U.S.A	Contents production	100.00	100.00	December
Wattpad Corporation	Canada	Global web novel platform	-	100.00	December
PROTON PARENT, INC.	U.S.A	Investment	99.27	100.00	December
PROTON PARENT, INC.:					
Poshmark, Inc.	U.S.A	Commerce platform	100.00	-	December
PROTON MERGER SUB, INC	U.S.A	Company for the purpose of acquisition	-	100.00	December

	Location	Primary business	Ownership interest held by the Group (%) (*1) December 31, 2023	December 31, 2022	Closing month
Poshmark, Inc.:					
Poshmark Canada Inc.	Canada	Commerce platform	100.00	-	December
Poshmark Limited	U.K	Commerce platform	100.00	-	December
Poshmark Pty Ltd.	Australia	Commerce platform	100.00	-	December
Poshmark India Private Limited	India	Commerce platform	99.99	-	December
Poshmark Online Marketplace Private Limited	India	Commerce platform	100.00	-	December
NAVER France SAS:					
C-Fund	France	Investment	99.00	99.00	December
C-FUND Subfund 2	France	Investment	99.00	99.00	December
C-FUND Subfund 3	France	Investment	99.75	99.75	December
C-FUND Subfund 4	France	Investment	99.00	99.00	December
C-FUND Subfund 5	France	Investment	99.75	99.75	December
NAVER Cloud Corporation:					
NAVER Cloud Asia Pacific Pte Ltd	Singapore	IT infrastructure operations	100.00	100.00	December
NAVER CLOUD AMERICA INC	U.S.A	IT infrastructure operations	100.00	100.00	December
NAVER Cloud Europe GmbH	Germany	IT infrastructure operations	100.00	100.00	December
NAVER Cloud Japan Corporation	Japan	IT infrastructure operations	100.00	100.00	December
Chengdu NCC Technology Corporation	China	IT infrastructure operations	100.00	100.00	December
Naver Cloud Trust Services Corp.	Korea	IT infrastructure operations	100.00	-	December
Works Mobile Japan Corporation	Japan	Groupware service operations and distribution	78.95	-	December
NITService Corp.	Korea	Infrastructure operations and security services	100.00	-	December
NAVER I&S Corp:					
InComms Corp	Korea	Customer center operations	100.00	100.00	December
Green Web Service Corp	Korea	Monitoring, advertisement operations	100.00	100.00	December
N Tech Service Corp.	Korea	Software consulting, development and distribution	100.00	100.00	December
NITService Corp.	Korea	Infrastructure operations and security services	-	100.00	December
CommPartners Corp.	Korea	Customer center operations	100.00	100.00	December
NW MEDIA CONTENTS INC.					
Bootcamp Partnership Limited	Canada	Film distribution	100.00	-	December
WEBTOON Entertainment Inc:					
NAVER WEBTOON Ltd.	Korea	Webtoon service development and operations	100.00	100.00	December
LINE Digital Frontier Corporation	Japan	Japan Webtoon service development and operations	100.00	100.00	December
Wattpad Webtoon Studios Inc.	Canada	Global contents development	100.00	100.00	December
Wattpad Corporation	Canada	Global web novel platform	100.00	-	December
Wattpad Webtoon Studios Inc.:					
Wattpad Webtoon Studios Inc.	U.S.A	Global contents development	100.00	100.00	December
Wattpad Studios Inc	Canada	Global web novel platform support	-	100.00	December
Wattpad Studios (Cell Phone Swap) Inc	Canada	Global web novel platform support	100.00	-	December
Wattpad Corporation:					
WP Technology (UK)	U.K	Global web novel platform support	100.00	100.00	December
WP Technology Corporation	U.S.A	Global web novel platform support	-	100.00	December
Wattpad Inc	U.S.A	Global web novel platform support	100.00	100.00	December
Wattpad Studios Inc:					
Wattpad Studios (Cell Phone Swap) Inc	Canada	Global web novel platform support	-	100.00	December
LINE Digital Frontier Corporation:					
eBOOK Initiative Japan Co., Ltd.	Japan	Japan ebook service	100.00	100.00	December
NAVER WEBTOON Ltd.:					
STUDIO LICO Corp.	Korea	Contents production and reinforcement	100.00	100.00	December
Studio N Corporation	Korea	Film production and distribution	100.00	100.00	December
YLAB Japan Co., ltd (formerly, YLAB Japan)	Japan	Contents production and reinforcement	-	100.00	December
V.DO INC.	Korea	Video searching solution development	-	100.00	December
MUNPIA INC.	Korea	Web novel platform	61.12	61.12	December
LOCUS CORPORATION(*4)	Korea	Animation and VFX production	19.68	53.64	December
Jakga Company Inc.	Korea	Contents production	51.33	51.33	December
MUNPIA INC:					
Mun Pia Webtoon Culture Industry Special Purpose Company Ltd.	Korea	Comics publishing	100.00	100.00	December
M Contents Labs Co., Ltd.	Korea	Database and online information supply	100.00	100.00	December
Studio JHS Co., Ltd.	Korea	Contents production	100.00	100.00	December
LOCUS CORPORATION(*4):					

	Location	Primary business	Ownership interest held by the Group (%) (*1) December 31, 2023	December 31, 2022	Closing month
Locus Theater Ani 2015 Culture Industry Special Purpose Company Ltd.,	Korea	Animation film and video production	-	100.00	December
Sidus Corporation	Korea	Film production and distribution	-	91.90	December
Locus X Co., Ltd.	Korea	Content production and marketing solution supply	-	100.00	December
Locus Shanghai Corporation	China	Animation and VFX production	-	100.00	December
Sidus Corporation:					
Sidus and Teu Entertainment Joint Stock Company	Vietnam	Film production	-	49.00	December
NAVER WEBTOON COMPANY Corporation:					
Watong Entertainment Limited	Hongkong	Webtoon service operations	100.00	100.00	December
Watong Entertainment Limited:					
Broccoli Entertainment Corporation	China	Webtoon service operations	100.00	100.00	December
Broccoli Entertainment Corporation:					
Dongman Entertainment Corporation	China	Webtoon service operations	100.00	100.00	December
Shanghai Binge-reading Jinqiu Entertainment Corporation	China	Webtoon service operations	100.00	-	December
Snow Corporation:					
SpringCamp Inc.	Korea	Investments	100.00	100.00	December
SpringCamp Early Stage Fund 4	Korea	Investments	66.24	66.24	December
Springcamp-KIF Early Stage Fund (*2)	Korea	Investments	45.00	-	December
Playlist Corporation(*4)	Korea	Web contents production and distribution	50.00	58.04	December
Amuse Co.,Ltd.	Korea	Cosmetics manufacturing, distribution, sales	77.59	77.59	December
Semicolon Studio Corp.	Korea	Video contents production and distribution	100.00	100.00	December
NAVER Z CO.,LTD.	Korea	Mobile service development and operations	70.51	70.51	December
SNOW China Limited.	China	Mobile service operations	96.22	96.22	December
SNOW Japan Corporation	Japan	Mobile service operations	100.00	100.00	December
SNOW Inc.	U.S.A	Mobile service operations	100.00	100.00	December
SNOW VIETNAM COMPANY LIMITED	Vietnam	Mobile service operations	99.00	99.00	December
Cake Corporation	Korea	Language learning application development and operations	60.00	60.00	December
KREAM Corporation(*3)	Korea	Sneakers trading platform operations	47.24	48.75	December
Super Labs Corporation	Korea	Mobile service development and operations	-	100.00	December
SpringCamp Inc.:					
SPRINGCAMP US	U.S.A	Investments	100.00	-	December
NAVER Z CO.,LTD.:					
NAVER Z USA, INC.	U.S.A	Mobile service development and operations	100.00	100.00	December
NAVER Z Limited	Hongkong	Mobile service development and operations	76.30	100.00	December
NAVER Z JAPAN Corporation.	Japan	Mobile service development and operations	100.00	100.00	December
SPRINGCAMP COLLABORATIVE FUND II	Korea	Investments	100.00	-	December
NAVER Z Limited:					
Beijing Metaverse China Technology Corporation	China	Mobile service development and operations	100.00	100.00	December
Beijing Metaverse China Technology Corporation:					
ZaiZai Entertainment Corp.	China	Mobile service development and operations	100.00	100.00	December
KREAM Corporation:					
Namain Corp.	Korea	Sneakers trading platform operations	100.00	100.00	December
SVA Soda	Korea	Investments	99.52	99.52	December
PAP Corporation	Korea	E-Commerce business	68.43	70.00	December
SPRINGCAMP COLLABORATIVE FUND I	Korea	Investments	100.00	-	December
Famous Studio Corp.	Korea	Clothes, accessories, news distribution	100.00	33.33	December
SODA Inc.(*5)	Japan	Sneakers trading platform operations	64.85	33.93	May
SNOW China Limited.:					
SNOW China (Beijing) Co., Ltd.	China	Mobile service operations	100.00	100.00	December
SNOW China (Beijing) Co., Ltd.:					
Yiruike Information Technology (Beijing) Co., Ltd.	China	Mobile service operations	100.00	100.00	December
Famous Studio Corp.(*5):					

	Location	Primary business	Ownership interest held by the Group (%) (*1) December 31, 2023	December 31, 2022	Closing month
Famous LAB Corp.	Korea	Clothes, accessories, news distribution	100.00	-	December
SODA Inc.(*5):					
SODA Singapore INT PTE. LTD	Singapore	Sneakers trading platform operations	100.00	-	May
Monokabu Inc.	Japan	Sneakers trading platform operations	100.00	-	May
WORKS MOBILE Corporation:					
Works Mobile Japan Corporation	Japan	Groupware service operations and distribution	-	100.00	December
NF Insurance Services Corporation	Korea	Insurance brokerage	-	100.00	December

(*1) The ownership interest held by the Group is a sum of ownership interests with voting right.
(*2) Although the Group owns less than 50% of ownership interests in Smart Spring Fund and Springcamp-KIF Early Stage Fund, the Group is considered to have control over these entities since SpringCamp Inc., a subsidiary of Group, has significant influence over investment decision-making as a general partner. As a result, Smart Spring Fund and Springcamp-KIF Early Stage Fund have been classified as a subsidiary.
(*3) Although the Group owns less than 50% of ownership interests in KREAM Corporation, the Group is considered to have control over the entity since the Group has significant influence over the entity considering the composition of shareholders and Board of Directors. Therefore, KREAM Corporation is classified as a subsidiary.
(*4) For the year ended December 31, 2023, the Group changed the entity’s classification from subsidiary to associate, due to the decrease in ownership interest.
(*5) The entities marked above are reclassified as subsidiaries as the Group acquired additional interests in such entities for the year ended December 31, 2023.

B. Summarized Financial Information

Summarized financial information for major subsidiaries as of and for each of the two years in the period ended December 31, 2023 is as follows (Korean won in thousands):

	As of and for the year ended December 31, 2023					
	Assets	Liabilities	Equity	Operating revenues	Profit (loss) for the year	Total comprehensive income (loss)
NAVER J.Hub Corporation	₩2,018,991,197	₩ 985,908,680	₩1,033,082,517	₩ 805,469	₩ 1,145,774	₩ (44,167,619)
NAVER Financial Corporation	3,757,659,648	2,705,623,270	1,052,036,378	1,476,525,016	114,610,659	120,774,155
NAVER Cloud Corporation	1,652,883,313	1,232,138,364	420,744,949	1,197,070,628	(22,511,243)	(7,467,058)
WEBTOON Entertainment Inc	2,125,054,287	18,151,015	2,106,903,272	80,205,659	(61,729,668)	(51,981,585)
NAVER WEBTOON Ltd.	958,777,038	270,476,123	688,300,915	754,248,223	(48,200,621)	(39,098,665)

	As of and for the year ended December 31, 2022					
	Assets	Liabilities	Equity	Operating revenues	Profit (loss) for the year	Total comprehensive income (loss)
NAVER J.Hub Corporation	₩2,084,367,083	₩1,007,116,947	₩1,077,250,136	₩ 411,597	₩ 55,943,938	₩ (23,671,038)
NAVER Financial Corporation	3,252,544,976	2,265,178,771	987,366,205	1,257,280,627	57,901,824	55,159,291
NAVER Cloud Corporation	1,372,865,028	1,015,809,722	357,055,306	1,013,172,545	74,285,314	87,075,820
WEBTOON Entertainment Inc	1,356,680,958	37,278,315	1,319,402,643	103,519,995	(108,860,306)	(43,040,188)
NAVER WEBTOON Ltd.	960,969,534	239,800,717	721,168,817	548,854,455	68,561,824	78,472,233

C. Summarized Cash Flow

Summarized cash flows for major subsidiaries for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023					
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effects of exchange rate changes on cash and cash equivalents	Cash and cash equivalents at the beginning of the period	Cash and cash equivalents at the end of the period
NAVER Financial Corporation	₩ 276,605,632	₩ (39,804,815)	₩ (2,938,514)	₩ (797,839)	₩ 887,059,472	₩1,120,123,936
NAVER Cloud Corporation	400,346,616	(255,464,569)	(87,469,292)	(199,417)	83,533,906	140,747,244
NAVER WEBTOON Ltd.	92,639,555	17,184,940	(7,200,539)	(5,365,152)	5,373,046	102,631,850
NAVER J.Hub Corporation	1,964,811	(30,796)	(18,958,523)	84,629	24,712,815	7,772,936
WEBTOON Entertainment Inc	(68,905,301)	(848,749,583)	822,432,418	715,651	153,775,891	59,269,076

	2022					
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effects of exchange rate changes on cash and cash equivalents	Cash and cash equivalents at the beginning of the period	Cash and cash equivalents at the end of the period
NAVER Financial Corporation	₩ 433,727,483	₩ (482,223,223)	₩ (2,963,650)	₩ (1,727,314)	₩ 940,246,176	₩ 887,059,472
NAVER Cloud Corporation	378,138,710	(244,428,047)	(107,004,665)	(318,166)	57,146,074	83,533,906
NAVER WEBTOON Ltd.	56,043,636	(235,951,248)	127,521,761	(2,053,307)	59,812,204	5,373,046
NAVER J.Hub Corporation	51,720,645	(154,386)	(47,712,162)	(4,328,298)	25,187,016	24,712,815
WEBTOON Entertainment Inc	(98,835,525)	(349,663,490)	573,751,441	12,565,330	15,958,135	153,775,891

D. Changes in Scope of Consolidation

(1) Subsidiaries newly included in the consolidation for the year ended December 31, 2023 are as follows:

	Subsidiaries
Acquisition of control due to new establishment	Naver Cloud Trust Services Corp., SPRINGCAMP COLLABORATIVE FUND I, SPRINGCAMP COLLABORATIVE FUND II, BootCamp Partnership Limited, SPRINGCAMP US, Springcamp-KIF Early Stage Fund
Acquisition of control due to new acquisition	Shanghai Binge-reading Jinqiu Entertainment Corporation, Poshmark, Inc., Poshmark Canada Inc., Poshmark Limited, Poshmark Pty Ltd., Poshmark India Private Limited, Poshmark Online Marketplace Private Limited, Famous Studio Corp., Famous LAB Corp., SODA inc., SODA Singapore INT PTE. LTD, Monokabu Inc.

(2) Subsidiary excluded in the consolidation for the year ended December 31, 2023 is as follows:

	Subsidiaries
Merger	Wattpad Studios Inc, PROTON MERGER SUB, INC., WORKS MOBILE Corporation, Super Labs Corporation

Liquidation	YLAB Japan Co., ltd. (formerly, YLAB Japan), V.DO INC., NF Insurance Services Corporation, Locus Shanghai Corporation, WP Technology Corporation
Disposal	Playlist Corporation(*), LOCUS Corporation, Locus Theater Ani 2015 Culture Industry Special Purpose Company Ltd., Sidus Corporation, LOCUS X Co., Ltd., Sidus and Teu Entertainment Joint Stock Company

(*) During the year ended December 31, 2023, the issuance of RCPS to third parties resulted in the decrease in the Group's ownership interest and the exclusion from the consolidation.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of the consolidated financial statements of the Group are disclosed below. These policies have been consistently applied to all the years presented, unless otherwise stated.

A. Basis of Preparation of Consolidated financial statement

The Group prepares its statutory financial statements in Korean in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS"), enacted by the *Act on External Audit of Stock Companies*. The accompanying consolidated financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

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

- certain financial assets and liabilities (including derivative instruments); and
- defined benefit pension plans and plan assets measured at fair value.

The preparation of financial statements requires the use of critical accounting estimates. Management also needs to exercise judgement in applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

B. Changes in Accounting Policy and Disclosures

(1) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting periods beginning on or after January 1, 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

KIFRS 1117 *Insurance Contracts*
KIFRS 1117 is a comprehensive new accounting standard for insurance contracts, covering recognition, measurement, presentation and disclosure of insurance contracts. KIFRS 1117 will replace KIFRS 1104 *Insurance Contracts*. KIFRS 1117 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.
The overall objective of KIFRS 1117 is to provide policyholders with a more useful, consistent, and comprehensive accounting model for insurance contracts that takes into account all relevant accounting aspects. The core of KIFRS 1117 is based on the general model, supplemented by:

- a specific adaptation for contracts with direct participation features (the variable fee approach); and
- a simplified approach (the premium allocation approach) mainly for short-duration contracts.

These amendments had no impact on the consolidated financial statements of the Group.

B. Changes in Accounting Policy and Disclosures (cont'd)

Definition of Accounting Estimates - Amendments to KIFRS 1008

The amendments to KIFRS 1008 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

These amendments had no impact on the consolidated financial statements of the Group.

Disclosure of Accounting Policies - Amendments to KIFRS 1001 and KIFRS Practice Statement 2

The amendments to KIFRS 1001 and KIFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to KIFRS 1012

The amendments to KIFRS 1012 *Income Tax* narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to KIFRS 1012 - International Taxes Reform - Pillar Two Model Rules

The Group adopted the amendments to KIFRS 1012, *International Taxes Reform – Pillar Two Model Rules*, issued on May 23, 2023. The amendments to KIFRS 1012 have been introduced in response to the OECD's BEPS Pillar Two Model Rules and include:
• a mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules; and
• disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies retrospectively. However, since the jurisdictions in which the Group operates have not yet enacted or substantively enacted Pillar Two Income Taxes as of December 31, 2022, the amendments had no impact on the consolidated financial statements of the Group.

***KIFRS 1001 Financial Statement Presentation* – Disclosure of valuation gains and losses on financial liabilities subject to exercise price adjustment conditions**

The amendment requires that, if all or part of a financial instrument with a condition that the exercise price is adjusted according to changes in the Group's stock price is classified as a financial liability, the carrying amount of the financial liability and the related profit or loss shall be disclosed. Information on the financial instrument issued by the Group is disclosed in Note 6.

B. Changes in Accounting Policy and Disclosures (cont'd)

(2) New standards and interpretations not yet adopted by the Group

The new and amended accounting standards and interpretations that are issued, but not yet effective up to the date of approval on the issuance of the Group's financial statements are disclosed below. These standards and interpretations have not been early adopted by the Group.

Amendments to KIFRS 1116: Lease Liability in a Sale and Leaseback

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of KIFRS 1116. Earlier application is permitted and that fact must be disclosed.

These amendments had no impact on the consolidated financial statements of the Group.

Amendments to KIFRS 1001: Classification of Liabilities as Current or Non-current

The amendments to paragraphs 69 to 76 of KIFRS 1001 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• what is meant by a right to defer settlement;
• that a right to defer must exist at the end of the reporting period;
• that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
• that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to KIFRS 1007 and KIFRS 1107

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to KIFRS* 1001 *Presentation of Financial Statements - Disclosure of Virtual Assets

These amendments mandate entities to disclose material information for the financial statement users such as the impact of holding and issuing virtual assets on their accounting policies and financial statements. The entities should separately disclose information related to holding virtual assets, holding them on behalf of the customers, and issuing them. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024 and shall be applied retrospectively.

B. Changes in Accounting Policy and Disclosures (cont'd)

As the amendments are issued, the Group plans to provide more sufficient disclosures on virtual assets issued (including virtual assets held directly and held on behalf of the customers) and Note 13 Intangible Assets are expected to be supplemented in detail.

Lack of Exchangeability - Amendments to KIFRS 1021 and KIFRS 1101

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* and consequential amendments to KIFRS 1101 *First-time Adoption of IFRS* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments require disclosure of information that enables users of financial statements to understand the risk and impact of a currency not being exchangeable.

The amendments apply to annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted, in which case, an entity is required to disclose that fact.

The amendments are not expected to have a material impact on the Group's financial statements.

C. Consolidation

The Group has prepared the consolidated financial statements in accordance with KIFRS 1110 *Consolidated Financial Statements*.

(1) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. All other non-controlling interests are measured at fair values, unless otherwise required by other standards. Acquisition-related costs are expensed as incurred.

The excess of consideration transferred, amount of any non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recoded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in the profit or loss as a bargain purchase.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Any difference between the amount of the adjustment to non-controlling interest and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Parent Company.

When the Group ceases to consolidate for a subsidiary because of a loss of control, any retained interest in the subsidiary is remeasured to its fair value with the changed in carrying amount recognized in profit or loss.

C. Consolidation (cont'd)

(2) Associates

Associates are entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If the Group's share of losses of an associate equals or exceeds its interest in the associate (including long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. After the Group's interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If there is objective evidence of impairment for the investment in the associate, the Group recognizes the difference between the recoverable amount of the associate and its book amount as impairment loss.

If an associate uses accounting policies other than those of the Group for transactions and events in similar circumstances, if necessary, adjustments shall be made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

(3) Joint arrangements

A joint agreement, wherein two or more parties have joint control, is classified as either a joint operation or a joint venture. A joint operator holds direct rights and obligations to the assets, liabilities, revenues and expenses of joint operations and recognizes its share of any jointly held or incurred assets, liabilities, revenues and expenses. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated statement of financial position.

D. Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The consolidated financial statements are presented in Korean won, which is the Parent Company's functional and presentation currency.

(2) Transactions in foreign currency and translation at period end

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities held at fair value through other comprehensive income are recognized in other comprehensive income.

D. Foreign Currency Translation (cont'd)

(3) Translation to the presentation currency

All of the subsidiaries' financial statements that have functional currencies different from the presentation currency of the Group are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expense for each statement of comprehensive income are translated at the average exchange rate; and
- equity is translated at the historical exchange rate.
- all resulting exchange differences are recognized in other comprehensive income.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate at the end of the reporting period.

E. Financial Assets

(1) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss;
- those to be measured at fair value through other comprehensive income; and
- those to be measured at amortized cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For financial assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. Changes in fair value of the investments in equity instruments that are not accounted for as other comprehensive income are recognized in profit or loss.

(2) Measurement

At initial recognition, the Group measures a financial asset, in the case of a financial asset not at fair value through profit or loss, at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset or the issuance of the financial liabilities. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Financial assets contracts with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

E. Financial Assets (cont'd)

①Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into one of the following three measurement categories:

- Amortized cost:

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in 'finance income' using the effective interest rate method.

- Fair value through other comprehensive income:

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment loss (and reversal of impairment loss), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in 'finance income' using the effective interest rate method. Foreign exchange gains and losses are presented in 'finance income and finance costs' and impairment loss in 'finance costs'.

- Fair value through profit or loss:

Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in profit or loss and presented net in the statement of profit or loss within 'finance income and finance costs' in the period in which it arises.

②Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividend income from such investments continue to be recognized in profit or loss as 'finance income' when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in 'finance income and finance costs' in the consolidated statement of comprehensive income as applicable. Impairment loss (and reversal of impairment loss) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

E. Financial Assets (cont'd)

(3) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, contract assets, and lease receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the receivables. (Note 4 provides more details of how the Group determines whether there has been a significant increase in credit risk.)

(4) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized or derecognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Group has retained substantially all the risks and rewards of ownership of the transferred asset, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received.

(5) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

F. Derivative Instruments

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognized immediately in profit or loss within 'other income (expenses)' or 'finance income (costs)' based on the nature of transactions.

G. Trade Receivables

Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade receivables are subsequently measured at amortized cost using the effective interest method, less loss allowance.

H. Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method.

I. Non-current assets (or Disposal Group) Held for sale

Non-current assets (or disposal group) are classified as held for sale when their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. The assets are measured at the lower amount between their carrying amount and the fair value less costs to sell.

J. Property, plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation of all property, plant and equipment, except for land, is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives as follows:

	Useful life		Useful life
Buildings	30 years	Equipment	3~5 years
Structures	10 years	Machinery	3~5 years
Vehicles	5 years	Others	4~6 years

The assets' depreciation method, residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

K. Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

L. Intangible Assets

Goodwill is measured as described in Note 2.C.(1) and carried at cost less accumulated impairment losses.

Intangible assets, except for goodwill, are initially recognized at its historical cost, and carried at cost less accumulated amortization and accumulated impairment losses.

Brand usage rights, membership rights and brands that have an indefinite useful life are not subject to amortization because there is no foreseeable limit to the period over which the assets are expected to be utilized. The Group amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	Useful life		Useful life
Industrial rights	5 years	Customer relationship	3~14 years
Software	5 years	Others	5~30 years

M. Government Grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants related to assets are presented in the statement of financial position either by deducting the grant in arriving at the carrying amount of the asset, and government grants related to income are deferred and later deducted from the related expense.

N. Impairment of Non-financial Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

O. Trade Payables and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of reporting period which are unpaid. The amounts are unsecured and are usually paid within mutually agreed period of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

P. Financial Liabilities

(1) Classification and measurement

The Group's financial liabilities at fair value through profit or loss are financial instruments held for trading. A financial liability is held for trading if it is incurred principally for the purpose of repurchasing in the near term. A derivative that is not designated as hedging instruments and an embedded derivative that is separated are also classified as held for trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and present as "trade and other payables", "borrowings", or "debentures" in the consolidated statement of financial position.

All financial liabilities are initially recognized at fair value, and borrowings, etc. are deducted from directly attributable transaction costs.

Financial liabilities at fair value through profit or loss is include short-term trading financial liabilities and financial liabilities designated at fair value through profit or loss at initial recognition

If a financial liability is generated for repurchase within a short period of time, it is classified as a short-term trading item. This category also includes derivatives that are not designated as hedging instruments in the hedging relationship defined in KIFRS 1109. Separated embedded derivatives are also classified as short-term trading items unless they are designated as effective hedging instruments. Gains and losses arising from financial liabilities held for trading are recognized in profit or loss.

Financial liabilities designated as fair value through profit or loss are designated only at the time of initial recognition if they meet the criteria of KIFRS 1109.

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(2) Derecognition

Financial liabilities are removed from the consolidated statement of financial position when they are extinguished, for example, when the obligation specified in the contract is discharged, cancelled or expired or when the terms of an existing financial liability are substantially modified. The difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Q. Compound Financial Instruments

Compound financial instruments are convertible bonds and redeemable convertible preferred shares that can be converted into equity instruments at the option of the holder.

The liability component of a compound financial instrument is recognized initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognized initially on the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

In accordance with the Interpretation Statements No.00094 issued by the Financial Supervisory Service in Korea, the Company recognized conversion rights of preferred shares as equity. This accounting treatment is applicable within Korean.

In addition, a portion of redeemable convertible preferred shares issued by the Group is measured at fair value by classifying them as financial liabilities at fair value through profit or loss.

R. Provisions

Provision for litigation, loyalty programs, restoration, and greenhouse gas emission obligations are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and the increase in the provision due to the passage of time is recognized as interest expense.

S. Current and Deferred Income Tax

The tax expense for the period consists of current and deferred tax. The Company is implementing a consolidated tax payment system to presume that the Parent Company and its subsidiaries in Korea are a single taxpayer. Domestic and overseas subsidiaries that are not included in the consolidated tax payment system measure and pay their tax returns by regarding each entity as a taxation unit. Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The current Income tax expense is measured at the amount expected to be paid to the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognized only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

The Group recognizes a deferred tax liability all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint arrangements, except to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In addition, the Group recognizes a deferred tax asset for all deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis.

S. Current and Deferred Income Tax (cont'd)

The Global Minimum Tax paid under Pillar Two Model Rules legislation is the income taxes subject to KIFRS 1012. As the Group applies the temporary exception providing relief from accounting for deferred taxes in relation to Pillar Two income taxes, any Pillar Two income tax charges shall be accounted for as current income tax as incurring. Meanwhile, the Pillar Two legislation will be effective on January 1, 2024 in the Republic of Korea and accordingly there is no effect due to Pillar Two income taxes for the year ended December 31, 2023.

T. Employee Benefits

(1) Post-employment benefits

The Group operates both defined contribution and defined benefit pension plans.

For defined contribution plans, the Group pays contribution to publicly or privately administered pension insurance plans on mandatory, contractual or voluntary basis. The Group has no further payment obligation once the contribution has been paid. The contribution is recognized as employee benefit expense when they are due.

A defined benefit plan is a pension plan that is not a defined contribution plan. Generally, post-employment benefits are payable after the completion of employment, and the benefit amount depended on the employee's age, periods of service or salary levels. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

Changes in the present value of the defined benefit obligation resulting from plan amendments, curtailments and settlements are recognized immediately in profit or loss as past service costs.

(2) Share-based payments

The Group has granted stock options to employees of the Group, which are settled in the shares of the Parent Company and some subsidiaries. Equity-settled share-based payment is recognized at fair value of equity instruments granted, and employee benefit expense is recognized over the vesting period. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Group issues new shares. The proceeds received, net of any directly attributable transaction costs, are recognized as share capital (nominal value) and share premium for issuance of shares of the Parent Company and recognized as other capital surplus for issuance of shares of subsidiaries.

T. Employee Benefits (cont'd)

Under cash-settled share-based payment plan, the Group compensates the difference of the fair value and exercise price of option as the consideration for employee services received. Total expense that will be recognized over the vesting period is determined by reference to the fair value of the option granted. Until the liability is settled, the Group is required to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in value recognized in profit or loss for the year.

(3) Long-term employee benefits

The Group provides long-term employee benefits to employees who have worked for more than a certain period of time. Long-term employee benefits are calculated annually by independent actuaries using the projected unit credit method. The Group recognizes service cost, net interest on long-term employee benefits and remeasurements as profit or loss for the year.

U. Revenue Recognition

The Group engages in providing internet search portal services, and its operating revenues are mainly comprised of advertisement, contents providing services and sales commission.

The Group allocates transaction prices based on relative individual selling prices if several performance obligation is identified in a single contract.

(1) Advertisement

The Group has an obligation to provide advertisement services over the contract period. Accordingly, the Group recognizes the allocated transaction price for each performance obligation over the service period as revenue. However, the Group recognizes revenue when it performs its obligation to provide the advertisement service if the contract is to settle the advertisement services based on the total number of services provided, instead of the recognizing over the contract period. In addition, the Group provides the option to additionally select the goods or services when providing advertisement services to its customers, in which the Group identifies this as a separate performance obligation and allocates the transaction price to each performance obligation on the basis of the relative individual selling price. The individual selling price is the price at which the Group would sell a promised good or service separately to the customer. The best evidence of an individual selling price is the observable price of a good or service when the Group sells that good or service separately in similar circumstances and to similar customers.

(2) Contents services

The Group provides various digital contents to its customers. The transaction price of digital contents is immediately paid by customers when they purchase contents online. When the Group provides digital contents and there is no unsatisfied performance obligations which could cause the customers to affect on the usage of contents, the Group considers that the right of using of contents has transferred to the customers and recognize revenue when customers uses the contents. However, the Group recognizes revenue over the service period for those exposed to activities that could significantly affect the digital contents provided to customers during their usage period.

U. Revenue Recognition (cont'd)

(3) Payment services

When the Group has an obligation to provide payment services, the allocated transaction price for the obligation is recognized as revenue when the service is delivered. The Group grants the customers rights to additionally select goods or services to be received in the course of using payment services and identifies this as a separate performance obligation and allocates it based on the relative stand-alone selling price. The stand-alone selling price is the price at which the Group would sell a promised good or service separately to its customers. The best evidence of a stand-alone selling price is the observable price of a good or service when the Group sells that good or service separately in similar circumstances and to similar customers.

(4) Sales commission

The Group provides brokerage service for the sale of goods and others on the online platforms and receives commissions. Although the Group receives the entire considerations from the transactions, only commissions are recognized as sales since the Group provides the service as an agent.

V. Leases

①Lessor

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognized as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

②Lessee

The Group leases various properties, vehicles and others. Lease contracts are typically made for fixed periods but may have extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is lessee, the Group applies the practical expedient which has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. The Group determines the lease term as the non-cancellable period of a lease, together with both (a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and (b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. When the lessee and the lessor each has the right to terminate the lease without permission from the other party, the Group should consider a termination penalty in determining the period for which the contract is enforceable.

V. Leases (cont'd)

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as of the commencement date;
- amounts expected to be payable by the Group (the lessee) under residual value guarantees;
- exercise price of a purchase option if the Group (the lessee) is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group (the lessee) exercising that option.

Measurement of lease liability also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group uses a build-up approach that starts with an interest rate that the Group can be practically financed adjusted for economic circumstances, lease period for leases, credit risk for leases and others, makes adjustments specific to the lease, for example, country, currency and others.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.
Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and office furniture.

W. Investment properties

Property held for rental income or for capital gains is classified as investment property. Also, property under construction or development for future use as investment property is also classified as investment property.

Investment property is measured at cost upon initial recognition, including transaction costs incurred on acquisition. After initial recognition, investment property is measured at fair value. Investment properties under construction are measured at fair value, if their fair value can be determined reliably. If the fair value of an investment property under construction cannot be determined reliably at the moment, but is expected to be calculated reliably at the time of completion of construction, such investment property shall be measured at the cost less accumulated impairment loss until the earlier of when the fair value can be reliably calculated and when the construction is completed.

The fair value of investment properties reflects market conditions at the end of the reporting period and, if necessary, is adjusted to reflect the characteristics, condition and location of specific assets. An independent appraiser with certified professional qualifications and recent experience in appraising similar properties in the region in which the investment property is located conducts the fair value evaluation, and based on this appraisal amount, the carrying amount for financial reporting purposes is determined.

Subsequent costs are included in the asset's carrying amount, or recognized as a separate asset if the recognition criteria are met, only when it is probable that the inflow of economic benefits arising from the asset will be generated and the cost of the asset can be measured reliably. The portion of carrying amount replaced by subsequent expenditure is removed. All other repair and maintenance costs are recognized in profit or loss as incurred.

Profit or loss arising from changes in the fair value of an investment property is reflected in profit or loss as incurred. If an investment property is disposed of at fair value through transactions between independent parties, the carrying amount of the investment property before disposal is adjusted to its fair value, and the difference is reflected in gains or losses on valuation of fair value in the consolidate income statement.

X. Segment Reporting

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker (Note 35). The chief operating decision-maker, responsible for making strategic decisions by allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Y. Approval of Issuance of the Financial Statements

The consolidated financial statements for the year end December 31, 2023 were approved for issue by the Board of Directors on February 1, 2024 and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Material Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group’s accounting policies. 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. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. Additional information of significant judgement and assumptions of certain items are included in relevant notes.

A. Goodwill impairment

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations (see Note 13).

B. Income taxes

The Group’s taxable income generated from these operations are subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (see Note 28).

If certain portion of taxable income is not used for investments or increase in wages or dividends for certain periods, the Group is liable to pay additional income tax calculated based on the tax laws. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new tax systems. As the Group’s income tax is dependent on the investments, increase in wages and dividends, there is an uncertainty measuring the final tax effects.

C. Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period see (Note 5).

D. Impairment of financial assets

The provisions for impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of reporting period (see Note 4).

E. Net defined benefit liabilities

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate and wage growth rate (see Note 20).

3. Critical Accounting Estimates and Assumptions (cont'd)

F. Provisions

As of December 31, 2023, the Group recognizes provisions for litigation, restoration and others. These provisions are estimated based on historical experience (see Note 19).

G. Share-based payments

The Group measures the cost of equity-settled share-based payment transaction by reference to the fair value of equity instruments granted at the grant date and the fair value is estimated using valuation models which considers the conditions upon which equity instruments are granted. Also, the Group measures the cost of cash-settled share-based payment transaction based on the fair value of the liability considering vesting conditions. Until the liability is settled, the Group is required to remeasure the fair value of the liability at the end of each reporting period and at the date of settlement (see Note 23).

H. Lease

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases held by the Group, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate); and
- otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Most extension options in offices and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

I. Fair value measurement of assets and liabilities of subsidiaries and associates

The fair value of identifiable assets and liabilities acquired through business combination is measured based on the management's assumptions such as selection of valuation techniques and inputs.

3. Critical Accounting Estimates and Assumptions (cont'd)

J. Change in the estimated useful life of machinery

The Group has changed the estimated useful lives of certain machinery items from 4 years to 5 years in the year ended December 31, 2023. The change of estimated useful lives affects the items of machinery that had not been amortized as of December 31, 2022 for the fiscal years commencing on or after January 1, 2023 as follows (Korean won in thousands):

	2023	2024	2025	2026	2027
Depreciation before change	₩ 215,923,366	₩ 155,247,902	₩ 70,720,646	₩ 27,222,491	₩ -
Depreciation after change	144,767,187	139,949,328	109,370,486	53,673,858	21,353,546
Increase (decrease) in net income before tax	71,156,179	15,298,574	(38,649,840)	(26,451,367)	(21,353,546)

4. Financial Risk Management

A. Financial Risk Management Factor

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management policies focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

(1) Market risk

(A) Foreign exchange risk

①Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk, primarily with respect to the US dollar, Japanese yen and Euro. Foreign exchange risk arises from recognized assets and liabilities.

The Group's financial assets and liabilities denominated in currencies other than the functional currency (i.e., US dollar, Japanese yen and Euro) and thus, exposed to foreign currency risk as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

		Translated to Korean won	
	Currency	**December 31, 2023**	**December 31, 2022**
Financial asset			
Cash and cash equivalents	USD	₩ 57,432,025	₩ 481,602,035
	JPY	401,720,209	161,688,300
	EUR	8,252,602	31,927,167
Shor-term financial instruments	USD	-	253,460,000
Trade and other receivables	USD	6,934,893	9,015,416
	JPY	11,830,853	112,200,416
	EUR	125,868	8,461,395
Financial assets at fair value through other comprehensive income	USD	52,220,471	51,325,425
	JPY	62,658,598	52,772,711
	EUR	-	-
Financial assets at fair value through profit or loss	USD	668,738,968	938,307,695
	JPY	81,483,650	91,220,772
	EUR	167,486,123	173,375,496
Financial liabilities			
Trade and other payables	USD	8,305,143	1,304,218
	JPY	1,316,393	2,589,120
	EUR	842,161	31,105
Borrowings and debentures	USD	1,025,701,709	1,005,646,571
	JPY	317,497,672	300,251,700

4. Financial Risk Management (cont'd)

②Sensitivity analysis

The impact of strengthened/weakened in Korean won by 5% against foreign currencies with all other variables held constant on the post-tax profit and equity as of December 31, 2023 and 2022 is as follows (Korean won in thousands):

		Impact on post-tax profit		Impact on equity	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
USD / KRW	Strengthened	₩ (11,165,193)	₩ 25,062,581	₩ (9,227,507)	₩ 26,967,055
	Weakened	11,165,193	(25,062,581)	9,227,507	(26,967,055)
JPY / KRW	Strengthened	6,538,821	2,310,533	8,863,823	4,268,711
	Weakened	(6,538,821)	(2,310,533)	(8,863,823)	(4,268,711)
EUR / KRW	Strengthened	6,494,360	7,930,748	6,494,360	7,930,748
	Weakened	(6,494,360)	(7,930,748)	(6,494,360)	(7,930,748)

(B) Price risk

The Group is exposed to equity securities price risk that arises from investments held by the Group, all of which are classified either as financial assets at fair value through other comprehensive income or financial assets at fair value through profit or loss in the consolidated statement of financial position.

The impact of increases/decreases of the stock index of each country by 5% with all other variables held constant on the Group's post-tax profit and equity as of December 31, 2023 and 2022 is as follows (Korean won in thousands):

		Impact on post-tax profit		Impact on equity	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Listed equity security					
Korea	Increase	₩ 805,136	₩ 849,207	₩ 40,405,003	₩ 38,541,263
	Decrease	(805,136)	(849,207)	(40,405,003)	(38,541,263)
U.S.A	Increase	308,678	227,671	308,678	227,671
	Decrease	(308,678)	(227,671)	(308,678)	(227,671)
Japan	Increase	72,518	-	3,167,995	2,366,278
	Decrease	(72,518)	-	(3,167,995)	(2,366,278)
Indonesia	Increase	-	-	1,280,028	3,130,002
	Decrease	-	-	(1,280,028)	(3,130,002)

Gains and losses generated from financial assets at fair value through profit or loss have impacts on post-tax profit and equity, and financial assets at fair value through other comprehensive income have impacts on equity.

The amounts recognized in current profit or loss and other comprehensive income in relation to the various financial instruments held by the Group are disclosed in Note 6.

4. Financial Risk Management (cont'd)

(C) Interest rate risk

Interest rate risk is defined as the risk that the interest income or expenses arising from deposits and borrowings will fluctuate due to changes in future market interest rate. The interest rate risk mainly arises on floating rate deposits and borrowings. The Group's objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty from interest rates fluctuations and net interest expense.

As of December 31, 2023, the Group's floating rate borrowings which exceed floating rate deposits, which results in net interest expenses increase when interest rates increase. The Group adequately minimizes risks from interest rate fluctuations through various policies, such as monitoring fluctuations of domestic and foreign interest rates, establishing alternatives, and balancing floating rate short-term borrowings with floating rate deposits.

The impact of 10bp increase/decrease in interest rate with all other variables held constant on the Group's post-tax profit and equity as of December 31, 2023 and 2022 is as follows (Korean won in thousands):

	Impact on post-tax profit		Impact on equity	
	December 31, 2023	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Increase	₩ (107,473,834)	₩ (257,752)	₩ (107,473,834)	₩ (257,752)
Decrease	107,473,834	257,752	107,473,834	257,752

(2) Credit Risk

The Group has four types of financial assets that are subject to the expected credit loss model:

- trade receivables, other receivables and contract assets at amortized cost;
- other financial assets at amortized cost;
- debt instruments at fair value through other comprehensive income; and
- lease receivables within the scope of KIFRS 1116

While lease receivables and cash equivalents are subject to the impairment requirement, the identified expected credit losses were not material.

4. Financial Risk Management (cont'd)

(A) Trade receivables, other receivables and contract assets

To measure the expected credit losses which is inclusive of forward looking information, the Group has grouped its trade receivables, other receivables and contract assets based on shared credit risk characteristics and the days past due.

The loss allowance as of December 31, 2023 and 2022 is as follows (Korean won in thousands):

	December 31, 2023			
	Less than 6 months past due and within due	**More than 6 months past due**	**More than 1 year past due**	**Total**
Trade receivables and other receivables				
Expected loss rate	0.15%	61.73%	99.61%	1.03%
Gross carrying amount	₩ 1,684,318,211	₩ 2,182,852	₩ 13,664,119	₩ 1,700,165,182
Loss allowance	2,469,743	1,347,547	13,611,385	17,428,675
Contract assets				
Expected loss rate	-	-	-	-
Gross carrying amount	3,693,786	-	-	3,693,786
Loss allowance	-	-	-	-

	December 31, 2022			
	Less than 6 months past due and within due	**More than 6 months past due**	**More than 1 year past due**	**Total**
Trade receivables and other receivables				
Expected loss rate	0.02%	65.14%	78.60%	0.97%
Gross carrying amount	₩ 1,493,273,217	₩ 2,463,628	₩ 16,163,387	₩ 1,511,900,231
Loss allowance	335,481	1,604,821	12,703,719	14,644,021
Contract assets				
Expected loss rate	-	-	-	-
Gross carrying amount	3,479,606	-	-	3,479,606
Loss allowance	-	-	-	-

4. Financial Risk Management (cont'd)

Changes in the loss allowance for trade receivables and other receivables for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		2023		2022
Beginning balance	₩	14,644,021	₩	13,917,079
Increase in loss allowance recognized in profit or loss during the year		2,447,608		136,555
Receivables written off during the year as uncollectible		(1,110)		(123,381)
Other increases/decreases(*)		338,156		713,768
Ending balance	₩	17,428,675	₩	14,644,021

(*) Include increases/decreases due to changes in scope of consolidation.

The amounts recognized in profit or loss as "operating expenses" in relation to impaired receivables for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		2023		2022
Impairment loss				
Change in loss allowance	₩	2,233,982	₩	136,555

(B) Other financial assets at amortized cost

Other financial assets at amortized cost include long and short-term financial instruments, such as time deposits, and other receivables.

Changes in loss allowance for other financial assets at amortized cost for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		2023		2022
Beginning balance	₩	3,666,566	₩	1,558,900
Reversal of loss allowance recognized in profit or loss during the year		42,105		1,087,958
Other increases (decreases)(*)		(938,687)		1,019,708
Ending balance	₩	2,769,984	₩	3,666,566

(*) Include increases and decreases due to changes in the scope of consolidation.

All of these financial assets measured at amortized cost are considered to have low credit risk, and their loss allowance provision are recognized as 12-month expected losses during the year. The Group considers the credit risk to be low when they have a low risk of default and the issuer has a sufficient capability to meet contractual cash flow obligations in the near term.

4. Financial Risk Management (cont'd)

(C) Debt instruments at fair value through other comprehensive income

Debt instruments at fair value through other comprehensive income are corporate bonds. The loss allowance provision for debt instruments at fair value through other comprehensive income is recognized in profit or loss and reduces the fair value loss otherwise recognized in other comprehensive income.

Changes in loss allowance for debt instruments at fair value through other comprehensive income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

All of these financial assets are considered to have low credit risk, and thus the loss allowance provision recognized was limited to 12 months expected credit losses during the year. The Group considers the credit risk to be low when the risk of default is low and the issuer has sufficient capability to meet contractual cash flow obligations in the near term.

(D) Financial assets at fair value through profit or loss

The Group is exposed to credit risk from financial assets at fair value through profit or loss. The maximum exposure is the carrying amount of these assets as of December 31, 2023 and 2022.

(E) Impairment loss

Impairment losses recognized in profit or loss in relation to impaired financial assets for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Trade receivables and other receivables	₩ 2,447,608	₩ 136,555
Other financial assets at amortized cost	42,105	1,087,958
	₩ 2,489,713	₩ 1,224,513

4. Financial Risk Management (cont'd)

(3) Liquidity Risk

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and external regulatory or legal requirements on internal financial ratio targets and currency restrictions. As of December 31, 2023, the Group has borrowing agreements with a limit of ₩ 1,717,264 million and JPY 112,460 million and USD 480 million for managing liquidity risk (Note 32).

Details of liquidity risk analysis as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023				
	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities					
Trade and other payables(*1)	₩ 1,453,539,841	₩ 1,454,502,007	₩ 1,388,733,608	₩ 63,121,340	₩ 2,647,059
Borrowings and Debentures	3,425,246,738	3,560,765,525	822,808,252	2,691,780,419	46,176,854
Lease liabilities	753,636,770	832,337,832	240,066,399	430,123,658	162,147,775
Financial liabilities at fair value through profit or loss	704,077,028	704,077,028	454,823,039	249,253,989	-
Other current liabilities	1,712,544,135	1,712,544,135	1,712,544,135	-	-
Financial guarantee contract	-	13,510,119	13,510,119	-	-
	₩ 8,049,044,512	₩ 8,277,736,646	₩ 4,632,485,552	₩ 3,434,279,406	₩ 210,971,688
Off-balance sheet account(*2)	₩ -	₩ 156,421,641	₩ 156,421,641	₩ -	₩ -

(*1) Accrued expense related to labor costs are not included.
(*2) The Group entered in a loan agreement related to the deferred payment service, and the limit for the unused portion (off-balance sheet account) amount to ₩ 156,422 million as of December 31, 2023. Off-balance sheet account was included in the 'less than 1 years' category, the earliest period in which payments can be made upon request (see Note 32).

	December 31, 2022				
	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities					
Trade and other payables(*1)	₩ 980,248,803	₩ 981,043,177	₩ 924,312,746	₩ 54,083,372	₩ 2,647,059
Borrowings and Debentures	3,413,951,889	3,525,233,391	1,431,496,392	2,093,736,999	-
Lease liabilities	782,630,282	868,551,912	196,504,550	451,925,349	220,122,013
Financial liabilities at fair value through profit or loss	756,523,095	756,523,095	71,905,226	684,617,869	-
Other current liabilities	1,598,753,214	1,598,753,214	1,598,753,214	-	-
Financial guarantee contract	-	45,328,583	45,328,583	-	-
	₩ 7,532,107,283	₩ 7,775,433,372	₩ 4,268,300,711	₩ 3,284,363,589	₩ 222,769,072
Off-balance sheet account(*2)	₩ -	₩ 125,198,897	₩ 125,198,897	₩ -	₩ -

4. Financial Risk Management (cont'd)

(*1) Accrued expense related to labor costs are not included.
(*2) The Group entered in a loan agreement related to the deferred payment service, and the limit for the unused portion (off-balance sheet account) amount to ₩ 125,199 million as of December 31, 2022. Off-balance sheet account was included in the "less than 1 years" category, the earliest period in which payments can be made upon request (see Note 32).

B. Capital Risk Management

The Group's objectives when managing capital are to safeguard to maintain a sound capital structure. The Group uses debt to equity ratio for capital management. This ratio is calculated as total debt divided by total equity as shown in the consolidated statements of financial position.

The Group's gearing ratio as of December 31, 2023 and 2022 is as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Total debt	₩ 11,499,828,149	₩ 10,448,720,409
Total equity	24,237,998,816	23,450,322,480
Gearing ratio	47.45%	44.56%

5. Fair Value

There are no significant changes in the business and economic environments that affect the fair value of financial assets and liabilities of the Group for the year ended December 31, 2023.

A. Financial Instruments Measured at Fair Value

Details of financial instruments measured at fair value as of December 31, 2023 and 2022 are as follows:
(Korean won in thousands)

	December 31, 2023		December 31, 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value through profit or loss	₩ 2,925,079,559	₩ 2,925,079,559	₩ 3,173,194,961	₩ 3,173,194,961
Financial assets at fair value through other comprehensive income	1,378,247,812	1,378,247,812	1,354,122,793	1,354,122,793
	₩ 4,303,327,371	₩ 4,303,327,371	₩ 4,527,317,754	₩ 4,527,317,754
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 704,077,028	₩ 704,077,028	₩ 756,523,095	₩ 756,523,095

The financial assets and liabilities whose book amounts are reasonable approximations of fair value are excluded from the fair value disclosures.

B. Fair Value Hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. Financial instruments that are measured at fair value are categorized by the fair value hierarchy, and the defined levels are as follows:

5. Fair Value (cont'd)

- Level 1 : The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The instrument is included in level 1.
- Level 2 : The fair value of financial instruments that are not traded in an active market (e.g., unlisted derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 : If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	₩ 31,972,299	₩ 666,157,232	₩ 2,226,950,028	₩ 2,925,079,559
Financial assets at fair value through other comprehensive income	1,175,696,507	-	202,551,305	1,378,247,812
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	417,245	703,659,783	704,077,028

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through profit or loss	₩ 29,022,463	₩ 718,526,472	₩ 2,425,646,026	₩ 3,173,194,961
Financial assets at fair value through other comprehensive income	1,163,949,227	-	190,173,566	1,354,122,793
Financial liabilities				
Financial liabilities at fair value through profit or loss	-	-	756,523,095	756,523,095

C. Transfers between Fair Value Hierarchy Levels of Recurring Fair Value Measurements

The Group recognizes transfers between levels of the fair value at the end of the reporting period. There were no transfers between level 1 and level 2 for recurring fair value measurements for the year ended December 31, 2023.

5. Fair Value (cont'd)

Changes in level 3 for recurring fair value measurements for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023			2022		
	Financial assets at fair value through profit or loss	Financial assets at fair value through comprehensive income	Financial liabilities at fair value through profit or loss	Financial assets at fair value through profit or loss	Financial assets at fair value through comprehensive income	Financial liabilities at fair value through profit or loss
Beginning balance	₩2,425,646,026	₩ 190,173,566	₩ 756,523,095	₩2,402,108,852	₩ 226,518,601	₩ 508,994,105
Total profit or loss						
Amounts recognized in profit or loss	(224,955,262)	-	(136,070,242)	(111,479,706)	-	117,024,883
Amounts recognized in other comprehensive income	-	(9,110,391)	-	-	(55,080,947)	-
Acquisitions/Borrowings	214,675,649	10,781,722	100,598,886	274,256,494	46,595,633	130,504,107
Disposals/Repayments	(174,976,025)	(4,472,436)	-	(123,188,414)	(24,592,558)	-
Transfer into Level 1	-	(4,961,662)	-	(12,677,896)	(1,912,717)	-
Others (*1)	(29,257,508)	20,338,764	(17,489,636)	(3,599,826)	(1,354,446)	-
Exchange differences	15,817,148	(198,258)	97,680	226,522	-	-
Ending balance	₩2,226,950,028	₩ 202,551,305	₩ 703,659,783	₩2,425,646,026	₩ 190,173,566	₩ 756,523,095

(*1) Includes transfers from (to) other account items due to changes in ownership of financial assets at fair value.

D. Valuation Techniques and the Inputs

Valuation techniques and inputs used in the fair value measurements of financial instruments categorized in levels 2 and level 3 of the fair value hierarchy as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023					
	Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value through profit or loss						
Compound financial instruments and equity securities	₩ 1,451,565,569	3	Option pricing model	Underlying asset price, volatility of underlying asset	Volatility of the underlying assets	11.50% ~ 85.10%
			Market approach and others	PBR, EV/SALES, PSR, PER recent transaction price, net asset value	EV/SALES PSR PER PBR	0.12 ~ 0.31 0.16 ~ 10.11 11.24 1.61 ~ 12.66
			Present value method	Credit risk adjusted discount rate	Discount rate	9.82% ~ 24.75%
Beneficiary certificates and funds	835,010	2	Present value method	Credit risk adjusted discount rate	-	-
	775,384,459	3	Market approach and others	Underlying asset price	(*)	(*)
Debt securities	665,322,222	2	Present value method	Credit risk adjusted discount rate	-	-

5. Fair Value (cont'd)

		Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value through other comprehensive income							
Equity securities		202,551,305	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES EV/EBITDA PSR Discount rate	1.51 ~ 2.01 4.5 0.96 ~ 5.92 16.90%
Financial liabilities at fair value through profit or loss							
Derivatives		417,245	2	Present value method, option pricing model	Forward exchange rate	-	-
Derivatives		703,659,783	3	Option pricing model	Volatility of underlying assets	Volatility of underlying asset Discount rate	39.78% ~ 59.73% 10.23% ~ 17.93%

(*) Various inputs are used in the measurements of underlying asset price and thus, further disclosure has not been provided.

	December 31, 2022						
		Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value through profit or loss							
Compound financial instruments and equity securities	₩	1,414,275,802	3	Option pricing model	Underlying asset price, volatility of underlying asset	Volatility of the underlying assets	13.50% ~ 70.93%
				Market approach and others	PBR, EV/SALES, PSR, PER recent transaction price, net asset value	EV/SALES PSR PER PBR	0.41 ~ 12.13 0.16 ~ 11.64 7.40 1.89 ~ 13.17
				Present value method	Credit risk adjusted discount rate	Discount rate	13.77% ~ 16.32%
Beneficiary certificates and funds		776,460	2	Present value method	Credit risk adjusted discount rate	-	-
		1,011,370,224	3	Market approach and others	Underlying asset price	(*)	(*)
Debt securities		715,219,287	2	Present value method	Credit risk adjusted discount rate	-	-
Derivatives		2,530,725	2	Present value method, option pricing model	Forward exchange rate	-	-
Financial assets at fair value through other comprehensive income							
Equity securities		190,173,566	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES PSR PBR Discount rate	1.83 ~ 2.35 0.91 ~ 2.38 4.2 13.90% ~ 19.20%

5. Fair Value (cont'd)

Financial liabilities at fair value through profit or loss						
Derivatives	756,523,095	3	Option pricing model	Volatility of underlying assets	Volatility of underlying asset	46.70% ~ 79.16%
					Discount rate	13.67% ~ 15.58%

(*) Various inputs are used in the measurements of underlying asset price and thus, further disclosure has not been provided.

E. Valuation Processes for Fair Value Measurements Categorized Within Level 3

The Group's investment management team and treasury team perform the fair value measurements required for financial reporting purposes, including level 3 fair values. These teams report directly to the director in financial department("director"). Discussions of valuation processes and results are held between the director and these teams at least once every quarter, in line with the Group's quarterly reporting schedule.

5. Fair Value (cont'd)

F. Sensitivity Analysis for Recurring Fair Value Measurements Categorized Within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or most unfavorable.

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument, which is categorized within Level 3 and subject to sensitivity analysis, for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023				2022			
	Favorable changes		Unfavorable changes		Favorable changes		Unfavorable changes	
	Profit or loss	Equity	Profit or loss	Equity	Profit or loss	Equity	Profit or loss	Equity
Financial assets								
Unlisted equity securities (*1)	₩ 55,885,469	₩ 61,394,697	₩(55,423,920)	₩(60,913,125)	₩ 58,709,858	₩ 62,844,029	₩(57,370,162)	₩(61,456,958)
Financial liabilities								
Derivatives (*2)	12,418,185	12,418,185	(18,344,860)	(18,344,860)	20,088,559	20,088,559	(18,360,288)	(18,360,288)

(*1) For unlisted equity securities, changes in their fair value are calculated by increasing or decreasing the discount rate, which is significant unobservable inputs, by 1%, and by increasing or decreasing the volatility of underlying assets, PBR, EV/SALES, PSR and others, which are significant unobservable inputs, by 10%. For compound financial instruments, it is calculated by changing the price of underlying asset used for valuation (identical method for unlisted shares) and increasing or decreasing the volatility of the underlying asset price by 10%.
(*2) It is calculated by increasing or decreasing the volatility of the underlying asset price of financial liabilities valuation by 10%.

6. Financial Instruments by Category

A. Categorizations of financial assets and liabilities as of December 31, 2023 are as follows (Korean won in thousands):

	Financial assets				
	Financial assets at fair value through Profit or loss	Financial assets at fair value through Other comprehensive income	Financial assets at amortized cost	Other financial assets(*1)	Total
Cash and cash equivalents(*2)	₩ -	₩ -	₩ 3,576,456,533	₩ -	₩ 3,576,456,533
Long and short-term financial instruments(*3)	-	-	822,003,933	-	822,003,933
Financial assets at fair value through profit or loss	2,925,079,559	-	-	-	2,925,079,559
Trade and other receivables	-	-	1,786,849,157	34,496,370	1,821,345,527
Financial assets at fair value through other comprehensive income	-	1,378,247,812	-	-	1,378,247,812
	₩ 2,925,079,559	₩ 1,378,247,812	₩ 6,185,309,623	₩ 34,496,370	₩ 10,523,133,364

6. Financial Instruments by Category (cont'd)

(*1) Other financial assets represent lease receivables which are not in the scope of financial instruments.
(*2) Deposits amounting to ₩ 116,035 million are deposited in Shinhan Bank's trust and managed for the purpose of users on advance payments. (Note 32).
(*3) Long and short-term financial instruments presented above include ₩ 13,760 million of deposits for cooperative growth program, ₩ 500 million of collateral pledged for restoration of leasehold improvements, ₩ 2,647 million of collateral pledged for affiliates' leasehold deposits and ₩ 57,200 million of deposits with restriction on use in order to provide borrowings to employees of the Group. In addition, ₩ 1,700 of collateral pledged to Shinhan bank for payment guarantees in relation to Naver Pay service and others, and ₩ 400 million of collateral pledged to Nonghyup bank for the credit line with Nonghyup Card are included as well (see Note 32).

	Financial liabilities			
	Financial liabilities at fair value through Profit or loss	Financial liabilities at amortized cost	Other financial liabilities (*)	Total
Trade and other payables	₩ -	₩ 1,453,539,841	₩ -	₩ 1,453,539,841
Financial liabilities at fair value through profit or loss	704,077,028	-	-	704,077,028
Short-term borrowings	-	333,041,315	-	333,041,315
Current portion of long-term borrowings	-	192,923,827	-	192,923,827
Long-term borrowings	-	993,600,442	-	993,600,442
Current debentures	-	249,962,200	-	249,962,200
Debentures	-	1,655,718,953	-	1,655,718,953
Lease liabilities	-	-	753,636,770	753,636,770
Other current liabilities	-	1,712,544,135	-	1,712,544,135
	₩ 704,077,028	₩ 6,591,330,713	₩ 753,636,770	₩ 8,049,044,511

(*) Other financial liabilities represent lease liabilities which are not in the scope of financial instruments.

B. Categorizations of financial assets and liabilities as of December 31, 2022 are as follows (Korean won in thousands):

	Financial assets				
	Financial assets at fair value through Profit or loss	Financial assets at fair value through Other comprehensive income	Financial assets at amortized cost	Other financial assets(*1)	Total
Cash and cash equivalents (*2)	₩ -	₩ -	₩ 2,724,168,322	₩ -	₩ 2,724,168,322
Long and short-term financial instruments (*3)	-	-	1,230,665,756	-	1,230,665,756
Financial assets at fair value through profit or loss	3,173,194,961	-	-	-	3,173,194,961
Trade and other receivables	-	-	1,580,768,812	36,457,075	1,617,225,887
Financial assets at fair value through other comprehensive income	-	1,354,122,793	-	-	1,354,122,793
	₩ 3,173,194,961	₩ 1,354,122,793	₩ 5,535,602,890	₩ 36,457,075	₩ 10,099,377,719

(*1) Other financial assets represent lease receivables, which are not subject to financial instruments categorization.

6. Financial Instruments by Category (cont'd)

(*2) Deposits amounting to ₩ 100,925 million are deposited in Shinhan Bank's trust for the purpose of protecting users on advance payments (see Note 32).
(*3) Long and short-term financial instruments presented above include ₩ 13,760 million of deposits for cooperative growth program, ₩ 500 million of collateral pledged for restoration of leasehold improvements, ₩ 2,653 million of collateral pledged for affiliates' leasehold deposits and ₩ 57,200 million of deposits with restriction on use in order to provide borrowings to employees of the Group. In addition, ₩ 1,700 of collateral pledged to Shinhan bank for payment guarantees in relation to Naver Pay service and others, and ₩ 300 million of collateral pledged to Nonghyup bank for the credit line with Nonghyup Card are included as well (see Note 32).

	Financial liabilities			
	Financial liabilities at fair value - Profit or loss	Financial liabilities at amortized cost	Other financial liabilities (*)	Total
Trade and other payables	₩ -	₩ 980,248,803	₩ -	₩ 980,248,803
Financial liabilities at fair value through profit or loss	756,523,095	-	-	756,523,095
Short-term borrowings	-	261,430,486	-	261,430,486
Current portion of long-term borrowings	-	1,119,968,812	-	1,119,968,812
Long-term borrowings	-	328,034,314	-	328,034,314
Debentures	-	1,704,518,277	-	1,704,518,277
Lease liabilities	-	-	782,630,282	782,630,282
Other current liabilities	-	1,598,753,214	-	1,598,753,214
	₩ 756,523,095	₩ 5,992,953,906	₩ 782,630,282	₩ 7,532,107,283

(*) Other financial liabilities include lease liabilities which are not in the scope of financial instruments.

C. Net gains or losses on each category of financial instruments for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Financial asset at fair value through profit or loss		
Interest income	₩ 7,019,662	₩ 7,281,176
Gain (loss) on foreign exchange	333,021	(3,312,656)
Gain (loss) on valuation	(216,414,126)	(117,977,461)
Gain on disposal	6,046,993	-
Gain (loss) on derivative trading	(1,812,300)	(4,309,500)
Dividend income	21,113,053	27,880,933
Financial asset at fair value through other comprehensive income		
Interest income	2,056,104	-
Dividend income	14,578,499	20,002,442
Foreign exchange gain	4,145,938	38,113
Gain (loss) on valuation – other comprehensive income	42,950,127	(632,040,133)
Gain (loss) on disposal (adjustment for reclassification)	5,618,319	(61,850,340)
Financial assets at amortized cost		
Interest income	90,716,565	50,840,867
Impairment loss	(7,077,487)	(4,987,339)
Foreign exchange loss	(28,298,965)	(17,580,567)
Financial liabilities at fair value through profit or loss		
Gain (loss) on valuation	135,652,997	(133,041,052)
Foreign exchange gain	545,679	-
Financial liabilities at amortized cost		

6. Financial Instruments by Category (cont'd)

Interest expense	(97,576,718)	(50,646,840)
Foreign exchange loss	(19,449,533)	(58,238,348)

D. The carrying amounts of financial liabilities classified as liabilities due to condition that the exercise price is adjusted according to the change in the issuer's stock price as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Convertible redeemable preferred stock liabilities		
Playlist Corporation	₩ -	₩ 34,905,294
Amuse Co.,Ltd.	15,751,851	9,690,139
Cake Corporation	20,258,412	23,764,223
KREAM Corporation	487,127,769	435,069,995
NAVER Z CO.,LTD	155,152,039	253,093,444
NAVER Z Limited	25,369,712	-
	₩ 703,659,783	₩ 756,523,095

E. Gains and losses related to each financial liability classified as liabilities due to conditions that the exercise price is adjusted according to the change in the issuer's stock price for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Profit for the year, before taxes	₩ 1,481,396,318	₩ 1,083,717,091
Gain (loss) on valuation	135,699,452	(117,024,883)
	1,617,095,770	966,692,208

7. Financial Assets

A. Financial assets at fair value through profit or loss

(1) Details of financial assets measured at fair value through profit or loss for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Non-current		
Compound financial instruments and equity securities	₩ 1,451,951,516	₩ 1,415,106,133
Beneficiary certificates and funds	775,384,459	1,011,370,224
Derivatives	-	1,133,684
	2,227,335,975	2,427,610,041
Current		
Compound financial instruments and equity securities	₩ 31,586,352	₩ 28,192,131
Beneficiary certificates and funds, and others	835,010	776,460
Debt securities	665,322,222	715,219,287
Derivatives	-	1,397,042
	697,743,584	745,584,920
	₩ 2,925,079,559	₩ 3,173,194,961

(2) In relation to financial assets measured at fair value through profit or loss, amounts recognized in profit or loss for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

7. Financial Assets (cont'd)

		2023		2022
Compound financial instruments and equity securities	₩	(73,151,736)	₩	27,778,348
Beneficiary certificates and funds		(147,512,083)		(151,900,615)
Debt securities		12,827,413		3,647,785
Derivatives		(4,343,026)		(2,231,994)
Others		-		(2,893,141)
	₩	(212,179,432)	₩	(125,599,617)

(*1) Above profit or loss does not include Interest and dividend income.

B. Financial assets at fair value through other comprehensive income

(1) Equity instruments at fair value through other comprehensive income comprises the following individual investments for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		December 31, 2023		December 31, 2022
Listed equity securities	₩	1,175,696,507	₩	1,163,949,227
Unlisted equity securities		202,551,305		190,173,566
	₩	1,378,247,812	₩	1,354,122,793

Upon disposal of these equity instruments, any balance within the accumulated other comprehensive income for these equity instruments is reclassified to retained earnings and is not reclassified to profit or loss.

(2) There are no debt instruments at fair value through other comprehensive income from continuing operations as of December 31, 2023 and 2022.

C. Trade Receivables and Other Financial Assets at Amortized Cost

(1) Details of trade receivables and other receivables as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

		December 31, 2023		December 31, 2022
Trade receivables	₩	491,389,325	₩	529,577,096
Other receivables		1,208,775,857		982,323,135
Less: provision for impairment		(17,428,675)		(14,644,021)
	₩	1,682,736,507	₩	1,497,256,210

(2) Details of other financial assets at amortized cost as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023			December 31, 2022		
	Current	Non-current	Total	Current	Non-current	Total
Cash equivalents	₩3,576,456,533	₩ -	₩3,576,456,533	₩2,724,168,322	₩ -	₩2,724,168,322
Time deposits	808,391,011	13,760,000	822,151,011	1,216,552,804	14,260,000	1,230,812,804
Loans	15,644,755	22,914,809	38,559,564	21,553,803	6,832,201	28,386,004
Accrued income	15,159,001	-	15,159,001	13,008,306	-	13,008,306
Leasehold deposits	12,397,019	40,619,971	53,016,990	4,998,540	40,639,269	45,637,809
Other financial assets(*)	4,901,190	29,595,181	34,496,371	5,772,589	30,684,486	36,457,075
	4,432,949,509	106,889,961	4,539,839,470	3,986,054,364	92,415,956	4,078,470,320
Less: provision for impairment	(2,265,856)	(504,128)	(2,769,984)	(2,261,140)	(1,405,425)	(3,666,565)
	₩4,430,683,653	₩ 106,385,833	₩4,537,069,486	₩3,983,793,224	₩ 91,010,531	₩4,074,803,755

(*) Other financial assets consist of lease receivables.

7. Financial Assets (cont'd)

(3) Impairment

See Note 4 for the impairment of trade receivables and other financial assets at amortized cost and the Group's exposure to credit risk.

8. Contract Assets and Liabilities

A. Details of contract assets and liabilities as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Contents	₩ 3,693,786	₩ 3,479,606
	₩ 3,693,786	₩ 3,479,606
Customer loyalty programs	₩ 38,526,338	₩ 35,653,328
Contracts related to search platform service	160,329,700	145,856,637
Contracts related to commerce service	89,410,453	45,486,985
Contracts related to contents service	160,224,438	157,443,083
Contracts related to fin-tech service	32,443,684	32,815,656
	₩ 480,934,613	₩ 417,255,689

(*) Contract assets are included in other assets. Contract liabilities are included in other liabilities (advances from customers, unearned revenues and withholdings).

B. Revenue recognized in relation to contract liabilities

Details of revenue recognized from the contract liabilities as of January 1 for each of the two years in the period ended December 31, 2023 are as follows and no amount was recognized as revenue for the year ended December 31, 2023 in relation to performance obligations satisfied for the year ended December 31, 2022 (Korean won in thousands):

	2023	2022
Revenue recognized from the contract liabilities as of January 1 attributable to:	₩ 398,173,759	₩ 322,224,532
Customer loyalty programs	35,653,328	30,310,467
Search platform	145,856,637	136,535,793
Commerce	45,486,985	41,140,608
Contents	138,361,153	86,447,254
Fin-Tech	32,815,656	27,790,410

C. Assets recognized from costs to fulfill a contract

In addition to the contract balances disclosed above, the Group recognized assets in relation to costs to fulfill contracts (Korean won in thousands):

	December 31, 2023	December 31, 2022
Assets recognized from costs to fulfill a contract as of December 31	₩ 9,882,863	₩ 42,361,610

The asset is amortized on a straight-line basis over the term of the specific contract it relates to, consistent with the pattern of recognition of the associated revenue.

9. Inventories

A. Details of inventories as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Merchandise	₩ 16,440,674	₩ 6,787,878
Less: valuation loss	(1,641,626)	(857,908)
Finished goods	-	1,401,122
Less: valuation loss	-	(75,710)
Raw materials and others	12,272	1,396,457
	₩ 14,811,320	₩ 8,651,839

B. Cost of inventories included in “operating expenses” amounted to ₩ 107,430 million (₩ 87,131 million in 2022) and the Group recognized ₩ 1,231 million (₩ 122 million in 2022) of inventory valuation loss as “operating expenses” for the year ended December 31, 2023.

10. Other Assets

Details of other assets as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Prepayment	₩ 72,604,132	₩ 62,370,922	₩ 89,334,639	₩ 76,043,165
Prepaid expenses	96,124,884	24,370,882	89,140,725	23,831,721
Prepaid value added tax	8,337,297	-	10,901,162	-
Others	4,331,427	3,684,701	4,663,237	1,845,521
	₩ 181,397,740	₩ 90,426,505	₩ 194,039,763	₩ 101,720,407

11. Property, Plant and Equipment

A. Details of property, plant and equipment as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023			December 31, 2022		
	Acquisition cost	Accumulated depreciation(*)	Carrying amount	Acquisition cost	Accumulated depreciation(*)	Carrying amount
Land	₩ 356,761,749	₩ -	₩ 356,761,749	₩ 323,911,685	₩ -	₩ 323,911,685
Buildings	1,638,939,984	(225,157,458)	1,413,782,526	1,100,813,973	(181,111,290)	919,702,683
Structures	249,139,258	(108,843,871)	140,295,387	139,206,311	(94,516,931)	44,689,380
Machinery	1,892,149,218	(1,227,134,409)	665,014,809	1,619,173,842	(1,077,006,447)	542,167,395
Vehicles	2,165,386	(2,036,159)	129,227	1,374,600	(978,106)	396,494
Equipment	313,270,301	(173,906,093)	139,364,208	291,317,129	(145,551,540)	145,765,589
Others	4,169,356	(3,315,094)	854,262	5,930,027	(4,946,006)	984,021
Construction in progress	25,419,160	-	25,419,160	480,202,993	-	480,202,993
	₩ 4,482,014,412	₩ (1,740,393,084)	₩ 2,741,621,328	₩ 3,961,930,560	₩ (1,504,110,320)	₩ 2,457,820,240

(*) Accumulated impairment losses and government grants are included.

11. Property, Plant and Equipment (cont'd)

B. Changes in property, plant and equipment for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

2023	Land	Buildings	Structures	Machinery	Vehicles	Equipment	Others	Construction in progress	Total
Beginning balance, net	₩ 323,911,685	₩ 919,702,683	₩ 44,689,380	₩ 542,167,395	₩ 396,494	₩ 145,765,589	₩ 984,021	₩ 480,202,993	₩ 2,457,820,240
Acquisition/ capital expenditures(*1)	-	25,393,509	1,088,960	333,356,345	969,181	38,451,304	114,150	286,689,411	686,062,860
Increase due to business combination	-	2,695,083	-	73,048	6,123	4,902,558	260,526	-	7,937,338
Depreciation	-	(44,284,702)	(14,327,246)	(208,275,244)	(173,421)	(51,270,684)	(414,411)	-	(318,745,708)
Disposals	(600,101)	(683,429)	-	(300,287)	(4,354)	(3,105,325)	-	(681,406)	(5,374,902)
Impairment	-	-	-	(7,101)	(1,050,605)	(1,726,546)	-	-	(2,784,252)
Disposal of subsidiaries	-	-	-	(870,164)	(13,820)	(945,453)	-	-	(1,829,437)
Reclassification	89,587,518	523,522,913	108,845,633	-	-	7,604,026	-	(729,560,090)	-
Others(*2)	(56,137,353)	(12,563,531)	(1,340)	(1,129,183)	(371)	(311,261)	(90,024)	(11,231,748)	(81,464,811)
Ending balance, net	₩ 356,761,749	₩ 1,413,782,526	₩ 140,295,387	₩ 665,014,809	₩ 129,227	₩ 139,364,208	₩ 854,262	₩ 25,419,160	₩ 2,741,621,328

(*1) Capitalized borrowing costs is included.

(*2) Others include effects of changes in foreign currency exchange rates, reclassification from (to) other accounts, and refund of acquisition tax.

2022	Land	Buildings	Structures	Machinery	Vehicles	Equipment	Others	Construction in progress	Total
Beginning balance, net	₩ 310,636,455	₩ 384,482,381	₩ 32,036,088	₩ 573,816,135	₩ 418,965	₩ 70,057,307	₩ 1,231,004	₩ 738,583,325	₩ 2,111,261,660
Acquisition/ capital expenditures(*1)	4,556,100	81,970,842	1,601,285	234,202,725	66,664	64,137,507	273,280	320,766,715	707,575,118
Increase due to business combination	-	522,430	-	1,442,969	39,062	1,157,818	612,959	8,771,124	12,546,362
Depreciation	-	(36,040,336)	(12,589,658)	(267,733,423)	(141,711)	(43,282,534)	(609,845)	-	(360,397,507)
Disposals(*2)	-	-	-	(773,480)	(29,239)	(7,534,458)	(442,223)	(1,631,214)	(10,410,614)
Reclassification	10,876,490	491,481,028	23,635,652	-	-	60,874,951	-	(586,868,121)	-
Others(*3)	(2,157,360)	(2,713,662)	6,013	1,212,469	42,753	354,998	(81,154)	581,164	(2,754,779)
Ending balance, net	₩ 323,911,685	₩ 919,702,683	₩ 44,689,380	₩ 542,167,395	₩ 396,494	₩ 145,765,589	₩ 984,021	₩ 480,202,993	₩ 2,457,820,240

(*1) Capitalized borrowing costs is included.
(*2) Includes the amount from disposal of business of ₩ 81 million for the year ended December 31, 2022.
(*3) Others include effects of changes in foreign currency exchange rates.

C. For the year ended December 31, 2023, the Group has capitalized borrowing costs amounting to ₩ 4,418 million (₩ 8,601 million in 2022) on property, plant and equipment that are qualifying assets. The capitalization rate of borrowings used to determine the amount of borrowing costs to be capitalized is 1.64% (1.61% in 2022).

D. Depreciation expense is classified as "operating expenses" in the consolidated financial statements.

12. Leases

A. Details of amounts recognized in the consolidated statements of financial position as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Right-of-use assets(*1)		
Properties	₩ 373,689,185	₩ 419,242,315
Vehicles	2,895,450	2,270,583
IDC buildings	134,068,624	99,009,919
Machinery	176,604,300	214,899,912
Leased internet line	4,488,001	3,287,276
Equipment	87,148	-
	₩ 691,832,708	₩ 738,710,005
Lease receivables(*2)		
Current	₩ 4,901,189	₩ 5,772,589
Non-current	29,595,181	30,684,486
	₩ 34,496,370	₩ 36,457,075
Lease liabilities(*2)		
Current	₩ 234,727,101	₩ 193,376,317
Non-current	518,909,669	589,253,965
	₩ 753,636,770	₩ 782,630,282

(*1) The outstanding balance of right-of-use assets is net of accumulated depreciation.
(*2) The outstanding balance of lease liabilities is net of present value discount.

Additions to the right-of-use assets for the year ended December 31, 2023 were ₩ 184,178 million (₩ 614,644 million in 2022).

B. Details of amounts recognized in the consolidated statements of comprehensive income (loss) for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Depreciation of right-of-use assets		
Properties	₩ 67,129,441	₩ 63,186,650
Vehicles	1,205,284	944,278
IDC buildings	65,400,672	30,100,441
Machinery	73,471,175	56,625,512
Leased internet line	2,060,028	7,379,115
	₩ 209,266,600	₩ 158,235,996
Interest expense relating to lease liabilities (included in “finance costs”)	28,988,709	20,652,049
Expense relating to short-term leases and leases of low-value assets	2,320,181	3,481,992
Expense relating to variable lease payments not included in lease liabilities	11,707,674	14,805,651

The total cash outflow for leases for the year ended December 31, 2023 is ₩ 247,081 million (₩ 196,839 million in 2022), and the total cash inflow for leases for the year ended December 31, 2023 is ₩ 7,058 million (₩ 7,978 million in 2022), respectively.

13. Intangible Assets

A. Details of intangible assets as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023			December 31, 2022		
	Acquisition cost	Accumulated amortization(*)	Carrying amount	Acquisition cost	Accumulated amortization(*)	Carrying amount
Industrial rights	₩ 11,674,173	₩ (10,253,644)	₩ 1,420,529	₩ 15,833,647	₩ (10,438,598)	₩ 5,395,049
Brand	492,723,877	-	492,723,877	299,984,527	-	299,984,527
Software	190,628,293	(124,936,032)	65,692,261	151,620,518	(101,128,558)	50,491,960
Goodwill	2,578,089,956	-	2,578,089,956	947,733,200	-	947,733,200
Customer relationship	223,744,424	(23,700,812)	200,043,612	72,791,215	(8,307,724)	64,483,491
Others	204,395,088	(96,765,421)	107,629,667	198,901,425	(85,566,015)	113,335,410
	₩ 3,701,255,811	₩ (255,655,909)	₩ 3,445,599,902	₩ 1,686,864,532	₩ (205,440,895)	₩ 1,481,423,637

(*) Accumulated impairment losses and government grants are included.

B. Changes in intangible assets for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023						
	Industrial rights	Brand(*2)	Software	Goodwill	Customer relationship	Others	Total
Beginning balance, net	₩ 5,395,049	₩299,984,527	₩ 50,491,960	₩ 947,733,200	₩ 64,483,491	₩ 113,335,410	₩ 1,481,423,637
Acquisition/ capital expenditures	515,870	-	33,134,816	-	-	23,058,325	56,709,011
Increase due to business combination	-	196,303,800	3,270,530	1,650,370,929	145,315,800	1,140,657	1,996,401,716
Amortization	(792,984)	-	(19,409,522)	-	(15,549,504)	(18,575,044)	(54,327,054)
Disposals	-	-	(341,077)	(17,125,631)	-	(55,110)	(17,521,818)
Impairment / Reversal of Impairment	(177,537)	-	(1,456,845)	(19,630,042)	-	(7,146,189)	(28,410,613)
Disposal of subsidiaries	(497,638)	-	(32,934)	-	-	(668,686)	(1,199,258)
Others(*1)	(3,022,231)	(3,564,450)	35,333	16,741,500	5,793,825	(3,459,696)	12,524,281
Ending balance, net	₩ 1,420,529	₩ 492,723,877	₩ 65,692,261	₩ 2,578,089,956	₩ 200,043,612	₩ 107,629,667	₩ 3,445,599,902

(*1) Others include changes in scope of consolidation and effects of changes in foreign currency exchange rates.
(*2) Brands are intangible assets with indefinite useful lives, and there is no impairment loss recognized as a result of assessment with recoverable amounts for the year ended December 31, 2023.

	2022						
	Industrial rights	Brand(*3)	Software	Goodwill	Customer relationship	Others	Total
Beginning balance, net	₩ 1,730,547	₩119,118,744	₩ 53,267,204	₩621,323,134	₩64,179,035	₩ 72,533,683	₩ 932,152,347
Acquisition/ capital expenditures	736,273	-	3,945,536	-	-	54,379,692	59,061,501
Increase due to business combination	90,257	183,870,158	6,961,509	296,150,905	1,155,815	9,984,589	498,213,233
Amortization	(1,342,886)	-	(16,379,278)	-	(5,361,061)	(19,191,840)	(42,275,065)
Disposals(*1)	(13,694)	-	(103,328)	-	-	(847,456)	(964,478)
Impairment / Reversal of Impairment	-	-	-	(7,843,132)	-	(4,501,527)	(12,344,659)
Others(*2)	4,194,552	(3,004,375)	2,800,317	38,102,293	4,509,702	978,269	47,580,758
Ending balance, net	₩ 5,395,049	₩ 299,984,527	₩ 50,491,960	₩ 947,733,200	₩64,483,491	₩113,335,410	₩1,481,423,637

(*1) The amount from disposal of business is ₩ 14 million for the year ended December 31, 2022.
(*2) Others include changes in scope of consolidation and effects of changes in foreign currency exchange rates.
(*3) Brands are intangible assets with indefinite useful lives, and there is no impairment loss recognized as a result of assessment with recoverable amounts for the year ended December 31, 2022.

13. Intangible Assets (cont'd)

C. Amortization cost is classified as "operating expenses" in the consolidate financial statements.

D. Total research and development costs recognized by the Group amount to ₩ 1,992,635 million (₩ 1,809,073 million in 2022), which are expensed as "operating expenses."

E. Goodwill is allocated for each cash-generating unit (CGU) or a group of cash-generating units by which goodwill is monitored by management.

Details of investees with goodwill as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Poshmark, Inc.	₩ 1,366,245,561	₩ -
Wattpad Corporation	639,780,739	628,815,054
NAVER France SAS	22,042,676	20,877,802
MUNPIA INC.	133,097,438	139,359,857
eBOOK Initiative Japan Co., Ltd.	69,421,955	62,774,124
SODA inc	200,269,810	-
Others	147,231,777	95,906,363
	₩ 2,578,089,956	₩ 947,733,200

F. The recoverable amount of CGUs including goodwill have been determined based on value-in-use or fair value less cost of disposal calculations as of December 31, 2023 and 2022. The major assumptions used in the calculation of impairment test of goodwill are as follows: (in percentage)

	December 31, 2023	December 31, 2022
Sales growth(*)	9.19	22.90
Perpetual growth rate	1.00	2.00
Discount rate	11.70	14.05

(*)The average annual sales growth over the estimation period.

G. Emission permits

(1) The quantities of expected emission permits which are allocated free of charge for the 3rd planning period (2021~2025) are as follows: (in KAU)

2021	2022	2023	2024	2025	Total
76,726	85,730	68,467	67,825	67,825	366,573

(2) Changes in the allocated emission quantity and book amount for each of the two years in the period ended December 31, 2023 are as follows: (in KAU, Korean won in thousands)

	2023		2022	
	Quantity	Amount	Quantity	Amount
Beginning balance	1,887	₩ 56,610	5,000	₩ 150,000
Allocation with nil consideration	85,730	-	76,726	-
Surrendered to the government	(86,991)	(37,830)	(78,884)	(64,740)
Disposal	(176)	(5,280)	(955)	(28,650)
Ending balance	450	₩ 13,500	1,887	₩ 56,610

14. Investment Properties

A. Changes in the carrying amount of investment properties for the year ended December 31, 2023 are as follows (Korean won in thousands):

		2023
Beginning balance	₩	-
Others(*1)		54,385,718
Valuation		(955,472)
Ending balance	₩	53,430,246

(*1) For the year ended December 31, 2023, investment properties increased by ₩ 54,386 million due to transfer from property, plant and equipment with regard to the change in the land use plan.

B. The Group recognizes the gain or loss on the valuation of investment properties as 'other expenses' in the consolidated financial statements.

C. Details of income and expenses related to investment properties for the year ended December 31, 2023 are as follows (Korean won in thousands):

		2023
Loss on valuation of investment properties	₩	955,472

15. Investments in Associates and Joint Ventures

A. Details of investments in associates and joint ventures of the Group as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

				December 31, 2023		December 31, 2022
	Primary business	Location	Closing month	Ownership (%)	Carrying amount	Carrying amount
Associates						
A Holdings Corporation(*12)	Mobile service development	Japan	March	50.00	₩ 15,338,412,557	₩ 15,825,770,829
IPX Corporation-(*12)	Character and doll wholesale and retail	Korea	March	22.36	53,715,122	53,568,620
LINE Conomi Corporation(*7)	Global restaurant review service	Japan	March	-	-	-
Netmania Co., Ltd.	Software development and distribution	Korea	December	27.17	1,151,858	1,069,427
SYNAP SOFT CORP. (*3)	Software development and distribution	Korea	December	13.19	4,719,831	7,977,089
BonAngels Pacemaker Fund	Investment	Korea	December	22.73	2,762,985	2,893,929
Korea Contents Mutual Aid Association(*1)	Mutual Aid Association	Korea	December	51.96	9,640,358	9,602,510
Arointech inc	Software development and distribution	Korea	December	29.85	592,392	496,389
NAVER KIP Cheer up! Gamers Fund	Investment	Korea	December	50.00	243,750	2,861,897
Future Creation NAVER-SB Startup Investment Fund(*7)	Investment	Korea	December	-	-	4,784,055
NAVER-BSK Youth Foundation No.5 Investment Fund(*7)	Investment	Korea	December	-	-	7,449,744
N Space Co., Ltd.(*12)	Space service business	Korea	December	49.04	2,489,615	1,912,318
K-Fund I(*1)	Investment	France	December	74.81	304,070,856	314,407,579
Mirae Asset-NAVER New Growth Fund I	Investment	Korea	December	50.00	92,327,246	110,000,359
YG NAVER Contents & Lifestyle Fund(*1)	Investment	Korea	December	90.91	46,638,439	47,153,809
Digital Media Partners II, L.P.(*12)	Investment	Cayman Islands	December	26.88	2,379,084	2,491,566
Soran Media Venture Fund(*1)	Investment	Korea	December	66.67	592,926	658,741
Mirae Asset MAPS Private Placement Real Estate 62(*7)	Investment	Korea	December	-	-	446,980,895
Mirae Asset-Naver Asia Growth Fund (*3)(*12)	Investment	Korea	December	16.67	81,691,093	76,599,964
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*12)	Investment	Singapore	December	41.07	341,924,825	312,256,950
Alliance Internet Corp.	Revenue support for internet business start-up	Korea	December	23.53	2,808,845	2,154,452
CONG TY CO PHAN RBW VIETNAM(*6)	Content production	Vietnam	December	-	-	161,156
DHP private equity fund 3	Investment	Korea	December	25.16	142,133	142,134

Artificial Intelligence Research Institute (*3)(*11)	AI technology investment	Korea	December	14.29	-	-
SMEJ Plus INC	Global fanship related investment	Japan	December	30.07	8,555,292	9,944,321
Smart Korea Naver-Stonebridge Rising Investment Association	Investment	Korea	December	37.74	7,343,726	5,521,636
Carousell Pte Ltd(*3)(*12)	Platform Investment	Singapore	December	8.23	48,259,179	57,356,356
Do Ventures Fund I, I-A(*12)	Investment	Cayman Islands	December	22.59	13,106,741	9,832,731
Onestore Co., Ltd. (*12)	E-Commerce business	Korea	December	24.54	34,864,567	39,156,811
China Ventures Fund I, Limited Partnership(*1)(*12)	Investment	Canada	December	70.33	256,411,893	250,451,653
YN CULTURE & SPACE	Record production and planning	Korea	December	23.88	11,604,998	11,494,674
WEVERSE COMPANY Inc (*12)	Content production	Korea	December	44.52	274,082,155	282,807,558
Cafe24 Corp (*3)(*11)(*12)	Hosting and related service	Korea	December	14.81	30,313,319	30,217,790
K-Fund II	Investment	France	December	46.90	61,250,599	33,817,412
FUTURE INNOVATION PRIVATE EQUITY FUND III(*12)	Investment	Korea	December	25.38	63,444,667	47,894,586
CHINA VENTURES FUND II, L.P.(*1)(*12)	Investment	Cayman Islands	December	50.08	156,724,512	123,479,644
ICART GROUP PTE. LTD.(*3)(*11)(*12)	Online daily necessities and fresh food platforms	Singapore	December	10.89	-	-
Mirae Asset Partnership Growth Fund I (*1)	Investment	Korea	December	90.00	3,172,347	3,661,310
TBT Global Growth Fund Ⅲ	Investment	Korea	December	36.76	6,868,262	7,351,154
STL 18th Private Equity Fund	Investment	Korea	December	22.20	19,608,575	20,000,000
Makma	Content distribution	France	December	22.00	862,526	770,745
LINE NEXT Inc.(*3)(*9)	Applied software development and distribution	U.S.A	December	13.84	-	2,521,275
AXIS Co.,LTD (*8)	Software development and distribution	Korea	December	23.65	-	-
Studio Horang Co., Ltd.	Webtoon production	Korea	December	41.50	317,499	418,339
The Grimm entertainment Co.,Ltd.(*9)	Webtoon production	Korea	December	34.98	-	1,676,219
Big Picture Comics Co., Ltd.	Webtoon production	Korea	December	35.00	1,811,827	1,636,978
JQ COMICS Co., Ltd.	Webtoon production	Korea	December	35.06	210,693	242,913
ZK Studio Co., Ltd.	Webtoon production	Korea	December	40.00	400,487	351,729
Su Comics Co., Ltd.	Webtoon production	Korea	December	40.00	304,391	338,945
Studio Mul Co., Ltd.	Content production	Korea	December	35.00	4,034,679	3,526,159
A2Z Inc (*10) (*12)	Content distribution	Korea	December	26.67	29,292,272	45,157,899
Sam Studio Co., Ltd.	Content production	Korea	December	35.00	996,256	1,015,442
Only Won Entertainment Co., Ltd.	Content distribution	Korea	December	35.00	431,802	346,460
Studio hohoee Co.,Ltd.	Content distribution	Korea	December	33.02	757,341	687,555
GEULGGUN	Content distribution	Korea	December	22.22	135,604	258,114
Studio 389 Co., Ltd.(*9)	Content distribution	Korea	December	30.02	-	146,403
Yumistudio Co., Ltd.	Content distribution	Korea	December	35.00	1,995,526	2,058,896
J Peul Media Co., Ltd.(*10)	Content distribution	Korea	December	25.00	10,508,874	14,177,758
Cinamon. Inc(*3)(*9)	Visual novel game development and service	Korea	December	19.97	-	227,459
Studio Paran Inc.	Publishing	Korea	December	35.06	604,179	686,119
BY4M Studio Co., Ltd. (*3)(*12)	Content distribution	Korea	December	1.63	3,184,070	3,085,437
A2Z-IP Fund(*10)(*11)	Investment	Korea	December	20.00	1,336,201	1,888,205
SHINE PARTNERS CO., LTD.(*3)(*10)	Webtoon production	Japan	December	5.56	661,748	808,954
Vi-Frost(*3)(*10)(*11)(*12)	Webtoon and web novel production	Korea	December	15.87	385,646	1,408,994
Studio Ppuri Co., Ltd.	Animation production and distribution	Korea	December	20.00	3,309,447	2,972,009
XTORM CO., LTD	Animation production and distribution	Korea	December	25.00	11,823	69,595
SGRSOFT Co., Ltd. (*3)	Software development	Korea	December	10.88	444,394	495,525
Cutting Edge Inc. (*7)	Advertising film and video production	Korea	December	-	-	-
Fast Cowell Private Equity Fund	Investment	Korea	December	21.13	888,673	1,059,335
LaiQu Technology (ShenZhen) Company Limited(*11)	Software development and distribution	China	December	21.30	-	-
Famous Studio Corp.(*4)	Clothes, accessories, news distribution	Korea	December	100.00	-	2,781,583
Pala Inc. (*9)	Software development and distribution	Korea	December	43.22	-	99,884
Seno Corporation	Content production	Hongkong	December	45.00	108,476	108,890
Sasom Company Limited	Platform investment	Thailand	December	34.37	1,947,579	2,370,546
SODA inc.(*4)	Sneakers trading platform operations	Japan	May	64.85	-	108,882,537
Gorilla NCORE Metaverse 1	Investment	Korea	December	37.68	20,712,786	21,144,446
VerseWork Co., Ltd.(*8)	Content distribution	Korea	December	46.25	-	-
ZEP Co.,Ltd.(*12)	Meta verse service development	Korea	December	22.01	1,026,333	719,349
Pinokio, Inc.(*9)	Game content development	Korea	December	33.33	-	1,396,540
Chicment Co., Ltd.	E-Commerce business	Korea	December	30.00	2,980,103	2,978,651
Quokka Industries Inc.	Software development	Korea	December	33.33	1,290,685	3,185,938
Murple, Inc.	AI solution development	Korea	December	29.99	1,385,128	1,821,388
TAIL Start-up Fund I	Investment	Korea	December	40.00	1,906,947	1,949,064
CravingCollector Inc.	Second-hand fashion trading platform	Korea	December	42.53	1,313,782	3,377,498
Contrau ventures fund no.1	Investment	Korea	December	24.69	1,953,876	1,992,704
Purpleduck Corp.	Animation production and distribution	Korea	December	49.15	937,758	454,716
Studio 1991	Animation production and distribution	Korea	December	30.07	207,867	158,842
Studio Dragon Japan CO., LTD.	Content production	Japan	December	30.00	8,142,873	8,558,839
STUDIO YELL Co.	Animation production and distribution	Korea	December	35.00	88,565	101,859
Goodus Data, Inc. (*3)	Cloud services	Korea	December	7.50	3,149,826	3,006,169
Shake Hands Sdn Bhd(*12)	Sneakers trading platform operations	Malaysia	December	22.47	2,038,547	2,150,556
YLAB Corporation(*3)(*12)	Content production	Korea	December	9.56	6,479,766	5,165,081
Genius studio Corp.	Content production	Korea	December	35.00	177,665	-
PT Karunia International Citra Kencana	Sneakers trading platform operations	Indonesia	December	29.36	2,934,732	1,916,321

Teamplus Corp	Online ticket sales	Korea	December	43.13	5,058,845	-
BravoBeaver Incheon Corp.	Stationery production	Korea	December	26.00	286,917	-
Silicon Cube Co.,Ltd (*11)	Applied software development and distribution	Korea	December	41.36	-	-
Baecomm Co., LTD.	Academy/education operation management and service	Korea	December	27.29	1,035,778	1,773,116
LOCUS CORPORATION (*3)(*5)(*12)	Animation and VFX	Korea	December	19.68	11,400,275	-
Playlist Corporation (*5)	Web contents production and distribution	Korea	December	50.00	49,106,176	-
OVERDARE, Inc.(*3)	Contents service development and operations	U.S.A.	December	15.00	7,186,399	-
Havit Corporation(*9)	Mobile service development	Korea	December	28.57	-	2,857
					17,477,658,389	18,428,512,883
Joint ventures						
Mirai Fund Limited Liability Partnership(*2)(*12)	Investment	Japan	December	90.00	98,336,910	90,745,402
Cineplay Co., Ltd	Online information service and online advertising	Korea	December	49.00	135,219	401,536
China Lab Co.,Ltd.	Database and online information service	Korea	December	49.00	930,713	901,951
Designpress Co., Ltd.(*12)	Online information service and internet contents business	Korea	December	49.00	879,598	1,118,154
DaNaA Data Co., Ltd. (*7)	Software development and distribution	Korea	December	-	-	5,031,444
Inter Biz Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	946,266	960,874
Artition Co., Ltd.(*6)	Online information service and internet contents business	Korea	December	-	-	130,100
Agro Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	764,813	962,424
Sseom Lab Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,092,734	1,070,554
Tech Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	957,166	1,183,491
Animal and Human Story Inc.(*9)	Online information service and internet contents business	Korea	December	49.00	-	71,191
Law&Media Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	230,803	213,688
Yeopeul Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	2,022,728	2,340,312
School Jaem Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	618,077	591,720
Studio TooN Corp	Animation production and distribution	Korea	December	49.00	4,290,684	4,880,643
jobsN CO., Ltd(*6)	Online information service	Korea	December	-	-	2,170,555
					111,205,711	112,774,039
					₩ 17,588,864,100	₩ 18,541,286,922

(*1) Although the Group has more than 50% ownership in the investees, the Group does not have controls over these entities by virtue of agreements and classifies them as associates.
(*2) Although the Group has more than 50% ownership in the investees. The Group has a joint control in accordance with the agreement and classifies them as an investment in joint venture.
(*3) Although the Group has less than 20% ownership in the investees, the Group has significant influence over the entities by virtue of agreements and classified as associates.
(*4) The entities marked above is reclassified from associates to subsidiaries due to the acquisition of the control over the entities for the year ended December 31, 2023.
(*5) The entities marked above is reclassified from subsidiaries to associates due to the loss of the control over the entities for the year ended December 31, 2023.
(*6) The entities have been excluded from associates and joint ventures due to liquidation for the year ended December 31, 2023.
(*7) The entities have been excluded from associates due to disposal for the year ended December 31, 2023.
(*8) The investment in associates is reclassified to financial instrument due to the decrease in the portion of ownership for the year ended December 31, 2022.
(*9) The investment in associates is reclassified to financial instrument due to the decrease in the portion of ownership for the year ended December 31, 2023.
(*10) The Group has stopped recognizing its share of losses using the equity method as its carrying amount is less than nil (0) due to accumulated losses for the year ended December 31, 2023.
(*11) The Group has stopped recognizing its share of losses using the equity method as its carrying amount is less than nil (0) due to accumulated losses before January 1, 2022.
(*12) Applied based on their consolidated financial statements. The related subsidiaries of the associates and joint ventures are as follows:

	Subsidiaries of associates and joint ventures
A Holdings Corporation	LY Corporation
IPX Corporation	LINE Friends Inc., LINE Friends Japan, LINE Friends(Shanghai) Commercial Trade Co., Ltd, LINE Friends Taiwan Limited
Carousell Pte Ltd	Carousell Trust Pte, Ltd., Revo Financial Pte, Ltd., Agensi Pekerjaan Mjobs Sdn Bhd, Carousell Limited, Carousell Ltd, Carousell Technology Ltd, Share Possible, Inc., Mint Square Pte Ltd, Carousell Technology Private Limited, 701Search Pte Ltd, OneShift Pte Ltd, One In Shoese Pte Ltd, Ox Luxe Pte Ltd, Refash Pte Ltd, Lyra SPV Pte Ltd, Orion SPV Pte Ltd
Digital Media Partners II, L.P.	Medical Departures Inc., STV Fund, LP
Onestore Co., Ltd.	ROKMEDIA, ONESTORE GLOBAL PTE.LTD., Infra Communications Corp, One Store International Holding B.V.
WEVERSE COMPANY Inc	WEVERSE JAPAN, INC., WEVERSE AMERICA, INC.
Cafe24 Corp	SIMPLEX INTERNET Philippines INC., YANJI SIMPLEX Scientific Technology Co.Ltd., SSIC Co., Ltd., CAFE24 JAPAN INC., JC Apparel Corp, Fastbox Corp, Feelway Corp, CAFE24 VIETNAM COMPANY LIMITED, CAFE24 CHINA CO.,LTD., CAFE24 INDIA PRIVATE LIMITED, CAFE24 AMERICA INC, CAFE24 COMMERCE EUROPE GMBH
ICART GROUP PTE. LTD.	PT Icart Group Indonesia, Icart Malaysia, HappyFresh (Thailand), Icart Venture Philippines
China Ventures Fund I, Limited Partnership	China Ventures Fund I, PTE, LTD.
Mirae Asset-Naver Asia Growth Fund	Mirae Asset - Naver Asia Growth Investment Pte. Ltd.
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	LogisValley BacNinh Company Limited, LogisValley Vina Co., Ltd.
Mirai Fund Limited Liability Partnership	Mission Worldwide Group Limited
Do Ventures Fund I, I-A	Do Ventures Fund I
A2Z Inc.	Redeye Studio, Studio EEK Co., 3B2S Co., Reverse Corp, Studio Swing Bat Co., NEMOZIUM E&M Co., Red Seven Corporation
Vi-Frost	Breathe Company Corporation
BY4M Studio Co., Ltd.	BY4M FNT Corp., Moving Pictures Company Co., Ltd, Natureloud corp, STUDIO GSTAR, Major Nine Co., Ltd, REVIVECONTENTS CO., DNB I&C Corp, ATRP Corp, Studio GGG, Studio Hanyereum, Studio Pureundal
Shake Hands Sdn Bhd	Sneakerlah Sdn Bhd
N Space Co., Ltd.	Indie Workers Inc.
Designpress Co., Ltd	DFleek Co., Ltd
CHINA VENTURES FUND II, L.P.	China Ventures Fund II Pte. Ltd., SV Paradigm Aspiration I Limited, SV Paradigm Aspiration II Limited, Tianjin Yuanzhu Venture Capital Partnership, SV MBNG L.P.
FUTURE INNOVATION PRIVATE EQUITY FUND III	FIF I, FIF II, FIF III, FIF IV, SV FIF TM Limited, FIF VI SV DTBN LIMITED, FIF VII, FIF VIII, FIF IX, FIF X
LOCUS CORPORATION	Locus X Co., Ltd, Locus Theater Ani 2015 Culture Industry Special Purpose Company Ltd
ZEP Co.,Ltd	ZEP SG PTE. LTD.
YLAB	YLAB Academy, YLAB STUDIOS

B. Details of valuation of investments in associates and joint ventures that are accounted for using the equity method for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023							
			Valuation of equity method					
	Beginning balance	Acquisition/ Disposal/ refund of investment	Share of Profit or loss	Share of Other comprehensive income (loss)	Dividends	Impairment	Others	Ending balance
Associates								
A Holdings Corporation	₩ 15,825,770,829	₩ -	₩ 254,123,170	₩ (620,832,612)	₩ (120,648,830)	₩ -	₩ -	₩ 15,338,412,557
IPX Corporation(formerly, LINE friends corporation)	53,568,620	-	(12,949,171)	1,381,441	-	-	11,714,232	53,715,122
LINE Conomi Corporation	-	-	-	155,012	-	-	(155,012)	-
Netmania Co., Ltd.	1,069,427	-	82,431	-	-	-	-	1,151,858
SYNAP SOFT CORP.	7,977,089	(4,468,953)	1,341,367	(15,850)	(107,142)	-	(6,680)	4,719,831
BonAngels Pacemaker Fund	2,893,929	-	483,780	(239,724)	(375,000)	-	-	2,762,985
Korea Contents Mutual Aid Association	9,602,510	(72,000)	41,196	-	-	-	68,652	9,640,358
Arointech inc	496,389	-	96,003	-	-	-	-	592,392
NAVER KIP Cheer up! Gamers Fund	2,861,897	(1,022,000)	1,583,515	(1,709,661)	(1,470,001)	-	-	243,750
Future Creation NAVER-SB Startup Investment Fund	4,784,055	(4,780,832)	(3,223)	-	-	-	-	-
NAVER-BSK Youth Foundation No.5 Investment Fund	7,449,744	(6,502,706)	4,169,719	(2,620,821)	(2,666,111)	-	170,175	-
N Space Co., Ltd.	1,912,318	-	577,297	-	-	-	-	2,489,615
K-Fund I	314,407,579	(9,982,074)	3,189,361	17,192,033	(20,843,845)	-	107,802	304,070,856
Mirae Asset-NAVER New Growth Fund I	110,000,359	(31,000,000)	13,326,887	-	-	-	-	92,327,246
YG NAVER Contents & Lifestyle Fund	47,153,809	-	(2,515,990)	2,000,620	-	-	-	46,638,439
Digital Media Partners II, L.P.	2,491,566	-	(159,122)	46,640	-	-	-	2,379,084
Soran Media Venture Fund	658,741	-	(65,815)	-	-	-	-	592,926
Mirae Asset MAPS Private Placement Real Estate 62	446,980,895	(438,818,857)	-	-	(8,162,038)	-	-	-
Mirae Asset-Naver Asia Growth Fund	76,599,964	(2,861,740)	6,677,208	1,275,661	-	-	-	81,691,093
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	312,256,950	(14,169,325)	34,070,163	9,767,037	-	-	-	341,924,825
Alliance Internet Corp.	2,154,452	-	654,393	-	-	-	-	2,808,845
CONG TY CO PHAN RBW VIETNAM	161,156	(161,156)	-	12,816	-	-	(12,816)	-
DHP private equity fund 3	142,134	-	(1)	-	-	-	-	142,133

Artificial Intelligence Research Institute	-	-	-	-	-	-	-	-
SMEJ Plus INC	9,944,321	-	(155,060)	(1,233,969)	-	-	-	8,555,292
Smart Korea Naver-Stonebridge Rising Investment Association	5,521,636	2,000,000	(177,910)	-	-	-	-	7,343,726
Carousell Pte Ltd	57,356,356	-	(10,298,810)	1,201,633	-	-	-	48,259,179
Do Ventures Fund I, I-A	9,832,731	1,988,400	1,189,953	137,990	-	-	(42,333)	13,106,741
Onestore Co., Ltd.	39,156,811	-	(8,262,091)	(80,086)	-	-	4,049,933	34,864,567
China Ventures Fund I, Limited Partnership	250,451,653	2,019,181	1,249,789	2,691,270	-	-	-	256,411,893
YN CULTURE & SPACE	11,494,674	-	110,682	(358)	-	-	-	11,604,998
WEVERSE COMPANY Inc.	282,807,558	-	(30,245,621)	21,458,852	-	-	61,366	274,082,155
Cafe24 Corp	30,217,790	-	(34,756)	130,285	-	-	-	30,313,319
K-Fund II	33,817,412	28,624,048	(3,116,644)	1,992,108	-	-	(66,325)	61,250,599
FUTURE INNOVATION PRIVATE EQUITY FUND III	47,894,586	3,349,800	11,726,196	474,085	-	-	-	63,444,667
CHINA VENTURES FUND II, L.P.	123,479,644	5,074,682	26,113,947	2,056,239	-	-	-	156,724,512
ICART GROUP PTE. LTD.	-	-	-	-	-	-	-	-
Mirae Asset Partnership Growth Fund I	3,661,310	-	(488,963)	-	-	-	-	3,172,347
TBT Global Growth Fund III	7,351,154	-	(485,748)	-	(9,739)	-	12,595	6,868,262
STL 18th Private Equity Fund	20,000,000	-	24,844	-	(604,932)	-	188,663	19,608,575
Makma	770,745	-	123,097	43,683	(74,999)	-	-	862,526
LINE NEXT Inc.	2,521,275	-	(2,560,031)	38,756	-	-	-	-
AXIS Co.,LTD	-	-	-	-	-	-	-	-
Studio Horang Co., Ltd.	418,339	-	(100,840)	-	-	-	-	317,499
The Grimm entertainment Co.,Ltd.	1,676,219	-	(1,676,219)	-	-	-	-	-
Big Picture Comics Co., Ltd.	1,636,978	-	174,849	-	-	-	-	1,811,827
JQ COMICS Co., Ltd.	242,913	-	(32,220)	-	-	-	-	210,693
ZK Studio Co., Ltd.	351,729	-	48,758	-	-	-	-	400,487
Su Comics Co., Ltd.	338,945	-	(34,554)	-	-	-	-	304,391
Studio Mul Co., Ltd.	3,526,159	-	508,520	-	-	-	-	4,034,679
A2Z Inc.(*1)	45,157,899	-	846,439	(1,164,552)	-	(15,547,514)	-	29,292,272
Sam Studio Co., Ltd.	1,015,442	-	(19,186)	-	-	-	-	996,256
Only Won Entertainment Co., Ltd.	346,460	-	85,342	-	-	-	-	431,802
Studio hohoee Co.,Ltd.	687,555	-	69,786	-	-	-	-	757,341
GEULGGUN	258,114	-	(122,510)	-	-	-	-	135,604
Studio 389 Co., Ltd.	146,403	-	(146,403)	-	-	-	-	-
Yumistudio Co., Ltd.	2,058,896	-	(63,370)	-	-	-	-	1,995,526
J Peul Media Co., Ltd.(*1)	14,177,758	-	324,701	-	-	(3,993,585)	-	10,508,874
Cinamon. Inc	227,459	-	(259,803)	32,159	-	-	185	-
Studio Paran Inc.	686,119	-	(81,940)	-	-	-	-	604,179
BY4M Studio Co., Ltd.	3,085,437	-	150,911	(51,999)	-	-	(279)	3,184,070
A2Z-IP Fund (*1)	1,888,205	-	(53,248)	-	-	(498,756)	-	1,336,201
SHINE PARTNERS CO., LTD.(*1)	808,954	-	(8,644)	(35,652)	-	(102,910)	-	661,748
Vi-Frost (*1)	1,408,994	-	(177,150)	-	-	(846,198)	-	385,646
Studio Ppuri Co., Ltd.	2,972,009	-	337,438	-	-	-	-	3,309,447
XTORM CO., LTD	69,595	-	(57,772)	-	-	-	-	11,823
SGRSOFT Co., Ltd.	495,525	-	(51,131)	-	-	-	-	444,394
Cutting Edge Inc.	-	-	(27,861)	-	-	-	27,861	-
Fast Cowell Private Equity Fund	1,059,335	-	(38,805)	-	(131,857)	-	-	888,673
LaiQu Technology (ShenZhen) Company Limited	-	-	-	-	-	-	-	-
Famous Studio Corp.(*2)	2,781,583	-	708,641	-	-	-	(3,490,224)	-
Pala Inc	99,884	-	(1,379,753)	-	-	-	1,279,869	-
Seno Corporation	108,890	-	(2,067)	1,653	-	-	-	108,476
Sasom Company Limited	2,370,546	585,734	(1,078,099)	69,398	-	-	-	1,947,579
SODA inc.(*2)	108,882,537	-	(19,988,609)	2,493,767	-	-	(91,387,695)	-
Gorilla NCORE Metaverse 1	21,144,446	-	(431,660)	-	-	-	-	20,712,786
VerseWork Co., Ltd.	-	-	-	-	-	-	-	-
ZEP Co.,Ltd.	719,349	1,334,010	(1,466,880)	-	-	-	439,854	1,026,333
Pinokio, Inc.	1,396,540	-	(1,396,540)	-	-	-	-	-
Chicment Co., Ltd.	2,978,651	-	1,452	-	-	-	-	2,980,103
Quokka Industries Inc.	3,185,938	-	(1,895,253)	-	-	-	-	1,290,685
Murple, Inc.	1,821,388	-	(436,260)	-	-	-	-	1,385,128
TAIL Start-up Fund I	1,949,064	-	(42,117)	-	-	-	-	1,906,947
CravingCollector Inc.	3,377,498	-	(2,063,716)	-	-	-	-	1,313,782
Contrau ventures fund no.1	1,992,704	-	(38,828)	-	-	-	-	1,953,876
Purpleduck Corp.	454,716	509,231	(26,189)	-	-	-	-	937,758
Studio 1991	158,842	-	49,025	-	-	-	-	207,867
Studio Dragon Japan CO., LTD.	8,558,839	-	(52,151)	(363,815)	-	-	-	8,142,873
STUDIO YELL Co.	101,859	-	(13,294)	-	-	-	-	88,565
Goodus Data, Inc	3,006,169	-	143,354	303	-	-	-	3,149,826
Shake Hands Sdn Bhd	2,150,556	-	(63,148)	(48,861)	-	-	-	2,038,547
YLAB Corporation	5,165,081	-	(176,373)	1,988	-	-	1,489,070	6,479,766
Genius studio Corp.	-	200,015	(22,350)	-	-	-	-	177,665
PT Karunia International Citra Kencana	1,916,321	1,216,763	(215,777)	17,425	-	-	-	2,934,732
TeamPlus Corp	-	4,372,500	686,345	-	-	-	-	5,058,845
Bravo Beaver Incheon	-	260,000	26,917	-	-	-	-	286,917
Silicon Cube Co.,Ltd	-	-	-	-	-	-	-	-
Baecomm Co., LTD	1,773,116	-	(2,211,260)	-	-	-	1,473,922	1,035,778
LOCUS CORPORATION (*3)	-	(7,551,328)	1,123,224	-	-	-	17,828,379	11,400,275
Playlist Corporation (*3)	-	-	10,994,511	-	-	-	38,111,665	49,106,176
OVERDARE, Inc.	-	7,186,399	-	-	-	-	-	7,186,399
Havit Corporation	2,857	-	(2,857)	-	-	-	-	-
	18,428,512,883	(462,670,208)	269,761,418	(563,725,106)	(155,094,494)	(20,988,963)	(18,137,141)	17,477,658,389
Joint ventures								
Mirai Fund Limited Liability Partnership	90,745,402	-	(1,365,158)	8,956,666	-	-	-	98,336,910
Cineplay Co., Ltd	401,536	-	(266,317)	-	-	-	-	135,219
China Lab Co.,Ltd.	901,951	-	28,762	-	-	-	-	930,713
Designpress Co., Ltd.	1,118,154	-	(238,556)	-	-	-	-	879,598

DaNaA Data Co., Ltd.	5,031,444	(5,007,482)	(23,962)	-	-	-	-	-
Inter Biz Co., Ltd.	960,874	-	(14,608)	-	-	-	-	946,266
Artition Co., Ltd.	130,100	(130,100)	-	-	-	-	-	-
Agro Plus Co., Ltd.	962,424	-	(197,611)	-	-	-	-	764,813
Sseom Lab Co., Ltd.	1,070,554	-	22,180	-	-	-	-	1,092,734
Tech Plus Co., Ltd.	1,183,491	-	(226,325)	-	-	-	-	957,166
Animal and Human Story Inc.	71,191	-	(71,191)	-	-	-	-	-
Law&Media Co., Ltd.	213,688	-	17,115	-	-	-	-	230,803
Yeopeul Co., Ltd.	2,340,312	-	(317,584)	-	-	-	-	2,022,728
School Jaem Co., Ltd.	591,720	-	26,357	-	-	-	-	618,077
Studio TooN Corp	4,880,643	-	(589,959)	-	-	-	-	4,290,684
jobsN CO., Ltd	2,170,554	(2,170,555)	-	-	-	-	-	-
	112,774,039	(7,308,137)	(3,216,857)	8,956,666	-	-	-	111,205,711
	₩ 18,541,286,922	₩ (469,978,345)	₩ 266,544,561	₩ (554,768,440)	₩ (155,094,494)	₩ (20,988,963)	₩ (18,137,141)	₩ 17,588,864,100

(*1) An impairment loss is recognized as the carrying amount exceeded the recoverable amount due to continuous operating loss and others during the year. The recoverable amount is measured on the value in use or the fair value less the costs of disposal which were estimated using an income approach. An assumed discount rate used is 14.70%~16.77% and perpetual growth rate used is 0.0%~1.0%.
(*2) The investment in associates is reclassified to subsidiary due to additional acquisition of ownership for the year ended December 31, 2023.
(*3) The investment in associates is reclassified to financial instrument due to the decrease in the portion of ownership for the year ended December 31, 2023.

	2022							
			Valuation of equity method					
	Beginning balance	Acquisition/ Disposal/ refund of investment	Share of Profit or loss	Share of Other comprehensive income (loss)	Dividends	Impairment	Others	Ending balance
Associates								
A Holdings Corporation	₩ 17,055,166,390	₩ -	₩ 272,255,674	₩ (1,010,608,651)	₩ (491,042,584)	₩ -	₩ -	₩ 15,825,770,829
IPX Corporation(formerly, LINE friends corporation)	71,593,000	-	(16,517,795)	(1,506,585)	-	-	-	53,568,620
LINE Conomi Corporation	2,547,781	-	(2,432,035)	(115,745)	-	-	-	-
Netmania Co., Ltd.	1,024,479	-	44,948	-	-	-	-	1,069,427
SYNAP SOFT CORP.	6,760,669	-	1,308,928	14,635	(107,142)	-	-	7,977,089
BonAngels Pacemaker Fund	3,366,324	-	633,883	393,722	(1,500,000)	-	-	2,893,929
Korea Contents Mutual Aid Association	9,486,620	82,000	27,105	-	-	-	6,785	9,602,510
Arointech inc	635,098	-	(130,709)	-	(8,000)	-	-	496,389
NAVER KIP Cheer up! Gamers Fund	2,991,762	-	189,191	(319,057)	-	-	-	2,861,897
Future Creation NAVER-SB Startup Investment Fund	6,146,285	(381,702)	927,804	(832,652)	(1,075,680)	-	-	4,784,055
NAVER-BSK Youth Foundation No.5 Investment Fund	11,651,697	(1,144,021)	(235,613)	(2,822,320)	-	-	-	7,449,744
N Space Co., Ltd.	1,421,943	-	490,375	-	-	-	-	1,912,318
K-Fund I	358,740,139	(9,887,959)	(23,085,887)	2,930,201	(14,288,915)	-	-	314,407,579
Mirae Asset-NAVER New Growth Fund I	43,795,009	(717,000)	66,922,349	-	-	-	-	110,000,359
YG NAVER Contents & Lifestyle Fund	49,716,578	-	(517,506)	(2,045,262)	-	-	-	47,153,809
Digital Media Partners II, L.P.	2,514,313	-	(190,374)	167,627	-	-	-	2,491,566
Soran Media Venture Fund	708,971	-	(50,229)	-	-	-	-	658,741
Mirae Asset MAPS Private Placement Real Estate 62	422,050,705	-	33,301,860	-	(8,371,671)	-	-	446,980,895
Mirae Asset-Naver Asia Growth Fund	113,919,783	(20,755,381)	(23,732,422)	7,167,983	-	-	-	76,599,964
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	460,866,589	(85,851,699)	(86,829,957)	24,072,016	-	-	-	312,256,950
Alliance Internet Corp.	2,022,731	-	131,722	-	-	-	-	2,154,452
CONG TY CO PHAN RBW VIETNAM	161,156	-	-	-	-	-	-	161,156
DHP private equity fund 3	171,274	(39,102)	9,962	-	-	-	-	142,134
Artificial Intelligence Research Institute(*1)	2,112,698	-	(358,727)	-	-	(1,753,971)	-	-
SMEJ Plus INC	13,361,774	-	(789,369)	(2,628,085)	-	-	-	9,944,321
Smart Korea Naver-Stonebridge Rising Investment Association	3,778,068	2,000,000	(256,432)	-	-	-	-	5,521,636
Carousell Pte Ltd	61,229,525	-	(8,431,752)	4,558,583	-	-	-	57,356,356
Do Ventures Fund I, I-A	5,453,206	2,625,800	1,142,445	377,078	-	-	234,202	9,832,731
Onestore Co., Ltd.	48,048,257	-	(9,145,476)	247,907	-	-	6,123	39,156,811
China Ventures Fund I, Limited Partnership	254,385,809	5,273,101	(27,249,464)	18,042,207	-	-	-	250,451,653
YN CULTURE & SPACE	7,714,374	3,923,080	(122,280)	(20,500)	-	-	-	11,494,674
WEVERSE COMPANY Inc.	219,182,017	199,999,533	(60,558,790)	(83,401,908)	-	-	7,586,705	282,807,558
Cafe24 Corp.(*1)	116,245,149	-	(4,050,882)	(213,911)	-	(81,763,020)	454	30,217,790
K-Fund II	989,118	34,298,334	(2,347,382)	18,845	-	-	858,497	33,817,412
FUTURE INNOVATION PRIVATE EQUITY FUND III	45,652,076	-	(2,857,559)	5,100,069	-	-	-	47,894,586
CHINA VENTURES FUND II, L.P.	75,450,379	29,754,834	12,131,149	6,143,282	-	-	-	123,479,644
Paramark KB Fund I(*2)	1,972,000	9,622,133	(509,143)	-	-	-	(11,084,990)	-
ICART GROUP PTE. LTD.(*1)	21,096,244	-	(3,146,090)	1,825,350	-	(19,775,505)	-	-
Mirae Asset Partnership Growth Fund I	-	4,500,000	(838,690)	-	-	-	-	3,661,310
Makma	754,336	-	71,116	3,955	(58,662)	-	-	770,745
LINE NEXT Inc.	-	6,181,209	(3,456,753)	(203,180)	-	-	-	2,521,275

AXIS Co.,LTD	-	-	-	-	-	-	-	-
Studio Horang Co., Ltd.	529,524	-	(111,184)	-	-	-	-	418,339
The Grimm entertainment Co.,Ltd.	1,768,038	-	(91,819)	-	-	-	-	1,676,219
Big Picture Comics Co., Ltd.	1,523,761	-	113,217	-	-	-	-	1,636,978
Studio JHS Co., Ltd. (*3)	1,148,699	-	216,714	-	-	-	(1,365,413)	-
JQ COMICS Co., Ltd.	136,582	-	106,330	-	-	-	-	242,913
ZK Studio Co., Ltd.	265,554	-	86,175	-	-	-	-	351,729
Su Comics Co., Ltd.	345,384	-	(6,439)	-	-	-	-	338,945
Studio Mul Co., Ltd.	3,342,137	-	184,021	-	-	-	-	3,526,159
A2Z Inc.	39,962,338	-	3,158,801	2,036,760	-	-	-	45,157,899
Sam Studio Co., Ltd.	951,798	-	63,644	-	-	-	-	1,015,442
Only Won Entertainment Co., Ltd.	220,071	-	126,389	-	-	-	-	346,460
Studio hohoee Co.,Ltd.	738,091	-	(50,536)	-	-	-	-	687,555
GEULGGUN	170,815	-	(112,508)	-	-	-	199,807	258,114
Studio 389 Co., Ltd.	83,359	-	63,045	-	-	-	-	146,403
Yumistudio Co., Ltd.	1,660,472	-	398,424	-	-	-	-	2,058,896
J Peul Media Co., Ltd.	13,949,317	-	228,441	-	-	-	-	14,177,758
MUNPIA INC.(*3)	60,736,765	-	-	(70,397)	-	-	(60,666,368)	-
Cinamon. Inc	1,348,953	-	(1,151,765)	10,998	-	-	19,273	227,459
Studio Paran Inc.	-	700,000	(13,881)	-	-	-	-	686,119
BY4M Studio Co., Ltd.	-	2,999,672	(16,545)	(3,811)	-	-	106,121	3,085,437
A2Z-IP Fund (*1)	3,288,742	-	(56,066)	-	-	(1,344,471)	-	1,888,205
SHINE PARTNERS CO., LTD.	848,514	-	15,176	(54,737)	-	-	-	808,954
Vi-Frost (*1)	1,961,819	-	137,803	-	-	(690,628)	-	1,408,994
Studio Ppuri Co., Ltd.	-	2,750,000	222,009	-	-	-	-	2,972,009
XTORM CO., LTD	-	150,000	(106,629)	-	-	-	26,224	69,595
SGRSOFT Co., Ltd.	-	499,960	(4,435)	-	-	-	-	495,525
Cutting Edge Inc.	-	279,621	-	-	-	-	(279,621)	-
eBOOK Initiative Japan Co., Ltd.(*3)	101,601,682	-	-	-	-	-	(101,601,682)	-
Fast Cowell Private Equity Fund	1,210,651	(659,283)	556,750	-	(48,783)	-	-	1,059,335
LaiQu Technology (ShenZhen) Company Limited	-	-	-	-	-	-	-	-
Famous Studio Corp.	2,010,285	-	771,297	-	-	-	-	2,781,583
Pala Inc	452,921	2,682,928	(2,996,306)	-	-	-	(39,659)	99,884
Seno Corporation	102,596	-	(765)	7,059	-	-	-	108,890
Sasom Company Limited	741,884	2,578,426	(899,273)	(50,491)	-	-	-	2,370,546
SODA inc.	109,108,961	-	(2,522,068)	(2,311,318)	-	-	4,606,962	108,882,537
Gorilla NCORE Metaverse 1	22,017,790	-	(880,142)	-	-	-	6,798	21,144,446
VerseWork Co., Ltd.	745,482	300,000	(1,045,482)	-	-	-	-	-
ZEP Co.,Ltd.	400,000	934,000	(921,515)	-	-	-	306,865	719,349
Pinokio, Inc.	-	4,000,000	(2,603,460)	-	-	-	-	1,396,540
Chicment Co., Ltd.	-	3,000,000	(21,349)	-	-	-	-	2,978,651
Quokka Industries Inc.	-	4,000,000	(814,062)	-	-	-	-	3,185,938
Murple, Inc.	-	1,799,000	22,388	-	-	-	-	1,821,388
TAIL Start-up Fund I	391,702	1,600,000	(42,638)	-	-	-	-	1,949,064
CravingCollector Inc.	-	5,599,984	(2,222,486)	-	-	-	-	3,377,498
Contrau ventures fund no.1	-	2,000,000	(7,296)	-	-	-	-	1,992,704
TBT Global Growth Fund III	-	7,500,000	(154,930)	-	(9,637)	-	15,721	7,351,154
Purpleduck Corp.	-	473,846	(19,130)	-	-	-	-	454,716
Studio 1991	-	149,984	8,858	-	-	-	-	158,842
Studio Dragon Japan CO., LTD.	-	8,734,770	(19,974)	(155,956)	-	-	-	8,558,839
Toonimotion Corp (*2)	-	281,000	-	-	-	-	(281,000)	-
Bidansoop (*2)	-	100,004	-	-	-	-	(100,004)	-
STUDIO YELL Co.	-	107,700	(5,841)	-	-	-	-	101,859
Goodus Data, Inc	-	2,999,952	6,217	-	-	-	-	3,006,169
Shake Hands Sdn Bhd	-	2,216,898	(9,150)	(57,192)	-	-	-	2,150,556
STL 18th Private Equity Fund	-	20,000,000	-	-	-	-	-	20,000,000
YLAB Corporation	-	5,120,404	(52,584)	-	-	-	97,261	5,165,081
PT Karunia International Citra Kencana	-	1,962,744	-	(46,422)	-	-	-	1,916,321
Silicon Cube Co.,Ltd	-	-	-	-	-	-	-	-
Baecomm Co., LTD (*4)	-	-	(653,117)	-	-	-	2,426,233	1,773,116
Havit Corporation	2,857	-	-	-	-	-	-	2,857
	19,878,651,870	264,344,769	100,619,519	(1,034,349,901)	(516,511,074)	(105,327,595)	(158,914,705)	18,428,512,883
Joint ventures								
Mirai Fund Limited Liability Partnership	191,172,090	-	(1,993,324)	(98,433,364)	-	-	-	90,745,402
Cineplay Co., Ltd	773,054	-	(371,518)	-	-	-	-	401,536
China Lab Co.,Ltd.	746,262	-	155,689	-	-	-	-	901,951
Designpress Co., Ltd.	1,033,196	-	84,958	-	-	-	-	1,118,154
DaNaA Data Co., Ltd.	4,998,958	-	32,487	-	-	-	-	5,031,444
Inter Biz Co., Ltd.	1,118,536	-	(157,662)	-	-	-	-	960,874
Artition Co., Ltd.	346,223	-	(216,123)	-	-	-	-	130,100
Agro Plus Co., Ltd.	980,539	-	(18,114)	-	-	-	-	962,424
Sseom Lab Co., Ltd.	1,043,056	-	27,498	-	-	-	-	1,070,554
Tech Plus Co., Ltd.	1,321,285	-	(137,794)	-	-	-	-	1,183,491
Animal and Human Story Inc.	346,534	-	(275,343)	-	-	-	-	71,191
Law&Media Co., Ltd.	207,297	-	6,391	-	-	-	-	213,688
Yeopeul Co., Ltd.	2,365,331	-	(25,018)	-	-	-	-	2,340,312
School Jaem Co., Ltd.	638,940	-	(47,221)	-	-	-	-	591,720
Baecomm Co., LTD.(*4)	2,198,751	-	(614,375)	-	-	-	(1,584,377)	-
Studio TooN Corp	-	4,998,000	(117,357)	-	-	-	-	4,880,643
jobsN CO., Ltd	2,362,095	-	(191,540)	-	-	-	-	2,170,554
	211,652,147	4,998,000	(3,858,366)	(98,433,364)	-	-	(1,584,377)	112,774,039
	₩ 20,090,304,017	₩ 269,342,769	₩ 96,761,153	₩ (1,132,783,265)	₩ (516,511,074)	₩ (105,327,595)	₩ (160,499,082)	₩ 18,541,286,922

(*1) An impairment loss is recognized as the carrying amount exceeded the recoverable amount due to continuous operating loss and others during the year. The recoverable amount is measured on the value in use or the fair value less the costs of disposal which were estimated using an income approach. An assumed discount rate used is 14.26% and perpetual growth rate used is 1.0%.

(*2) The investment in associates is reclassified to financial instrument due to the decrease in the portion of ownership for the year ended December 31, 2022.
(*3) The investment in associates is reclassified to subsidiary due to additional acquisition of ownership for the year ended December 31, 2022.
(*4) The investment in joint venture is reclassified to associate for the year ended December 31, 2022 due to the loss of joint control over the entity.

C. Summarized financial information for those associates and joint ventures that are material to the Group and received dividends from the associates and joint ventures as of December 31, 2023 and 2022 for each of the two years in the period ended December 31, 2023 is as follow (Korean won in thousands):

	December 31, 2023				
	Summarized financial position				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
Associates					
A Holdings Corporation(*)	₩ 28,948,437,627	₩ 55,638,558,797	₩ 37,645,410,064	₩ 14,077,635,272	₩ 23,870,907,672
K-Fund I	3,448,474	403,413,355	420,452	-	406,441,377
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*)	67,649,891	785,559,474	2,457,355	20,901,879	831,096,573
WEVERSE COMPANY Inc (*)	206,193,864	303,335,543	139,198,838	8,706,428	349,601,138
Joint ventures					
Mirai Fund Limited Liability Partnership(*)	10,514,003	164,595,348	5,475,361	5,157,391	162,132,254

	2023					
	Revenue	Operating income	Net income	Other comprehensive income	Total comprehensive income (loss)	Dividend received
Associates						
A Holdings Corporation(*)	₩16,581,856,894	₩ 1,400,361,136	₩ 450,253,285	₩ 141,092,285	₩ 591,345,570	₩ 120,648,830
K-Fund I	196,424	(5,967,261)	(5,967,261)	-	(5,967,261)	20,843,845
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*)	5,073,323	80,299,235	79,190,655	-	79,190,655	-
WEVERSE COMPANY Inc (*)	407,003,676	(6,837,664)	(4,166,955)	(3,666,824)	(7,833,779)	-
Joint ventures						
Mirai Fund Limited Liability Partnership(*)	9,482,597	(5,820,905)	(1,525,273)	731,438	(793,835)	-

(*) Based on the consolidated financial statements and equity and profit for the year only includes profit attributable to the controlling shareholders.

	December 31, 2022				
	Summarized financial position				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
Associates					
A Holdings Corporation(*)	₩ 31,714,988,171	₩ 53,177,953,202	₩ 37,200,423,592	₩ 14,073,059,105	₩ 24,516,911,088
MiraeAsset MAPS Private Placement Real Estate 62	58,844,074	1,772,932,535	21,413,238	824,132,660	986,230,711
K-Fund I	74,537,386	345,835,423	114,678	-	420,258,131
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	42,582,422	763,615,122	8,257,689	19,581,706	779,193,587
WEVERSE COMPANY Inc (*)	265,628,967	318,195,927	201,648,538	9,724,675	365,693,049
Joint ventures					
Mirai Fund Limited Liability Partnership(*)	14,340,445	168,536,113	3,787,554	5,773,864	170,251,917
DANAA Data	10,243,512	31,273	1,845	4,687	10,268,254

	2022					
	Revenue	Operating income	Net income	Other comprehensive income	Total comprehensive income (loss)	Dividend received
Associates						
A Holdings Corporation(*)	₩ 16,186,194,411	₩ 2,309,607,509	₩ 556,785,097	₩ (30,509,496)	₩ 526,275,601	₩ 491,042,584
MiraeAsset MAPS Private Placement Real Estate 62	94,299,332	72,256,385	72,256,385	-	72,256,385	8,371,671
K-Fund I	5,168,432	(1,104,179)	(1,104,179)	-	(1,104,179)	14,288,915
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	4,788,530	(230,917,803)	(231,547,627)	-	(231,547,627)	-
WEVERSE COMPANY Inc (*)	327,436,664	(2,588,036)	61,865,544	(16,109,435)	45,756,109	-
Joint ventures						
Mirai Fund Limited Liability Partnership(*)	11,467,997	(5,417,023)	(3,798,481)	-	(3,798,481)	-
DANAA Data	-	(121,852)	66,499	-	66,499	-

(*) Based on the consolidated financial statements and equity and profit for the year only includes profit attributable to the controlling shareholders.

D. Details of adjustments from financial information of associates and joint ventures to the book amount of investments in associates and joint ventures as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023					
	Net asset(a)	Group's Ownership(%)(b)	Group's share of net asset(a*b)	Goodwill	Others(*2)	Carrying amount
Associates						
A Holdings Corporation(*1)(*3)	₩23,870,907,672	50.00	₩11,935,453,836	₩ 3,402,958,721	-	₩15,338,412,557
IPX Corporation(formerly, LINE friends corporation)(*1)	123,183,009	22.36	27,539,645	37,648,193	(11,472,716)	53,715,122
Netmania Co., Ltd.	4,238,822	27.17	1,151,858	-	-	1,151,858
SYNAP SOFT CORP.	33,880,365	13.19	4,469,364	250,467	-	4,719,831
BonAngels Pacemaker Fund	12,029,244	22.73	2,733,919	29,066	-	2,762,985
Korea Contents Mutual Aid Association	17,434,359	51.96	9,058,808	581,550	-	9,640,358
Arointech inc	1,735,854	29.85	518,165	74,227	-	592,392
NAVER KIP Cheer up! Gamers Fund	487,501	50.00	243,750	-	-	243,750
N Space Co., Ltd.(*1)	3,611,024	49.04	1,771,012	1,082,057	(363,454)	2,489,615
K-Fund I	406,441,378	74.81	304,070,856	-	-	304,070,856
Mirae Asset-NAVER New Growth Fund I	184,643,826	50.00	92,321,913	5,333	-	92,327,246
YG NAVER Contents & Lifestyle Fund	51,302,282	90.91	46,638,439	-	-	46,638,439
Digital Media Partners II, L.P.(*1)	8,850,588	26.88	2,379,084	-	-	2,379,084
Soran Media Venture Fund	889,388	66.67	592,926	-	-	592,926
Mirae Asset-Naver Asia Growth Fund (*1)	490,146,558	16.67	81,691,093	-	-	81,691,093

Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*1)	831,096,573	41.07	341,345,309	579,516	-	341,924,825
Alliance Internet Corp.	11,644,556	23.53	2,739,895	68,950	-	2,808,845
DHP private equity fund 3	564,979	25.16	142,133	-	-	142,133
Artificial Intelligence Research Institute	3,402,494	14.29	486,216	933,532	(1,419,748)	-
SMEJ Plus INC	33,712,438	30.07	10,137,307	19,924,513	(21,506,528)	8,555,292
Smart Korea Naver-Stonebridge Rising Investment Association	19,460,874	37.74	7,343,726	-	-	7,343,726
Carousell Pte Ltd(*1)	185,755,027	8.23	15,294,393	42,668,377	(9,703,591)	48,259,179
Do Ventures Fund I, I-A(*1)	58,030,943	22.59	13,106,741	-	-	13,106,741
Onestore Co., Ltd. (*1)	133,170,699	24.54	32,677,444	2,187,123	-	34,864,567
China Ventures Fund I, Limited Partnership(*1)	364,578,014	70.33	256,411,893	-	-	256,411,893
YN CULTURE & SPACE	48,567,486	23.88	11,598,878	6,120	-	11,604,998
WEVERSE COMPANY Inc.(*1)	349,601,138	44.52	155,625,447	204,501,883	(86,045,175)	274,082,155
Cafe24 Corp. (*1)	92,503,766	14.81	13,701,559	98,374,779	(81,763,019)	30,313,319
K-Fund II	130,601,583	46.90	61,250,599	-	-	61,250,599
FUTURE INNOVATION PRIVATE EQUITY FUND III(*1)	249,971,991	25.38	63,444,667	-	-	63,444,667
CHINA VENTURES FUND II, L.P.(*1)	312,927,602	50.08	156,724,512	-	-	156,724,512
ICART GROUP PTE. LTD.(*1)	(1,588,526)	10.89	(172,918)	19,775,505	(19,602,587)	-
Mirae Asset Partnership Growth Fund	3,524,830	90.00	3,172,347	-	-	3,172,347
TBT Global Growth Fund III	18,681,672	36.76	6,868,262	-	-	6,868,262
STL 18th Private Equity Fund	88,336,632	22.20	19,608,575	-	-	19,608,575
Makma	1,224,328	22.00	269,407	593,119	-	862,526
LINE NEXT Inc.	(21,492,340)	13.84	(2,973,928)	-	2,973,928	-
AXIS Co.,LTD	(3,111,035)	23.65	(735,760)	-	735,760	-
Studio Horang Co., Ltd.	764,995	41.50	317,499	754,624	(754,624)	317,499
The Grimm entertainment Co.,Ltd.	(2,463,797)	34.98	(861,848)	682,760	179,088	-
Big Picture Comics Co., Ltd.	3,948,814	35.00	1,382,149	429,678	-	1,811,827
JQ COMICS Co., Ltd.	(72,176)	35.06	(25,305)	235,998	-	210,693
ZK Studio Co., Ltd.	605,191	40.00	242,076	158,411	-	400,487
Su Comics Co., Ltd.	218,449	40.00	87,380	217,011	-	304,391
Studio Mul Co., Ltd.	5,845,797	35.00	2,046,124	1,988,555	-	4,034,679
A2Z Inc.(*1)	58,157,242	26.67	15,508,598	29,331,188	(15,547,514)	29,292,272
Sam Studio Co., Ltd.	2,184,693	35.00	764,678	231,578	-	996,256
Only Won Entertainment Co., Ltd.	733,169	35.00	256,621	175,181	-	431,802
Studio hohoee Co.,Ltd.	2,293,530	33.02	757,341	-	-	757,341
GEULGGUN	101,404	22.22	22,534	113,070	-	135,604

Studio 389 Co., Ltd.	(431,279)	30.02	(129,474)	56,209	73,265	-
Yumistudio Co., Ltd.	5,701,238	35.00	1,995,526	-	-	1,995,526
J Peul Media Co., Ltd.	6,182,820	25.00	1,545,705	12,956,754	(3,993,585)	10,508,874
Cinamon. Inc	(5,044,671)	19.97	(1,007,413)	226,690	780,723	-
Studio Paran Inc.	415,546	35.06	145,711	458,468	-	604,179
BY4M Studio Co., Ltd. (*1)	65,839,549	1.63	1,070,979	2,113,091	-	3,184,070
A2Z-IP Fund	15,897,141	20.00	3,179,429	-	(1,843,228)	1,336,201
SHINE PARTNERS CO., LTD.	2,207,718	5.56	109,207	655,451	(102,910)	661,748
Vi-Frost (*1)	(957,336)	15.87	(151,929)	2,074,402	(1,536,827)	385,646
Studio Ppuri Co., Ltd.	10,877,391	20.00	2,175,478	1,133,969	-	3,309,447
XTORM CO., LTD	(136,313)	25.00	(34,078)	45,901	-	11,823
SGRSOFT Co., Ltd.	(733,982)	10.88	(79,853)	524,247	-	444,394
Fast Cowell Private Equity Fund	4,185,820	21.13	884,328	4,345	-	888,673
LaiQu Technology (ShenZhen) Company Limited	943,051	21.30	200,856	-	(200,856)	-
Pala Inc	(1,903,456)	43.22	(822,735)	-	822,735	-
Seno Corporation	117,930	45.00	53,069	55,407	-	108,476
Sasom Company Limited	635,580	34.37	218,468	1,415,114	313,997	1,947,579
Gorilla NCORE Metaverse 1	54,964,502	37.68	20,712,786	-	-	20,712,786
VerseWork Co., Ltd.	(2,424,550)	46.25	(1,121,415)	588,951	532,464	-
ZEP Co.,Ltd.(*1)	4,663,438	22.01	1,026,333	-	-	1,026,333
Pinokio, Inc.	(552,772)	33.33	(184,257)	2,650,887	(2,466,630)	-
Chicment Co., Ltd.	695,205	30.00	208,561	2,771,542	-	2,980,103
Quokka Industries Inc.	1,290,685	33.33	430,228	2,634,720	(1,774,263)	1,290,685
Murple, Inc.	1,385,128	29.99	415,377	1,264,560	(294,809)	1,385,128
TAIL Start-up Fund I	4,767,368	40.00	1,906,947	-	-	1,906,947
CravingCollector Inc.	1,313,782	42.53	558,791	3,208,738	(2,453,747)	1,313,782
Contrau ventures fund no.1	7,815,569	24.69	1,929,770	24,106	-	1,953,876
Purpleduck Corp.	375,749	49.15	184,695	753,063	-	937,758
Studio 1991	530,051	30.07	159,386	48,481	-	207,867
Studio Dragon Japan CO., LTD.	27,142,911	30.00	8,142,873	-	-	8,142,873
STUDIO YELL Co.	48,162	35.00	16,857	71,708	-	88,565
Goodus Data, Inc	15,798,332	7.50	1,184,860	1,964,966	-	3,149,826
Shake Hands Sdn Bhd(*1)	1,466,604	22.47	329,518	1,709,029	-	2,038,547
YLAB Corporation(*1)	35,172,242	9.56	3,362,915	3,116,851	-	6,479,766
Genius studio Corp.	133,663	35.00	46,785	130,880	-	177,665
PT Karunia International Citra Kencana	1,242,963	29.36	364,954	2,569,778	-	2,934,732
TeamPlus Corp	3,375,275	43.13	1,455,588	3,603,257	-	5,058,845
Bravo Beaver Incheon	924,296	26.00	240,317	46,600	-	286,917
Silicon Cube Co.,Ltd	876,904	41.36	362,687	-	(362,687)	-
Baecomm Co., LTD	3,795,097	27.29	1,035,778	-	-	1,035,778
LOCUS CORPORATION (*1)	11,712,176	19.68	2,304,458	9,095,817	-	11,400,275
Playlist Corporation	(13,556,229)	50.00	(6,778,027)	61,847,566	(5,963,363)	49,106,176
OVERDARE, Inc.	47,909,327	15.00	7,186,399	-	-	7,186,399
Havit Corporation	(2,039,174)	28.57	(582,592)	-	582,592	-

Joint ventures						
Mirai Fund Limited Liability Partnership(*1)	162,132,254	90.00	145,919,026	-	(47,582,116)	98,336,910
Cineplay Co., Ltd	275,957	49.00	135,219	-	-	135,219
China Lab Co.,Ltd.	1,899,415	49.00	930,713	-	-	930,713
Designpress Co., Ltd.(*1)	1,795,097	49.00	879,598	-	-	879,598
Inter Biz Co., Ltd.	1,931,154	49.00	946,266	-	-	946,266
Agro Plus Co., Ltd.	1,560,842	49.00	764,813	-	-	764,813
Sseom Lab Co., Ltd.	2,230,068	49.00	1,092,734	-	-	1,092,734
Tech Plus Co., Ltd.	1,953,400	49.00	957,166	-	-	957,166
Animal and Human Story Inc.	(341,811)	49.00	(167,487)	-	167,487	-
Law&Media Co., Ltd.	471,026	49.00	230,803	-	-	230,803
Yeopeul Co., Ltd.	4,128,016	49.00	2,022,728	-	-	2,022,728
School Jaem Co., Ltd.	1,261,381	49.00	618,077	-	-	618,077
Studio TooN Corp	8,697,955	49.00	4,261,998	28,686	-	4,290,684

(*1) Based on the consolidated financial statements and therefore, the net asset represents amount attributable to the controlling shareholders.
(*2) Others include recognized amounts for preferred shares, recognition of impairment loss and others.
(*3) The Group recognized fair value of identifiable intangible assets of associates amounting to ₩ 3,588 billion for equity method procedure on investments in associates upon acquisition, and the balance of intangible assets included in net assets is ₩ 1,789 billion as of December 31, 2023.

	December 31, 2022					
	Net asset(a)	Group's Ownership(%)(b)	Group's share of net asset(a*b)	Goodwill	Others(*1)	Carrying amount
Associates						
A Holdings Corporation(*1)(*3)	₩ 24,516,911,088	50.00	₩ 12,258,455,544	₩ 3,567,315,285	₩ -	₩ 15,825,770,829
IPX Corporation(formerly, LINE friends corporation)(*1)	42,350,526	30.00	12,705,158	52,336,178	(11,472,716)	53,568,620
LINE Conomi Corporation	(9,433,252)	49.90	(4,707,193)	4,707,193	-	-
Netmania Co., Ltd.	3,935,476	27.17	1,069,427	-	-	1,069,427
SYNAP SOFT CORP.	28,303,419	26.41	7,475,601	501,488	-	7,977,089
BonAngels Pacemaker Fund	12,605,400	22.73	2,864,864	29,066	-	2,893,929
Korea Contents Mutual Aid Association	16,866,365	53.41	9,008,142	594,369	-	9,602,510
Arointech inc	1,414,244	29.85	422,162	74,227	-	496,389
NAVER KIP Cheer up! Gamers Fund	5,723,794	50.00	2,861,897	-	-	2,861,897
Future Creation NAVER-SB Startup Investment Fund	12,317,670	37.04	4,562,100	221,955	-	4,784,055
NAVER-BSK Youth Foundation No.5 Investment Fund	14,899,488	50.00	7,449,744	-	-	7,449,744
N Space Co., Ltd.	2,500,255	49.04	1,226,240	1,082,057	(395,978)	1,912,318
K-Fund I	420,258,131	74.81	314,407,579	-	-	314,407,579
Mirae Asset-NAVER New Growth Fund I	219,990,051	50.00	109,995,026	5,333	-	110,000,359
YG NAVER Contents & Lifestyle Fund	51,869,190	90.91	47,153,809	-	-	47,153,809

Digital Media Partners II, L.P.	9,269,039	26.88	2,491,566	-	-	2,491,566
Soran Media Venture Fund	988,112	66.67	658,741	-	-	658,741
Mirae Asset MAPS Private Placement Real Estate 62	986,230,711	45.08	444,590,988	2,389,907	-	446,980,895
Mirae Asset-Naver Asia Growth Fund (*1)	459,599,783	16.67	76,599,964	-	-	76,599,964
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*1)	779,193,587	40.00	311,677,435	579,515	-	312,256,950
Alliance Internet Corp.	8,863,387	23.53	2,085,503	68,950	-	2,154,452
CONG TY CO PHAN RBW VIETNAM	(220,098)	35.36	(77,820)	238,976	-	161,156
DHP private equity fund 3	564,984	25.16	142,134	-	-	142,134
Artificial Intelligence Research Institute	5,233,236	14.29	747,605	1,006,366	(1,753,971)	-
SMEJ Plus INC	33,001,157	30.07	9,923,425	21,527,424	(21,506,528)	9,944,321
Smart Korea Naver-Stonebridge Rising Investment Association	564,979	37.74	5,521,636	-	-	5,521,636
Carousell Pte Ltd(*1)	3,402,494	8.26	18,506,316	41,937,052	(3,087,011)	57,356,356
Do Ventures Fund I, I-A	33,712,438	22.34	9,832,731	-	-	9,832,731
Onestore Co., Ltd. (*1)	19,460,874	25.10	36,920,005	2,236,806	-	39,156,811
China Ventures Fund I, Limited Partnership(*1)	185,755,027	70.33	250,451,653	-	-	250,451,653
YN CULTURE & SPACE	58,030,943	23.88	11,488,554	6,120	-	11,494,674
WEVERSE COMPANY Inc.(*1)	133,170,699	44.55	162,899,684	206,011,667	(86,103,793)	282,807,558
Cafe24 Corp. (*1)	364,578,014	14.81	13,249,096	98,731,713	(81,763,019)	30,217,790
K-Fund II	71,978,209	46.90	33,824,505	-	(7,093)	33,817,412
FUTURE INNOVATION PRIVATE EQUITY FUND III	188,704,669	25.38	47,894,586	-	-	47,894,586
CHINA VENTURES FUND II, L.P.	246,754,613	50.04	123,479,644	-	-	123,479,644
ICART GROUP PTE. LTD.(*1)	(1,588,526)	10.89	(172,918)	19,775,505	(19,602,586)	-
Mirae Asset Partnership Growth Fund	4,068,123	90.00	3,661,310	-	-	3,661,310
Makma	949,696	22.00	208,961	561,784	-	770,745
LINE NEXT Inc.	18,221,052	13.84	2,521,275	-	-	2,521,275
AXIS Co.,LTD	(2,038,493)	23.65	(482,103)	-	482,103	-
Studio Horang Co., Ltd.	1,007,965	41.50	418,339	-	-	418,339
The Grimm entertainment Co.,Ltd.	2,840,037	34.98	993,459	682,760	-	1,676,219
Big Picture Comics Co., Ltd.	3,449,267	35.00	1,207,300	429,678	-	1,636,978
JQ COMICS Co., Ltd.	19,722	35.06	6,914	235,998	-	242,913
ZK Studio Co., Ltd.	483,295	40.00	193,318	158,411	-	351,729
Su Comics Co., Ltd.	304,834	40.00	121,934	217,011	-	338,945
Studio Mul Co., Ltd.	4,392,950	35.00	1,537,604	1,988,555	-	3,526,159
A2Z Inc.(*1)	59,350,169	26.67	15,826,712	29,331,188	-	45,157,899

Sam Studio Co., Ltd.	2,239,509	35.00	783,865	231,578	-	1,015,442
Only Won Entertainment Co., Ltd.	489,345	35.00	171,279	175,181	-	346,460
Studio hohoee Co.,Ltd.	2,082,189	33.02	687,555	-	-	687,555
GEULGGUN	652,699	22.22	145,044	113,070	-	258,114
Studio 389 Co., Ltd.	300,437	30.02	90,194	56,209	-	146,403
Yumistudio Co., Ltd.	5,882,288	35.00	2,058,896	-	-	2,058,896
J Peul Media Co., Ltd.	4,884,015	25.00	1,221,004	12,956,754	-	14,177,758
Cinamon. Inc	1,139,010	19.97	227,459	226,690	(226,690)	227,459
Studio Paran Inc.	649,224	35.06	227,650	458,468	-	686,119
BY4M Studio Co., Ltd. (*1)	59,776,022	1.63	972,346	2,113,091	-	3,085,437
A2Z-IP Fund	16,163,384	20.00	3,232,677	-	(1,344,471)	1,888,205
SHINE PARTNERS CO., LTD.	2,487,756	5.00	124,402	684,552	-	808,954
Vi-Frost (*1)	158,918	15.87	25,220	2,074,402	(690,628)	1,408,994
Studio Ppuri Co., Ltd.	9,190,203	20.00	1,838,041	1,133,969	-	2,972,009
XTORM CO., LTD	94,777	25.00	23,694	45,901	-	69,595
SGRSOFT Co., Ltd.	(264,005)	10.88	(28,722)	524,247	-	495,525
Cutting Edge Inc.(*1)	(26,743)	39.98	(10,691)	-	10,691	-
Fast Cowell Private Equity Fund	4,993,617	21.13	1,054,990	4,345	-	1,059,335
LaiQu Technology (ShenZhen) Company Limited	1,239,882	21.30	264,077	-	(264,077)	-
Famous Studio Corp.	6,344,748	33.33	2,114,916	401,723	264,944	2,781,583
Pala Inc	204,763	48.78	99,884	-	-	99,884
Seno Corporation	120,722	45.00	54,325	54,565	-	108,890
Sasom Company Limited	1,895,821	30.00	568,661	802,841	999,044	2,370,546
SODA inc.	22,302,611	33.93	7,567,607	12,924,380	88,390,550	108,882,537
Gorilla NCORE Metaverse 1	56,109,976	37.68	21,144,446	-	-	21,144,446
VerseWork Co., Ltd.	6,496,489	46.25	3,004,789	588,951	(3,593,740)	-
ZEP Co.,Ltd.	2,696,212	26.68	719,349	-	-	719,349
Pinokio, Inc.	1,396,540	33.33	465,513	2,650,887	(1,719,860)	1,396,540
Chicment Co., Ltd.	690,363	30.00	207,109	2,771,542	-	2,978,651
Quokka Industries Inc.	3,185,938	33.33	1,061,979	2,634,720	(510,761)	3,185,938
Murple, Inc.	1,873,655	29.99	561,878	1,264,560	(5,050)	1,821,388
TAIL Start-up Fund I	4,872,660	40.00	1,949,064	-	-	1,949,064
CravingCollector Inc.	3,377,498	42.53	1,436,551	3,208,736	(1,267,789)	3,377,498
Contrau ventures fund no.1	7,972,821	24.69	1,968,598	24,106	-	1,992,704
TBT Global Growth Fund III	18,451,574	39.84	7,351,225	-	(71)	7,351,154
Purpleduck Corp.	179,247	26.78	48,007	406,709	-	454,716
Studio 1991	236,545	30.07	71,129	87,713	-	158,842
Studio Dragon Japan CO., LTD.	28,529,465	30.00	8,558,839	-	-	8,558,839
STUDIO YELL Co.	86,141	35.00	30,151	71,708	-	101,859
Goodus Data, Inc	13,882,879	7.50	1,041,203	1,964,966	-	3,006,169
Shake Hands Sdn Bhd(*1)	1,692,171	22.47	380,199	1,770,357	-	2,150,556
STL 18th Private Equity Fund	90,043,803	22.20	19,987,526	-	12,474	20,000,000
YLAB Corporation	9,730,838	12.02	1,169,425	3,995,656	-	5,165,081
PT Karunia International Citra Kencana	479,937	19.73	94,697	1,821,624	-	1,916,321

Silicon Cube Co.,Ltd	750,227	41.36	310,308	-	(310,308)	-
Baecomm Co., LTD	4,723,591	37.54	1,773,116	-	-	1,773,116
Havit Corporation	10,000	28.57	2,857	-	-	2,857
Joint ventures						
Mirai Fund Limited Liability Partnership(*1)	170,146,383	90.00	153,131,745	-	(62,386,343)	90,745,402
Cineplay Co., Ltd	819,461	49.00	401,536	-	-	401,536
China Lab Co.,Ltd.	1,840,716	49.00	901,951	-	-	901,951
Designpress Co., Ltd.	2,281,947	49.00	1,118,154	-	-	1,118,154
DaNaA Data Co., Ltd.	10,268,254	49.00	5,031,444	-	-	5,031,444
Inter Biz Co., Ltd.	1,960,967	49.00	960,874	-	-	960,874
Artition Co., Ltd.	265,511	49.00	130,100	-	-	130,100
Agro Plus Co., Ltd.	1,964,131	49.00	962,424	-	-	962,424
Sseom Lab Co., Ltd.	2,184,803	49.00	1,070,554	-	-	1,070,554
Tech Plus Co., Ltd.	2,415,288	49.00	1,183,491	-	-	1,183,491
Animal and Human Story Inc.	145,288	49.00	71,191	-	-	71,191
Law&Media Co., Ltd.	436,098	49.00	213,688	-	-	213,688
Yeopeul Co., Ltd.	4,776,148	49.00	2,340,312	-	-	2,340,312
School Jaem Co., Ltd.	1,207,591	49.00	591,720	-	-	591,720
Studio TooN Corp	9,907,036	49.00	4,854,448	26,195	-	4,880,643
jobsN CO., Ltd	4,429,705	49.00	2,170,555	-	-	2,170,555

(*1) Based on the consolidated financial statements and therefore, the net asset represents amount attributable to the controlling shareholders.
(*2) Others include recognized amounts for preferred shares, recognition of impairment loss and others.
(*3) The Group recognized fair value of identifiable intangible assets of associates amounting to ₩ 3,588 billion for equity method procedure on investments in associates upon acquisition, and the balance of intangible assets included in net assets is ₩ 2,086 billion as of December 31, 2022.

E. The Group has stopped recognizing its share of losses in AXIS, VerseWork Co., Ltd and seven other entities using the equity method as its book amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 7,100 million as of December 31, 2023.

F. The Group has stopped recognizing its share of losses in Silicon Cube, LaiQu Technology (ShenZhen) Company Limited and three other entities using the equity method as its carrying amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 1,261 million as of December 31, 2023.

G. Financial assets at fair value through profit or loss of the Group include the investment where the Group has significant influence over the investee. The investment amounts to ₩ 90,225 million as of December 31, 2023 and net gain on valuation amounts to ₩ (-)4,407 million for the year ended December 31, 2023.

16. Trade and Other Payables

Details of trade and other payables as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Financial liabilities				
Non-trade payables	₩1,313,321,664	₩ 62,128,901	₩ 899,179,776	₩ 53,703,124
Accrued expenses	65,984,960	-	20,080,590	-
Deposits received	9,426,984	2,677,332	5,012,464	2,272,849
	1,388,733,608	64,806,233	924,272,830	55,975,973
Non-financial liabilities				
Accrued expenses	449,454,284	37,725,740	321,391,669	13,663,989
	₩ 1,838,187,892	₩ 102,531,973	₩ 1,245,664,499	₩ 69,639,962

17. Other Liabilities

Details of other liabilities as of December 31, 2023 and 2022 are as follow (Korean won in thousands):

	December 31, 2023		December 31, 2022	
	Current	Non-current	Current	Non-current
Advances from customers	497,538,620	-	₩ 415,872,253	₩ -
Unearned revenues	129,499,536	169,847	128,163,956	164,931
Withholdings	1,872,395,423	-	1,552,091,366	10,804,124
VAT withholdings	162,073,881	-	137,622,981	-
	₩ 2,661,507,460	₩ 169,847	₩ 2,233,750,556	₩ 10,969,055

18. Borrowings and Debentures

A. Details of borrowings as of December 31, 2023 and 2022 are as follows: (Korean won in thousands and foreign currency in thousands)

				December 31, 2023		December 31, 2022	
	Financial Institution	Latest maturity	Interest rate (%)	Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Short-term borrowings							
Foreign currency	DAG Ventures VI, L.P.(*)	-	10.00	₩ 2,585,978	HKD 15,667	₩ 2,546,654	HKD 15,667
Foreign currency	Goodwater Capital II, L.P.(*)	-	10.00	1,291,723	HKD 7,825	1,272,080	HKD 7,825
Foreign currency	Mistletoe Singapore Pte. Ltd.(*)	-	10.00	2,586,021	HKD 15,667	2,546,697	HKD 15,667
Foreign currency	SCC Growth IV Holdco A, Ltd.(*)	-	10.00	38,554,177	HKD 233,577	37,967,899	HKD 233,577
Foreign currency	SenseView Investment Limited (*)	-	10.00	6,465,359	HKD 39,170	6,367,043	HKD 39,170
Foreign currency	SNOW Limited Liability Partnership (*)	-	10.00	25,741,724	HKD 155,954	25,350,280	HKD 155,954
Local currency	Shinhan Bank	-	-	-	-	3,125,000	-
Local currency	Woori Bank	2024.07.10	4.62	100,000,000	-	100,000,000	-

				December 31, 2023			December 31, 2022		
	Financial Institution	Latest maturity	Interest rate (%)	Carrying amount	Foreign currency amount		Carrying amount	Foreign currency amount	
Local currency	HSBC	2027.07.12	4.50	9,683,333		-	17,395,833		-
Local currency	KEB Hana Bank	2024.07.10	4.62	100,000,000		-	-		-
Local currency	KEB Hana Bank	-	-	-		-	100,000		-
Foreign currency	CitiBank	2024.04.15	TORF 3M+0.4	45,633,000	JPY	5,000,000	47,659,000	JPY	5,000,000
Local currency	Shinhan Bank	-	-	-		-	10,000,000		-
Local currency	KEB Hana Bank	-	-	-		-	1,000,000		-
Local currency	IBK	-	-	-		-	5,100,000		-
Local currency	IBK	-	-	-		-	1,000,000		-
Local currency	IBK	2024.06.11	6.04	500,000		-	-		-
				333,041,315	JPY HKD	5,000,000 467,860	261,430,486	JPY HKD	5,000,000 467,860
Current portion of long-term borrowings									
Local currency	S-Force No.2	-	-	-		-	50,000,000		-
Local currency	Shinhan Bank	2026.12.19	4.46	15,625,000		-	-		-
Local currency	Woori Bank	-	-	-		-	100,000,000		-
Local currency	HSBC	2027.07.12	4.50	40,316,667		-	3,479,167		-
Foreign currency	Mizuho Bank	-	-	-		-	68,115,789	JPY	7,146,162
Foreign currency	Mizuho Bank	-	-	-		-	265,497,211	JPY	27,853,838
Foreign currency	Mizuho Bank	-	-	-		-	57,190,800	JPY	6,000,000
Foreign currency	SMBC Corporation	-	-	-		-	68,115,789	JPY	7,146,162
Foreign currency	SMBC Corporation	-	-	-		-	265,497,211	JPY	27,853,838
Foreign currency	SMBC Corporation	-	-	-		-	52,614,986	JPY	5,519,942
Foreign currency	BNP Paribas	2024.12.23	TIBOR 3M+0.55	136,899,000	JPY	15,000,000	-		-
Foreign currency	Mizuho Bank	-	-	-		-	157,274,700	JPY	16,500,000
Local currency	Kookmin Bank	-	-	-		-	30,000,000		-
Local currency	IBK	-	-	-		-	300,000		-
Local currency	IBK	-	-	-		-	900,000		-
Local currency	IBK	-	-	-		-	300,000		-
Local currency	IBK	-	-	-		-	300,000		-
Local currency	IBK	-	-	-		-	300,000		-
Local currency	KOSME	2025.02.17	2.00	33,240		-	33,240		-
Local currency	KOSME	2025.08.26	2.85	49,920		-	49,920		-
				192,923,827	JPY	15,000,000	1,119,968,813	JPY	98,019,942
Long-term borrowings									
Local currency	Shinhan Bank	2026.12.19	4.46	31,250,000		-	9,375,000		-
Local currency	HSBC	2027.07.12	4.50	106,204,167		-	59,145,833		-
Foreign currency	Mizuho Bank	-	-	-		-	43,843,529	JPY	4,599,711
Foreign currency	Mizuho Bank	2028.09.25	TIBOR 3M+0.67	319,431,000	JPY	35,000,000	-		-
Foreign currency	SMBC Corporation	-	-	-		-	10,793,346	JPY	1,132,351
Foreign currency	SMBC Corporation	-	-	-		-	46,777,625	JPY	4,907,533
Foreign currency	SMBC Corporation	2028.09.25	TIBOR 3M+0.67	319,431,000	JPY	35,000,000	-		-
Foreign currency	MUFG Bank, Ltd.	2027.09.24	TIBOR 3M+0.66	202,245,456	JPY	22,160,000	-		-

				December 31, 2023		December 31, 2022	
	Financial Institution	**Latest maturity**	**Interest rate (%)**	**Carrying amount**	**Foreign currency amount**	**Carrying amount**	**Foreign currency amount**
Foreign currency	BNP Paribas	-	-	-	-	142,977,000	JPY 15,000,000
Local currency	Shinhan Bank	2025.12.03	2.99	15,000,000	-	15,000,000	-
Local currency	KOSME	2025.02.17	2.00	5,540	-	38,780	-
Local currency	KOSME	2025.08.26	2.85	33,280	-	83,200	-
				993,600,443	JPY 92,160,000	328,034,313	JPY 25,639,595
				₩ 1,519,565,585	JPY 112,160,000 HKD 467,860	₩ 1,709,433,612	JPY 128,659,537 HKD 467,860

(*)SNOW China, a subsidiary of the Group, issued Redeemable Convertible Preferred Stock (“RCPS”). If an event that cannot be controlled by the Group, such as changes in the regulatory environment, occurs, the holder of RCPS can request a repayment to the Group at an amount that is calculated by applying a compounded annual interest rate of 10% to the issue amount. Accordingly, the Group classified this RCPS as borrowings.

B. Details of debentures as of December 31, 2023 and 2022 are as follows (Korean won in thousands and foreign currency in thousands):

					December 31, 2023		December 31, 2022	
	Issuer	**Issue date**	**Latest maturity**	**Interest rate (%)**	**Carrying amount**	**Foreign currency amount**	**Carrying amount**	**Foreign currency amount**
Debentures in won(4th-1)	NAVER Corporation	2021.02.25	2024.02.25	1.24	₩ 250,000,000	-	₩ 250,000,000	-
Debentures in won(4th-2)		2021.02.25	2026.02.25	1.60	450,000,000	-	450,000,000	-
Unsubordinated unsecured debentures in foreign currency		2021.03.29 2021.05.12	2026.03.29	1.50	1,031,520,000	USD 800,000	1,013,840,000	USD 800,000
		2023.11.01	2027.04.30	1.14	127,772,400	JPY 14,000,000	-	-
			2028.11.01	1.43	13,689,900	JPY 1,500,000	-	-
			2030.11.01	1.76	13,689,900	JPY 1,500,000	-	-
			2035.11.01	2.41	27,379,800	JPY 3,000,000	-	-
Less: Discount on debentures					(8,370,847)	USD (4,512) JPY (211,834)	(9,321,723)	USD (6,465)
					₩ 1,905,681,153	USD 795,488 JPY 19,788,166	₩ 1,704,518,277	USD 793,535
Less: Current portion of long-term debentures					(249,962,200)	-	-	-
Long-term debentures					₩ 1,655,718,953	USD 795,488 JPY 19,788,166	₩ 1,704,518,277	USD 793,535

C. Details of conditions of issuance of debentures as of December 31, 2023 are as follows:

	Payment of principal and interest	**Financial ratios maintenance (*)**	**Restriction on settlement of security right (*)**	**Limit on the sale of assets (*)**	**Restriction on changes in governance**
Debentures in won(4th-1) Debentures in won(4th-2)	Interest paid quarterly and lump-sum repayment at maturity for principal	Debt ratio below 300%	Equity capital below 500%	Within 100% of total assets	Change in largest shareholder
Unsubordinated unsecured debentures in foreign currency	Interest paid semi-annually and lump-sum repayment at maturity for principal	-	Restrictions on the settlement of security rights over a certain amount under contractual terms	Restriction on the sale of important property under contractual terms	Restriction on the merger and others under contractual terms

(*) The above financial ratio maintenance, restrictions on the settlement of security rights and limits on the sale of assets are applied based on the consolidated financial statements.

19. Provisions

Details of provisions as of December 31, 2023 and 2022 and changes in provisions for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	December 31, 2023 and 2023			
	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 926,439	₩ 19,387,919	₩ 2,920,609	₩ 23,234,967
Charged/(credited) to the consolidated statements of comprehensive income (loss):				
Additional provisions	-	512,124	-	512,124
Unused amounts reversed	-	(3,601,864)	(5,552,871)	(9,154,735)
Charged during the period	628,500	2,559,192	1,414,361	4,602,053
Used during the period	-	(555,896)	(859,595)	(1,415,491)
Others (*)	6,333	(277,798)	3,325,249	3,053,784
Ending balance	₩ 1,561,272	₩ 18,023,677	₩ 1,247,753	₩ 20,832,702
Current	₩ 1,561,272	₩ 3,336,252	₩ 1,230,850	₩ 6,128,374
Non-current	-	14,687,425	16,903	14,704,328

(*) Others include effects of changes in foreign currency exchange rates and others.

	December 31, 2022 and 2022			
	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 1,176,943	₩ 13,804,788	₩ 593,701	₩ 15,575,432
Charged/(credited) to the consolidated statements of comprehensive income (loss):				
Additional provisions	-	393,248	-	393,248
Unused amounts reversed	(1,500)	(4,163,685)	(484,351)	(4,649,536)
Charged during the period	-	11,480,466	3,355,582	14,836,048
Used during the period	(249,004)	(2,332,226)	(1,042,567)	(3,623,797)
Others (*)	-	205,328	498,244	703,572
Ending balance	₩ 926,439	₩ 19,387,919	₩ 2,920,609	₩ 23,234,967
Current	₩ 926,439	₩ 1,603,294	₩ 2,920,609	₩ 5,450,342
Non-current	-	17,784,625	-	17,784,625

(*) Others include effects of changes in foreign currency exchange rates and others.

20. Post-employment Benefits

A. Defined benefit pension plans

The Group operates defined benefit pension plans in various countries. The majority of the plans are final salary pension plans, which provide benefit to employees in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement. The majority of benefit payments are funded by an external institution.

(1) Details of net defined benefit liabilities as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Present value of funded defined benefit obligations	₩ 17,954,359	₩ 20,803,976
Present value of unfunded defined benefit obligations	602,539,895	569,924,356
	620,494,254	590,728,332
Fair value of plan assets	(12,602,060)	(13,330,367)
Net defined benefit liabilities	₩ 607,892,194	₩ 577,397,965

(2) Changes in net defined benefit obligations for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Beginning balance	₩ 590,728,332	₩ 567,432,508
Current service cost	113,183,027	117,169,702
Interest expense	34,526,155	20,575,773
Remeasurements:		
- Actuarial loss from change in demographic assumptions	2,872,999	8,275,133
- Actuarial gain from change in financial assumptions	(78,999,401)	(109,184,229)
- Actuarial loss (gain) from experience adjustments	(12,794,577)	16,320,683
Payments from plans:		
- Benefit payments	(24,716,129)	(31,351,802)
Others	(4,306,152)	1,490,564
Ending balance	₩ 620,494,254	₩ 590,728,332

(3) Changes in plan assets for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Beginning balance	₩ 13,330,367	₩ 13,167,880
Interest income	711,442	487,736
Remeasurements:		
- Return on plan assets (excluding amounts included in interest income)	(536,206)	(303,668)
Contribution:		
- Employee	-	51,774
Payments from plans:		
- Benefit payments	(307,356)	(584,665)
Other	(596,187)	511,310
Ending balance	₩ 12,602,060	₩ 13,330,367

20. Post-employment Benefits (cont'd)

(4) Details of plan assets as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023		December 31, 2022	
	Amount	Ratio(%)	Amount	Ratio(%)
Cash and cash equivalents and others	₩ 2,528,185	20.06	₩ 2,799,183	21.00
Securities and others	812,962	6.45	377,017	2.83
Others	9,260,913	73.49	10,154,167	76.17
	₩ 12,602,060	100.00	₩ 13,330,367	100.00

(5) The principal actuarial assumptions as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Discount rate	4.81%~5.96%	5.41%~6.18%
Salary growth rate	3.32%~10.31%	4.00%~18.29%

(6) The sensitivity analysis of the defined benefit liabilities by changes in the principal assumptions as of December 31, 2023 is as follows (Korean won in thousands):

	Impact on defined benefit obligation		
	Changes in assumption	Increase in assumption	Decrease in assumption
Discount rate	1% increase / decrease	₩ (68,128,956)	₩ 81,497,757
Salary growth rate	1% increase / decrease	79,739,427	(68,052,911)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. The sensitivity of the defined benefit obligation by changes in principal actuarial assumptions is calculated using the projected unit credit method, the same method applied when calculating the defined benefit obligations recognized on the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

(7) Effects of defined benefit plans on future cash flows

There are no expected contributions to plan assets for the year ended December 31, 2023, and the weighted average duration of the defined benefit obligation is 2.36~16.03 years.

B. Defined contribution pension plans

The operating expense recognized in relation to defined contribution plan for the year ended December 31, 2023 was ₩ 3,436 million (₩ 1,523 million in 2022)

20. Post-employment Benefits (cont'd)

C. Other Short-term and Long-term Employee Benefits

Short-term employee benefit liabilities are the amount of long-term paid leaves that are expected to be settled within 12 months from the end of the period and the amount of paid leaves recognized for the service provided during the current period. Long-term employee benefit liabilities are the amount of long-term paid leaves that are expected to be settled after 12 months from the end of the period.

Details of other short-term and long-term employee benefits as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Short-term employee benefits	₩ 163,153,367	₩ 101,157,036
Other long-term employee benefits	18,503,872	11,593,933
	₩ 181,657,239	₩ 112,750,969

21. Issuance and Acquisition of Shares

A. The Company's total number of authorized shares is 300,000,000 shares. As of December 31, 2023, the Company has issued 162,408,594 ordinary shares (par value - ₩ 100 per share) and 11,794,852 treasury shares (excludes retired shares). The Company's share capital and share premium as of December 31, 2023 amount to ₩ 16,481,340 thousand and ₩ 132,920,605 thousand, respectively. The par value of outstanding shares amounting to ₩ 16,240,859 thousand differs from the share capital (₩ 16,481,340 thousand) due to the retirement of shares.

B. The Company disposed of 632,024 treasury shares through exercise of stock options and recognized gain on disposal of treasury shares amounting to ₩ 57,266 million for the year ended December 31, 2023.

22. Other Components of Equity

A. Other components of equity as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023	December 31, 2022
Treasury shares	₩ (852,628,239)	₩ (1,016,904,185)
Stock options	273,448,694	205,230,238
Loss on valuation of financial assets at fair value through other comprehensive income	(461,540,106)	(492,134,262)
Share of other comprehensive income of associates and joint ventures	(1,856,684,103)	(1,341,870,491)
Gain on foreign exchange translation of overseas operations	328,045,272	199,224,486
Others	(28,071,916)	(28,071,915)
	₩ (2,597,430,398)	₩ (2,474,526,129)

B. The Group made a retirement of 1,640,491 treasury shares, disposed 632,024 treasury shares (acquisition cost: ₩ 45,688 million) as its employees exercise stock options and the Group paid stock grants to employees, and recognized gain on disposal of treasury shares amounting to ₩ 57,266 million for the year ended December 31, 2023.

22. Other Components of Equity (cont'd)

C. Changes in treasury shares for each of the two years in the period ended December 31, 2023 are as follows:
(in number of shares)

	2023	2022
Beginning balance	14,067,367	14,750,130
Disposal (*)	(632,024)	(682,763)
Retirement	(1,640,491)	-
Ending balance	11,794,852	14,067,367

(*) Exercise of stock options and payment of stock grants to employees are granted through treasury shares.

23. Share-Based Payments

As of December 31, 2023, the Group entered into share-based payment agreements for the employees and directors of the Group upon the resolution of shareholders' meetings and the Board of Directors.

A. Stock option

(1) Equity-settled stock option

(A) Details of equity-settled stock options granted to employees as of December 31, 2023 are as follows:

	Granted on 2019.02.27	Granted on 2019.03.22	Granted on 2020.02.26	Granted on 2020.02.26
Granted shares	Shares of Naver corporation			
Vesting condition	More than two years' service from the grant date	More than three years' service from the grant date	More than two years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			

23. Share-Based Payments (cont'd)

	Granted on 2020.03.27	Granted on 2021.02.23	Granted on 2021.02.23	Granted on 2021.03.24
Granted shares	Shares of Naver corporation			
Vesting condition	More than three years' service from the grant date	More than two years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	Five years from the exercisable date	Five years from the exercisable date	Five years from the exercisable date
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			

	Granted on 2020.11.23	Granted on 2021.10.07	Granted on 2022.12.26	Granted on 2023.02.28
Granted shares	Shares of Webtoon Entertainment Inc.			
Vesting condition	More than three years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	- Initial public opening - Within 8 years from the grant date	- Initial public opening - Within 8 years from the grant date	- Initial public opening - Within 8 years from the grant date	- Initial public opening - Within 8 years from the grant date
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			

	Granted on 2023.11.22	Granted on 2023.11.22	Granted on 2022.09.30	Granted on 2023.03.28
Granted shares	Shares of Webtoon Entertainment Inc.		Shares of Naver Financial Corporation	
Vesting condition	More than three years' service from the grant date	1/12 every 3 month	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	- Initial public opening - Within 8 years from the grant date	- Within 8 years from the grant date	- IPO and market value over 10 trillion KRW - Within 8 years from the grant date	- IPO and market value over 10 trillion KRW - Within 8 years from the grant date
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			

23. Share-Based Payments (cont'd)

(B) Changes in the number of equity-settled stock options and weighted average exercise prices for each of the two years in the period ended December 31, 2023 are as follows: (in number of shares)

	2023									
Granted date		**Beginning unexercised balance**		**Granted**		**Exercised**		**Expired**		**Ending unexercised balance**
Shares of Naver corporation										
2019.02.27		59,672		-		(5,254)		(37)		54,381
2019.03.22		406,220		-		(39,810)		-		366,410
2020.02.26		69,777		-		(4,752)		(447)		64,578
2020.02.26		803,500		-		(70,100)		(7,000)		726,400
2020.03.27		602,000		-		(44,000)		-		558,000
2021.02.23		75,114		-		-		(2,187)		72,927
2021.02.23		914,000		-		-		(42,000)		872,000
2021.03.24		725,000		-		-		(53,000)		672,000
		3,655,283		-		(163,916)		(104,671)		3,386,696
Weighted average exercise price (KRW)	₩	266,087	₩	-	₩	170,812	₩	361,000	₩	267,765
Shares of Webtoon Entertainment Inc.										
2020.11.23		251,168		-		-		(1,168)		250,000
2021.10.07		29,867		-		-		(1,786)		28,081
2022.12.26		23,405		-		-		(2,136)		21,269
2023.02.28		-		3,307		-		-		3,307
2023.11.22		-		60,512		-		(392)		60,120
		304,440		63,819		-		(5,482)		362,777
Weighted average exercise price (USD)	USD	386	USD	629	USD	-	USD	619	USD	425
Shares of Naver Financial Corporation										
2022.09.30		425,460		-		-		(20,340)		405,120
2023.03.28		-		477,600		-		(12,400)		465,200
		425,460		477,600		-		(32,740)		870,320
Weighted average exercise price (KRW)	₩	93,250	₩	93,250	₩	-	₩	93,250	₩	93,250

23. Share-Based Payments (cont'd)

	2022				
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Ending unexercised balance
Shares of Naver corporation					
2019.02.27	83,701	-	(23,925)	(104)	59,672
2019.03.22	750,000	-	(341,780)	(2,000)	406,220
2020.02.26	144,637	-	(72,846)	(2,014)	69,777
2020.02.26	850,500	-	-	(47,000)	803,500
2020.03.27	610,000	-	-	(8,000)	602,000
2021.02.23	81,324	-	-	(6,210)	75,114
2021.02.23	988,500	-	-	(74,500)	914,000
2021.03.24	765,000	-	-	(40,000)	725,000
	4,273,662	-	(438,551)	(179,828)	3,655,283
Weighted average exercise price (KRW)	₩ 254,945	₩ -	₩ 140,021	₩ 308,725	₩ 266,087
Shares of Webtoon Entertainment Inc.					
2020.11.23	253,562	-	-	(2,394)	251,168
2021.10.07	33,051	-	-	(3,184)	29,867
2022.12.26	-	23,425	-	(20)	23,405
	286,613	23,425	-	(5,598)	304,440
Weighted average exercise price (USD)	USD 338	USD 969	USD -	USD 367	USD 386
Shares of Naver Financial Corporation					
2022.09.30	-	426,460	-	(1,000)	425,460
	-	426,460	-	(1,000)	425,460
Weighted average exercise price (KRW)	₩ -	₩ 93,250	₩ -	₩ 93,250	₩ 93,250

(C) The Group calculated the compensation costs using binomial model and Least Square Monte-Carlo ("LSMC"), and the assumptions and inputs used for calculation of the compensation costs are as follows: (%, Korean won)

	NAVER Corporation							
	Feb. 27, 2019	Mar. 22, 2019	Feb. 26, 2020	Feb.26, 2020	Mar. 27, 2020	Feb. 23, 2021	Feb. 23, 2021	Mar. 24, 2021
Risk-free interest rate	1.98	1.92	1.40	1.40	1.48	1.02	1.19	1.44
Expected maturity	7 years	8 years	7 years	8 years	8 years	3 years	4 years	4 years
Expected price volatility	24.30	24.00	20.40	20.40	24.00	26.12	25.09	25.11
Expected dividend yield	0.2	0.2	0.16	0.16	0.2	0.2	0.2	0.2
Stock price as of granted date	₩ 129,500	₩ 127,000	₩ 190,500	₩ 190,500	₩ 152,500	₩ 386,500	₩ 386,500	₩ 386,000
Fair value as of granted date	₩ 39,906	₩ 19,365	₩ 48,526	₩ 37,580	₩ 18,219	₩ 81,253	₩ 89,003	₩ 79,368
Exercise price	₩ 128,900	₩ 131,000	₩ 186,000	₩ 186,000	₩ 186,000	₩ 362,500	₩ 362,500	₩ 384,500

23. Share-Based Payments (cont'd)

	Webtoon Entertainment Inc						Naver Financial Corporation	
	Nov. 23, 2020	Oct. 7, 2021	Dec. 26, 2022	Feb. 28, 2023	Nov. 22, 2023	Nov. 22, 2023	Sep. 30, 2022	Mar. 28, 2023
Risk-free interest rate	0.45	1.11	3.82	4.15	4.62	4.45	2.75~5.54	3.06~3.49
Expected maturity	5.5 years	5.5 years	5.5 years	5.5 years	3 years	5.5 years	5.5 years	5.5 years
Expected price volatility	61	57.37	31.50	31.70	32.20	35.10	55.00	50.00
Expected dividend yield	-	-	-	-	-	-	-	-
Stock price as of granted date	USD 331	USD 391	USD 969	USD 969	USD 610	USD 610	₩ 81,833	₩ 87,750
Fair value as of granted date	USD 175.91	USD 200.99	USD 354.14	USD 361.40	USD 168.24	USD 246.57	₩ 12,018	₩ 7,655
Exercise price	USD 331	USD 391	USD 969	USD 969	USD 610	USD 610	₩ 93,250	₩ 93,250

In addition to the stock options mentioned above, the Group granted equity-settled stock options in regard to the shares in Snow Corporation, NAVER Z CO.,LTD, Cake Corporation, KREAM Corporation, Amuse Co.,Ltd., MUNPIA INC and SpringCamp Inc., all of which are subsidiaries.

(D) The amount of expenses recognized in relation to equity-settled stock options is ₩ 85,523 million (₩ 92,581 million in 2022).

(2) Cash-settled stock options

(A) Details of the cash-settled stock options granted as of December 31, 2023 are as the follows:

	Granted on Feb. 27, 2019	Granted on Mar. 22, 2019	Granted on Feb. 26, 2020	Granted on Feb. 26, 2020	Granted on Mar. 27, 2020
Granted shares	Shares of Naver corporation				
Vesting condition	More than two years' service from the grant date	More than three years' service from the grant date	More than two years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater

23. Share-Based Payments (cont'd)

	Granted on Apr. 30, 2020	Granted on Apr. 30, 2020	Granted on Feb. 23, 2021	Granted on Feb. 23, 2021	Granted on Mar. 24, 2021
Granted shares	Shares of Naver corporation				
Vesting condition	More than two years' service from the grant date	More than three years' service from the grant date	More than two years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	-Five years from the exercisable date	-Five years from the exercisable date	-Five years from the exercisable date

(B) Changes in the number of cash-settled stock options and weighted average exercise prices for each of the two years in the period ended December 31, 2023 are as follows: (in number of shares)

	2023				
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Ending unexercised balance
2019.02.27	71,881	-	(2,690)	-	69,191
2019.03.22	128,650	-	(9,400)	-	119,250
2020.02.26	38,355	-	(1,610)	(106)	36,639
2020.02.26	194,500	-	(7,850)	-	186,650
2020.03.27	110,000	-	(8,000)	(10,000)	92,000
2020.04.30	6,542	-	(212)	-	6,330
2020.04.30	79,051	-	(11,318)	-	67,733
2021.02.23	26,541	-	-	(918)	25,623
2021.02.23	278,216	-	-	(17,608)	260,608
2021.03.24	178,000	-	-	(24,000)	154,000
	1,111,736	-	(41,080)	(52,632)	1,018,024
Weighted average exercise price (KRW)	₩ 256,109	₩ -	₩ 169,676	₩ 338,642	₩ 255,330

23. Share-Based Payments (cont'd)

	2022				
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Ending unexercised balance
2019.02.27	76,508	-	(4,627)	-	71,881
2019.03.22	155,000	-	(26,350)	-	128,650
2020.02.26	45,313	-	(6,746)	(212)	38,355
2020.02.26	202,250	-	-	(7,750)	194,500
2020.03.27	118,000	-	-	(8,000)	110,000
2020.04.30	8,056	-	(1,408)	(106)	6,542
2020.04.30	102,922	-	-	(23,871)	79,051
2021.02.23	33,048	-	-	(6,507)	26,541
2021.02.23	371,051	-	-	(92,835)	278,216
2021.03.24	248,000	-	-	(70,000)	178,000
	1,360,148	-	(39,131)	(209,281)	1,111,736
Weighted average exercise price (KRW)	₩ 265,152	₩ -	₩ 142,212	₩ 336,175	₩ 256,109

(C) The Group calculated the compensation costs using binomial model and Monte-Carlo simulation ("Monte-Carlo"), and the assumptions and inputs used for calculation of the compensation costs are as follows (% and Korean won)

	2020.02.26	2020.02.26	2020.03.27	2020.04.30
Risk-free interest rate	3.16	3.16	3.15	3.14
Expected maturity	2.74 years	2.74 years	2.82 years	2.92 years
Expected price volatility	26.59	26.59	26.59	26.59
Expected dividend yield	0.23	0.23	0.23	0.23
Share price at the end of period	₩ 224,000	₩ 224,000	₩ 224,000	₩ 224,000
Fair value of stock options at the end of period	₩ 67,234	₩ 67,214	₩ 67,917	₩ 68,674
Exercise price	₩ 186,000	₩ 186,000	₩ 186,000	₩ 186,000

	2020.04.30	2021.02.23	2021.02.23	2021.03.24
Risk-free interest rate	3.14	3.18	3.18	3.18
Expected maturity	2.92 years	3.73 years	3.73 years	3.82 years
Expected price volatility	26.59	26.59	26.59	26.59
Expected dividend yield	0.23	0.23	0.23	0.23
Share price at the end of period	₩ 224,000	₩ 224,000	₩ 224,000	₩ 224,000
Fair value of stock options at the end of period	₩ 68,654	₩ 18,815	₩ 18,815	₩ 16,470
Exercise price	₩ 186,000	₩ 362,500	₩ 362,500	₩ 384,500

23. Share-Based Payments (cont'd)

(D) The amount of expenses recognized in relation to cash-settled stock options is ₩ 55,935 million (₩ (-) 96,471 million in 2022) for the year ended December 31, 2023.

B. Treasury share payment (stock grant)

The Group distributed treasury shares amounting to ₩ 77,202 million without consideration to employees for the year ended December 31, 2023. (in number of shares and Korean won)

	Issued on 2023.01.02	Issued on 2023.07.03
Disposal value per share	₩ 179,500	₩ 189,300
Total number of shares disposed	210,743	207,996

C. Restricted Stock Unit

(1) The Group granted restricted stock unit ("RSU") to employees and directors of the Group upon the resolution of the Board of Directors. Details are as the follows:

	Issued on 2022.05.31	Issued on 2023.03.31
Granted shares	Common shares of Naver corporation	Common shares of Naver corporation
Total number of RSU	247,254 shares	369,672 shares
Total amount of RSU	₩ 62,603 million (Stock price as of granted date: ₩ 288,000)	₩ 66,608 million (Stock price as of granted date: ₩ 202,000)
Exercise price	Nil (Exercise price under current shared-based payments system: nil)	Nil (Exercise price under current shared-based payments system: nil)
Grant date	2022.05.31	2023.03.31
Vesting condition	Servicing at the exercisable date and meeting some market conditions	Servicing at the exercisable date and meeting some market conditions
Exercisable date	Payment effect of RSU will occur on March 31, 2023, March 31, 2024 and March 31, 2025	Payment effect of RSU will occur on March 31, 2024, March 31, 2025 and March 31, 2026

(2) The Group calculated the compensation costs using binomial model and Monte-Carlo simulation ("Monte-Carlo"), and the assumptions and inputs used for calculation of the compensation costs are as follows (% and Korean won)

	Naver Corporation					
	May 31, 2022	May 31, 2022	May 31, 2022	Mar. 31, 2023	Mar. 31, 2023	Mar. 31, 2023
Risk-free interest rate	1.77	1.77	1.77	3.80	3.80	3.80
Expected maturity	3 years	3 years	3 years	3 years	3 years	3 years
Expected price volatility	35.00	35.00	35.00	35.00	35.00	35.00
Expected dividend yield	0.20	0.20	0.20	0.20	0.20	0.20
Stock price as of granted date	₩ 288,000	₩ 288,000	₩ 288,000	₩ 202,000	₩ 202,000	₩ 202,000
Fair value as of granted date	₩ 175,680	₩ 221,760	₩ 288,000	₩ 139,380	₩ 155,540	₩ 202,000

(3) In addition to the RSU mentioned above, the Group granted RSU of WEBTOON Entertainment which is a subsidiary, and the amount of expenses recognized in relation to RSU is ₩ 49,909 million (₩ 23,539 million in 2022).

24. Retained Earnings

Retained earnings as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

		December 31, 2023		December 31, 2022
Legal reserves(*)	₩	8,240,670	₩	8,240,670
Voluntary reserves		13,909,234		13,909,234
Retained earnings before appropriation		24,522,209,147		23,623,537,103
	₩	24,544,359,051	₩	23,645,687,007

(*) The Commercial Act of the Republic of Korea requires the Company to appropriate for each financial period, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued share capital. The reserve is not available for cash dividends payment but may be transferred to share capital or used to reduce accumulated deficit. When the accumulated legal reserves (the sum of capital reserves and earned profit reserves) are greater than 1.5 times the paid-in capital amount, the excess legal reserves may be distributed in accordance with a resolution of the shareholders' meeting.

25. Operating Expenses

Details of operating expenses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		2023		2022
Salaries and wages(*)	₩	1,701,418,940	₩	1,492,548,615
Share-based payment expenses		191,366,696		19,649,528
Employee benefits		283,092,999		240,521,301
Travel		17,262,223		12,562,175
Depreciation		318,745,708		360,397,507
Depreciation of right-of-use assets		209,266,600		158,235,996
Amortization		54,327,054		42,275,065
Communication		225,474,382		206,979,836
Utility		32,880,754		24,688,384
Taxes and dues		32,970,647		25,059,590
Rental		9,977,248		10,930,502
Commission		3,425,214,365		2,860,524,707
Advertising		1,479,801,562		1,300,591,276
Insurance		2,556,601		1,834,114
Freight		46,054,880		20,777,264
Supplies		14,500,608		26,083,234
Training		8,807,522		11,358,887
Others		128,104,518		100,396,317
	₩	8,181,823,307	₩	6,915,414,298

(*) Expenses related to stock grants amounting to ₩ 80,462 million for the year ended December 31, 2023 (₩ 75,850 million in 2022) are included.

26. Other Income and Other Expenses

A. Details of other income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Rental income	₩ 836,340	₩ 694,977
Foreign currency exchange gain	61,815,043	62,812,768
Gain on disposal of property, plant and equipment	2,897,328	4,941,928
Gain on disposal of intangible assets	210,979	198,301,511
Gain on disposal of investments in subsidiaries	67,695,975	1,155,305
Gain on disposal of investments in associates	53,019,427	28,587,907
Others	20,013,248	14,077,408
	₩ 206,488,340	₩ 310,571,804

B. Details of other expenses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Foreign currency exchange loss	₩ 101,427,971	₩ 119,618,497
Social contribution expenses	74,870,451	72,945,341
Miscellaneous loss	27,287,299	14,723,983
Non-operating commission	11,288,158	29,145,614
Impairment loss on investments in associates and joint ventures	20,988,964	105,327,595
Impairment loss on intangible assets	34,221,915	13,770,992
Loss on disposal of investments in subsidiaries	1,561,870	-
Loss on disposal of investments in associates	120,401,195	11,074,829
Others	8,957,837	9,051,386
	₩ 401,005,660	₩ 375,658,237

27. Finance Income and Finance Costs

A. Details of finance income for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Dividend income	₩ 35,691,552	₩ 47,883,375
Foreign currency exchange gain	50,160,479	54,473,526
Gain on valuation of financial assets at fair value through profit or loss	238,998,965	426,760,606
Gain on valuation of financial liabilities at fair value through profit or loss	150,358,039	54,085,801
Gains on of derivative transactions	1,634,500	-
Gain on disposal of financial assets at fair value through profit or loss	25,361,650	36,532,669
	₩ 502,205,185	₩ 619,735,977

27. Finance Income and Finance Costs (cont'd)

B. Details of finance costs for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Interest expenses	₩ 127,077,551	₩ 71,692,137
Foreign currency exchange loss	53,271,413	76,761,257
Loss on valuation of financial assets at fair value through profit or loss	455,413,091	563,676,533
Loss on valuation of financial liabilities at fair value through profit or loss	14,705,041	187,126,853
Loss on derivative transactions	3,446,800	-
Loss on disposal of financial assets at fair value through profit or loss	19,314,657	21,903,702
Others	9,538,960	10,362,192
	₩ 682,767,513	₩ 931,522,674

28. Income Tax Expense

A. Income tax expense for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Current tax		
Current tax on profits for the year	₩ 628,468,876	₩ 671,530,871
Adjustments for current tax attributable to prior years	8,895,199	(82,494)
Deferred tax		
Origination and reversal of temporary differences	(143,157,753)	(267,579,903)
Impact of changes in corporate tax rate	2,172,233	6,668,317
Income tax expense	₩ 496,378,555	₩ 410,536,791

B. The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group and its details are as follows (Korean won in thousands):

	2023	2022
Profit before income tax expense	₩ 1,481,396,318	₩ 1,083,717,091
Tax at domestic tax rates applicable to profits in the respective countries	380,608,231	229,679,613
Adjustments		
Income not subject to tax	(25,766,003)	(59,711,369)
Expenses not deductible for tax purposes	43,981,043	48,643,311
Tax credits	(1,511,683)	(4,746,269)
Changes in non-recoverable deferred tax asset	59,809,111	118,378,084
Adjustments for current tax attributable to prior years	8,895,199	(82,494)
Change in deferred tax attributable to the corporate tax rate	2,172,233	6,668,317
Tax effects on recirculation of corporate income	417,367	16,916
Tax effects on consolidated tax return	(1,639,802)	173,225
Others	29,412,859	71,517,457
Income tax expense	₩ 496,378,555	₩ 410,536,791

The weighted average applicable tax rate of the Group was 33.51% for the year ended December 31, 2023 (37.88% in 2022).

28. Income Tax Expense (cont'd)

C. Income tax effect relating to components of other comprehensive income (loss) for each of the two years in the period ended December 31, 2023 is as follows (Korean won in thousands):

	2023			2022		
	Before tax	**Tax effect**	**After tax**	**Before tax**	**Tax effect**	**After tax**
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ 42,950,127	₩ (11,414,699)	₩ 31,535,428	₩ (632,040,133)	₩ 147,196,638	₩ (484,843,495)
Remeasurements of the net defined benefit liabilities	88,384,773	(21,546,133)	66,838,640	84,892,080	(16,145,607)	68,746,473
Gain on foreign exchange translation of overseas operations (*)	151,777,835	-	151,777,835	122,569,353	-	122,569,353
Shares of other comprehensive income of associates and joint ventures(*)	(554,753,743)	39,024,576	(515,729,167)	(1,135,935,879)	86,576,338	(1,049,359,541)
	₩ (271,641,008)	₩ 6,063,744	₩ (265,577,264)	₩(1,560,514,579)	₩ 217,627,369	₩(1,342,887,210)

(*) The Group did not recognize deferred tax assets and liabilities for gain on foreign exchange translation of overseas operations and share of other comprehensive income of subsidiaries and associates and joint ventures from the investment in subsidiaries and associates as of December 31, 2023 considering the Group has no plan for disposal of those investments.

D. Income tax effects that are charged or credited directly to equity for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023			2022		
	Before tax	**Tax effect**	**After tax**	**Before tax**	**Tax effect**	**After tax**
Gain (loss) on disposal of treasury shares	₩ 77,325,622	₩ (20,059,552)	₩ 57,266,070	₩ 92,350,321	₩ (24,957,278)	₩ 67,393,043
Gain (loss) on disposal of financial assets at fair value through other comprehensive income	5,618,319	(689,574)	4,928,745	(61,850,340)	16,722,526	(45,127,814)
Stock options	69,522,344	(1,303,888)	68,218,456	76,838,519	(86,368,548)	(9,530,029)
	₩ 152,466,285	₩ (22,053,014)	₩ 130,413,271	₩ 107,338,500	₩ (94,603,300)	₩ 12,735,200

28. Income Tax Expense (cont'd)

E. The analysis of deferred tax assets and liabilities as of December 31, 2023 and 2022 is as follows (Korean won in thousands):

		December 31, 2023		December 31, 2022
Deferred tax assets				
Deferred tax asset to be recovered within 12 months	₩	165,748,959	₩	150,660,623
Deferred tax asset to be recovered after more than 12 months		276,217,651		270,964,074
		441,966,610		421,624,697
Deferred tax liabilities				
Deferred tax liability to be within 12 months		(86,524,361)		(99,356,576)
Deferred tax liability to be recovered after more than 12 months		(1,025,484,194)		(1,042,371,187)
		(1,112,008,555)		(1,141,727,763)
Deferred tax assets (liabilities), net	₩	(670,041,945)	₩	(720,103,066)

F. Changes in deferred tax assets and liabilities for each of the two years in the period ended December 31, 2023 without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows (Korean won in thousands):

	2023						
	Beginning balance	Statement of profit or loss	Other comprehensive Income (loss)	Equity	Business combination and disposal	Difference in exchange rates	Ending balance
Deferred income tax liabilities							
Financial assets at fair value through profit or loss	₩ (107,232,642)	₩ 10,814,337	₩ -	₩ -	₩ -	₩ 33	₩ (96,418,272)
Investments in subsidiaries and associates	(980,229,831)	57,774,892	39,024,576	-	-	-	(883,430,363)
Others	(54,265,290)	15,884,750	-	-	(93,756,475)	(22,905)	(132,159,920)
	(1,141,727,763)	84,473,979	39,024,576	-	(93,756,475)	(22,872)	(1,112,008,555)
Deferred income tax assets							
Financial assets at fair value through other comprehensive income	174,237,509	736,046	(11,414,699)	-	-	(2,932)	163,555,924
Provision for impairment	1,875,604	4,673,164	-	-	7,392	(4)	6,556,156
Intangible assets	8,545,695	8,889,870	-	-	(9,230,694)	(476)	8,204,395
Accrued expenses	63,249,322	22,733,874	-	-	2,986,654	(10,680)	88,959,170
Unearned revenues	29,872,886	4,231,761	-	-	-	-	34,104,647
Net defined benefit liabilities	134,065,326	22,665,556	(21,546,133)	-	4,402,295	-	139,587,044
Tax losses and tax credit carryforward	3,126,084	(2,498,738)	-	-	-	(56,463)	570,883
Stock options	6,652,271	(4,919,992)	-	(1,303,888)	-	-	428,391
	421,624,697	56,511,541	(32,960,832)	(1,303,888)	(1,834,353)	(70,555)	441,966,610
Deferred income tax assets(liabilities), net							
	₩ (720,103,066)	₩ 140,985,520	₩ 6,063,744	₩ (1,303,888)	₩ (95,590,828)	₩ (93,427)	₩ (670,041,945)

28. Income Tax Expense (cont'd)

	2022						
	Beginning balance	Statement of profit or loss	Other comprehensive Income (loss)	Equity	Business combination and disposal	Difference in exchange rates	Ending balance
Deferred income tax liabilities							
Financial assets at fair value through profit or loss	₩ (189,514,431)	₩ 82,281,789	₩ -	₩ -	₩ -	₩ -	₩ (107,232,642)
Investments in subsidiaries and associates	(1,243,038,285)	176,232,116	86,576,338	-	-	-	(980,229,831)
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
Others	(4,242,629)	6,232,064	-	-	(56,206,938)	(47,787)	(54,265,290)
	(1,436,795,345)	264,745,969	86,576,338	-	(56,206,938)	(47,787)	(1,141,727,763)
Deferred income tax assets							
Financial assets at fair value through other comprehensive income	27,110,215	(69,344)	147,196,638	-	-	-	174,237,509
Provision for impairment	1,406,907	366,543	-	-	102,157	(3)	1,875,604
Intangible assets	5,079,752	3,446,757	-	-	19,615	(429)	8,545,695
Accrued expenses	81,648,425	(18,860,438)	-	-	468,400	(7,065)	63,249,322
Unearned revenues	25,500,465	4,372,421	-	-	-	-	29,872,886
Net defined benefit liabilities	133,019,157	16,972,884	(16,145,607)	-	218,892	-	134,065,326
Tax losses and tax credit carryforward	744,529	2,493,230	-	-	-	(111,675)	3,126,084
Stock options	105,577,255	(12,556,436)	-	(86,368,548)	-	-	6,652,271
	380,086,705	(3,834,383)	131,051,031	(86,368,548)	809,064	(119,172)	421,624,697
Deferred income tax assets(liabilities), net							
	₩(1,056,708,640)	₩ 260,911,586	₩ 217,627,369	₩ (86,368,548)	₩ (55,397,874)	₩ (166,959)	₩ (720,103,066)

G. The Group did not recognize deferred tax assets and liabilities for the deductible temporary differences amounting to ₩ 3,017,350 million (₩ 2,222,632 million in 2022) and taxable temporary differences amounting to ₩ 1,776,362 million (₩ 603,307 million in 2022) from the investments in subsidiaries and associates which are not subject to disposal, respectively, and did not recognize deferred tax assets for tax losses amounting to ₩ 2,717,065 million (₩ 1,981,489 million in 2022) which are not recoverable because of the uncertainty of future taxable income of the subsidiaries.

H. The OECD's Pillar Two Model Rules apply to multinational enterprises (MNEs) with consolidated revenue for a year in excess of EUR 750 million for two or more years in the period of previous four years.

If a jurisdiction in which a constituent entity of MNE subjects to the Pillar Two income taxes (i.e., subsidiary, permanent establishment, and joint venture or associate satisfying specific requirements to be applied equity method in the consolidated financial statements of ultimate parent entity) are domiciled meets the requirements for temporary exemption, it is deemed that additional Pillar Two surtaxes shall not incur in the jurisdiction. The temporary exemption is applicable if (1) the total revenue and income before taxes is less than EUR 10 million and EUR 1 million, respectively, (2) the effective tax rate in the jurisdiction is greater than 15%, and/or (3) income before taxes is negative i.e., net loss incurring, or does not exceed the sum of substance-based income exclusions.

If the effective tax rate levied in a jurisdiction not meeting the requirements for temporary exemption is less than 15%, the amount of tax charges at 15% less the effective tax rate shall be paid to tax authorities of the jurisdiction in which ultimate parent entity meeting the specific requirements belongs. The government of the Republic of

Korea enacted Pillar Two legislation in 2023, and the legislation must be applied for the business years beginning on or after January 1, 2024.

The Group is ultimate parent entity of MNEs subjects to Pillar Two Model Rules and accordingly has an obligation to pay additional surtax accruals of its constituent entities if Pillar Two income taxes are levied to the entities. As of December 31, 2023, among the jurisdictions where the Group's constituent entities subject to Pillar Two income taxes are domiciled, Singapore and Vietnam does not meet requirements for temporary exemption.

For such entities subject to Pillar Two income taxes due to their domicile in Singapore and Vietnam, the effective tax rate and additional surtax amount shall be calculated by reflecting various adjustments prescribed in Pillar Two Model Rules to accounting income and income tax expenses and considering income excluding substance-based income. As a result of analysis for the impact thereof, the Group concluded that the amount of probable surtax that might be levied to its constituent entities in Singapore and Vietnam shall be immaterial.

Meanwhile, as the Pillar Two income tax legislation will be effective on January 1, 2024 in the Republic of Korea, the Group did not recognize the effect of Pillar Two income taxes for the year ended December 31, 2023. The Group applied the temporary exception providing relief from accounting for deferred taxes in relation to Pillar Two Model Rules, and accordingly there is no effect due to Pillar Two income taxes for the year ended December 31, 2023.

29. Earnings per Share

A. Basic earnings per share for each of the two years in the period ended December 31, 2023 are as follows:

(1) Basic earnings per share for operating profit (Korean won in thousands and in number of shares)

		2023		2022
Profit attributable to the controlling shareholders of the Group	₩	1,012,321,528	₩	760,260,876
Less: dividend on preferred shares		(10,352,931)		(10,361,066)
	₩	1,001,968,597	₩	749,899,810
Weighted average number of ordinary shares outstanding		150,427,724		149,764,029
Basic earnings per share (in Korean won)	₩	6,661	₩	5,007

B. Weighted average numbers of ordinary shares outstanding for each of the two years in the period ended December 31, 2023 are calculated as follows: (in number of shares)

	2023	
	Numbers of ordinary shares outstanding	Cumulative shares
Beginning balance	149,981,718	54,743,327,070
Disposal of treasury shares	632,024	162,792,205
		54,906,119,275

(*) Weighted average number of ordinary shares outstanding: 54,906,119,275 ÷ 365 days = 150,427,724 shares

	2022	
	Numbers of ordinary shares outstanding	Cumulative shares
Beginning balance	149,298,955	54,494,118,575
Disposal of treasury shares	682,763	169,751,868
		54,663,870,443

(*) Weighted average number of ordinary shares outstanding: 54,663,870,443 ÷ 365 days = 149,764,029 shares

29. Earnings per Share(cont'd)

C. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has stock options granted by the Company as dilutive potential ordinary shares. For the stock options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Group's shares) based on the monetary value of the subscription rights attached to outstanding stock options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the share options are exercised. (Korean won in thousands and in number of shares)

		2023		2022
Profit attributable to the ordinary shareholders of the Group	₩	1,001,968,597	₩	749,899,810
Increase (decrease) in profit (loss) to reflect dilutive effect resulting from assumed conversion of potential ordinary shares		(9,910,524)		-
	₩	992,058,073	₩	749,899,810
Weighted average number of ordinary shares outstanding		150,427,724		149,764,029
Adjustments				
Stock option		425,705		654,184
Weighted average number of ordinary shares outstanding to calculate diluted earnings per share		150,853,429		150,418,213
Diluted earnings per share (in Korean won)	₩	6,576	₩	4,985

30. Dividends

There is no common stock dividend for the fiscal period ended December 31, 2022, and details of dividends for each of the two years in the period ended December 31, 2023 are as follows:

		2023		2022
Shares eligible for dividends		-		149,298,955 Shares
Dividends per share (Korean won)	₩	-	₩	511
Cash dividends (Korean won in thousands)	₩	-	₩	76,291,766

The interim dividend on ordinary shares of ₩ 62,398 million was paid on August 22, 2023, upon the resolution of the Board of Directors on August 2, 2023, and the interim dividend of ordinary shares of ₩ 137,072 million was paid on November 15, 2022, upon a resolution of the Board of Directors made on November 2, 2022. Details of the dividend are as follows:

		2023 (interim dividends)		2022 (interim dividends)
Shares eligible for dividends		150,355,868 Shares		149,969,542 Shares
Dividends per share (Korean won)	₩	415	₩	914
Cash dividends (Korean won in thousands)	₩	62,397,685	₩	137,072,161

31. Cash flow statements

A. Details of cash generated from operations and changes in assets and liabilities due to operations for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		2023		2022
Profit for the year	₩	985,017,762	₩	673,180,300
Adjustments:				
Bad debt expense		4,727,294		676,077
Depreciation		318,745,708		360,397,507
Other bad debt expenses		2,350,267		4,223,783
Depreciation of right-of-use assets		209,266,600		158,235,996
Amortization		54,327,054		42,275,065
Gain on foreign currency translation		(106,041,629)		(85,392,071)
Loss on foreign currency translation		59,681,150		173,988,955
Gain (loss) on foreign exchange		15,906,448		(8,204,654)
Gain on disposal of property, plant and equipment		(2,897,328)		(4,941,928)
Loss on disposal of property, plant and equipment		3,543,505		3,396,168
Impairment loss on property and equipment		2,784,252		-
Gain on disposal of intangible assets		(210,979)		(198,301,511)
Loss on disposal of intangible assets		27,446		70,040
Impairment loss on intangible assets		29,225,770		13,770,992
Gain on valuation of financial assets and liabilities at fair value through profit or loss		(389,357,004)		(480,846,408)
Loss on valuation of financial assets and liabilities at fair value through profit or loss		470,118,132		750,803,387
Gain on disposal of financial assets at fair value through profit or loss		(25,361,650)		(36,532,669)
Loss on disposal of financial assets at fair value through profit or loss		19,314,657		21,903,702
Gain on disposal of investments in associates and joint ventures		(120,715,402)		(29,743,212)
Loss on disposal of investments in associates and joint ventures		121,963,065		11,074,829
Impairment loss on investments in associates and joint ventures		20,988,964		105,327,595
Share of profit of associates and joint ventures		(377,329,627)		(407,505,415)
Share of loss of associates and joint ventures		110,785,067		310,744,263
Share-based payment expenses		271,828,936		95,500,027
Post-employment benefits		156,887,500		138,587,827
Interest income		(101,111,135)		(59,164,659)
Interest expenses		127,077,551		71,692,137
Dividend income		(35,691,552)		(47,883,375)
Income tax expenses		496,378,555		410,536,791
Income with no other cash inflows		(9,757,728)		3,361,974

Change in operating assets and liabilities, net:		
Trade receivables	42,765,339	(56,361,554)
Inventories	(2,245,873)	16,548,462
Other receivables	(149,337,263)	(44,750,623)
Other current assets	41,830,522	(68,376,462)
Other non-current assets	(27,859,473)	(23,662,886)
Other payables	347,898,285	133,788,795
Long-term other payables	(1,099,704)	(1,073,610)
Accrued expenses	(200,499,292)	9,397,415
Long-term accrued expenses	(35,929,835)	24,164,559
Other current liabilities	393,003,402	370,933,660
Provisions	(41,766,101)	(8,900,596)
Net defined benefit liabilities	(5,412,250)	(41,748,711)
Others	(1,658,841)	(2,503,542)
	₩ 2,672,160,565	₩ 2,298,686,420

B. Significant transactions not affecting cash flows for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Reclassification of construction in progress	₩ 729,560,090	₩ 586,868,121
Other payables arising from acquisitions of property, plant and equipment	79,623,031	43,777,472
Increase in right-of-use assets	184,178,151	614,644,419
Other payables arising from acquisitions of intangible assets	120,930	222,475
Reclassification of current portion of long-term borrowings and debentures	445,862,173	1,154,446,281

C. Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023							
	Liabilities from financing activities							
	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Dividend payable	Others	Total
Beginning balance	₩ 261,430,486	₩ 1,119,968,812	₩ 328,034,313	₩ 1,704,518,277	₩ 782,630,282	₩ -	₩ 761,195,772	₩ 4,957,777,942
Cash flows - proceeds	905,385,000	-	835,080,704	176,512,824	-	-	101,185,627	2,018,164,155
Cash flows - repayment	(841,999,500)	(434,242,690)	(616,872,944)	-	(204,064,693)	(62,397,685)	(2,383,954)	(2,161,961,466)
Recognized for the year	-	-	-	-	188,110,819	62,397,685	-	250,508,504
Current portion reclassification	-	(445,862,173)	445,862,173	-	-	-	-	-
Disposal	-	-	-	-	(12,491,400)	-	-	(12,491,400)
Changes in scope of consolidation (*1)	(1,000,000)	-	-	-	-	-	-	(1,000,000)
Amortization	-	-	-	2,949,243	28,988,709	-	-	31,937,952
Valuation	-	-	-	-	-	-	(135,652,997)	(135,652,997)
Others(*2)	9,225,329	(46,940,122)	1,496,197	21,700,809	(29,536,947)	-	(9,129,717)	(53,184,451)
Ending balance	₩ 333,041,315	₩ 192,923,827	₩ 993,600,443	₩ 1,905,681,153	₩ 753,636,770	₩ -	₩ 715,214,731	₩ 4,894,098,239

(*1) Excluded from the scope of consolidation due to discontinued operations for the year ended December 31, 2023.
(*2) Others include effects of changes in foreign currency exchange rate and interest payments which are presented as operating activities in the statement of cash flows.

	2022							
	Liabilities from financing activities							
	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Dividend payable	Others	Total
Beginning balance	₩ 342,638,765	₩ 118,683,053	₩ 1,552,014,026	₩ 1,636,827,464	₩ 311,277,707	₩ -	₩ 511,872,420	₩ 4,473,313,435

Cash flows - proceeds	139,564,583	-	106,435,417	-	-	-	134,420,445	380,420,445
Cash flows - repayment	(246,764,958)	(111,740,292)	(100,690,380)	-	(178,551,443)	(213,363,927)	(1,463,130)	(852,574,130)
Recognized for the year	-	-	-	-	619,563,004	213,363,927	-	832,926,931
Current portion reclassification	17,056,250	1,137,390,031	(1,154,446,281)	-	-	-	-	-
Disposal	-	-	-	-	(14,508,429)	-	-	(14,508,429)
Changes in scope of consolidation[1]	7,866,958	194,928	8,827,132	2,555,027	-	-	-	19,444,045
Amortization	-	-	-	2,948,804	20,652,049	-	-	23,600,853
Valuation	-	-	-	-	-	-	117,024,883	117,024,883
Others (*)	1,068,888	(24,558,908)	(84,105,601)	62,186,982	24,197,394	-	(658,846)	(21,870,091)
Ending balance	₩ 261,430,486	₩ 1,119,968,812	₩ 328,034,313	₩ 1,704,518,277	₩ 782,630,282	₩ -	₩ 761,195,772	₩ 4,957,777,942

(*) Others Include effects of changes in foreign currency exchange rate and interest payments which are presented as operating activities in the statement of cash flows.

32. Commitments and Contingencies

A. As of December 31, 2023, the Group has borrowing agreements with Kookmin Bank and 10 other Korean financial institutions, with an aggregated credit limit up to ₩ 1,333,122 million and an agreement on leased assets with KB Kookmin Card Co., Ltd. up to ₩ 384,142 million. Also, the Group has borrowing agreements with Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank and 4 others with an aggregated credit limit up to JPY 112,460 million and USD 480 million.

B. As of December 31, 2023, the Group is provided with guarantees of ₩ 225,930 million from Seoul Guarantee Insurance Company, Korea Software Financial Cooperative and others in relation to the performance guarantee, and guarantees of ₩ 3,533 million (available up to ₩ 7,350 million) from Shinhan Bank in relation to the payment guarantee. Also, the Group provides investments of ₩ 3,353 million as collaterals for payment guarantee from Korea Software Financial Cooperative.

C. As of December 31, 2023, customers' advance payments of ₩ 116,035 million, classified as cash and cash equivalents, are trusted to Shinhan Bank in accordance with the 'Guidelines for electronic financial service provider to protect user funds'.

D. As of December 31, 2023, the Group has entered into an agreement to compensate for some of the losses due to uncollected loans in relation to MIRAE ASSET CAPITAL CO., LTD.'s loans to small business owners.

E. As of December 31, 2023, the Group has entered into an agreement to allow deferred payment to be repaid at a later date only to subscribers of the Group's deferred payment service in accordance with the designation of innovative finance by the Financial Services Commission. The limit for the unused portion (off-balance sheet account) amount to ₩ 156,422 million as of December 31, 2023.

F. As of December 31, 2023, the Group has entered into a construction contract amounting to ₩ 471,162 million (outstanding amount: ₩ 4,696 million) with HYUNDAI ENGINEERING & CONSTRUCTION CO., LTD. in relation to a construction of cloud data center and others. Also, the Group has entered into contracts to acquire land amounting to ₩ 51,000 million (outstanding amount: ₩ 100 million).

G. As of December 31, 2023, the Group is a defendant in 44 lawsuit cases filed with regard to patent infringement and compensation for damages (aggregate amount of the lawsuits: ₩ 27,368 million), and the Group is a plaintiff in 9 lawsuit cases filed with regard to compensation for damages (aggregate amount of the lawsuits: ₩ 32,922 million). The outcome of these cases is uncertain as at the reporting date, and the Group's management recognizes the provision in relation to the potential loss if these cases meet the condition for the recognition of the provision.

32. Commitments and Contingencies (cont'd)

H. Details of significant capital commitments contracted in relation to funds owned by the Group as of December 31, 2023 are as follows (Korean won in thousands):

	Agreed amount	Accumulated investment	Outstanding amount
General Atlantic LLC	₩ 193,410,000	₩ 120,968,535	₩ 72,441,465
K-Fund II	142,659,000	88,701,345	53,957,655
China Ventures Fund I, Limited Partnership	257,880,000	212,450,231	45,429,769
K-Fund I	213,988,500	183,892,489	30,096,011
Sequoia Capital Global Growth Fund III	174,069,000	147,996,239	26,072,761

I. As of December 31, 2023, the Group has entered into executives and employees' group injury insurance and others with KB insurance Co., Ltd. and other insurers.

J. As of December 31, 2023, the Group holds shares of CJ Logistics Corporation, CJ ENM Co., Ltd. and Studio Dragon Corporation to reinforce and maintain strategic partnership with CJ corporate group affiliates. The shares acquired by the Group are restricted on disposal for a certain period, under the right of first refusal agreement and call option agreement concluded between the Group and counterparties.

K. With the resolution of the Board of Directors on March 16, 2021, the Group conducted an exchange of treasury shares with SHINSEGAE INTERNATIONAL Inc. and E-MART Inc. to reinforce and maintain strategic partnership with SHINSEGAE corporate group affiliates. In connection with this exchange, the Group entered into a mutual agreement for right of first refusal and call option. The shares acquired by the Group are restricted on disposal for a certain period.

L. With the resolution of the Board of Directors on August 10, 2021, the Group entered into a contract for contribution in kind using treasury shares to reinforce and maintain strategic partnership with Cafe24 Corp. In connection with this contract, the Group entered into an agreement for the right of first refusal and right to nominate directors. The shares acquired by the Group are restricted on disposal for a certain period.

M. As of December 31, 2023, the Group provides time deposits of ₩ 57,200 million as collaterals for the employees' loans from financial institutions, JPY 1,000 million as collaterals for the Japanese electronic money. In addition, long and short-term financial instruments amounting to ₩ 13,760 million is deposited for shared corporate growth program, ₩ 2,647 million are pledged for the leasehold deposits of the associates. ₩ 1,700 million are pledged to Shinhan Bank for payment guarantees in relation to Naver Pay service and others; ₩ 500 million are pledged for restoration of leasehold facilities; and ₩ 400 million are pledged to Nonghyup Bank for the credit line with Nonghyup Card.

N. As of December 31, 2023, the Group entered into a mutual agreement for preferential purchase right and sale claim right in relation to the Group's investments in MIRAE ASSET SECURITIES CO., LTD. (exchange of treasury shares).

O. In relation to the investments in Tving Co., Ltd. held by the Group, as of December 31, 2023, the Group has drag-along right that are exercisable in accordance with the contract terms. The shares held by the Group are restricted on disposal for a certain period.

P. As of December 31, 2023, the Group and WEVERSE COMPANY Inc., the associate held by the Group, have entered into an agreement on the right of first refusal and call option in relation to the acquisition of shares of WEVERSE COMPANY Inc. WEVERSE COMPANY Inc. can request the Group to sell its shares if certain conditions are satisfied. The shares held by the Group are restricted on disposal for a certain period.

Q. Investments in J Peul Media Co., Ltd., an associate, and 2 other entities held by the Group are restricted on disposal for a certain period.

R. The Group grants put options that give investors the right to sell all or part of their shares to the Group in the event of a significant negative impact on the Group due to significant breach of contract or law in relation to certain RCPS (issue price: ₩ 351,104 million) issued by the Group.

32. Commitments and Contingencies (cont'd)

S. In relation to RCPS issued by associates (issue price: ₩ 30,301 million), the Group grants put options that give investors the right to sell all or part of their shares to the Group in the event of a significant negative impact on the Group due to significant breach of contract or law .

T. In relation to shares in PROTON PARENT, INC., the Group grants put options that give non-controlling shareholder the right to sell all or part of their shares to the Group under the condition that certain criteria is met. The Group recognizes ₩10,742 million related thereto as 'other payables' as of December 31, 2023.

U. The Group grants put options that give Premier Luna the right to sell all of the investment shares held by Premier Luna at a certain price if the Group neglects its duties as a major shareholder in connection with listing securities of MUNPIA INC. in public under a shareholders' agreement entered into with Premier Luna Inc. In addition, while acquiring shares of MUNPIA INC., the Group grants put options that give CLOUDARY HOLDINGS LIMITED the right to sell residual shares of MUNPIA INC held by CLOUDARY HOLDINGS LIMITED.

V. Other than those described in Note 32, as of December 31, 2023, the Group may exercise preferential purchase right and drag-along right in relation to investments in associates and joint ventures, such as Carousell Pte Ltd, J Peul Media Co., Ltd., A2Z Inc., and SMEJ Plus INC.

33. Related Party Transactions

A. Details of subsidiaries as of December 31, 2023 and 2022 are described in Note 1.A, and details of associates and joint ventures as of December 31, 2023 and 2022 are described in Note 15.A.

B. Details of other related parties that have sales and other transactions or outstanding receivables/payables balances with the Group as of December 31, 2023 and 2022 are as follows:

	December 31, 2023	December 31, 2022
Other (*)	ESPRESO MEDIA CO., LTD., Lunasoft corp., MYSTIC Story Inc., Studio Pat Co., Ltd., HD Junction, Inc., Contents First Inc., MESHKOREA Co., Ltd., Studio Swing Bat Co., Ltd., DOHANDS Co.,Ltd Ubob Inc., LINE Games Corporation, THE HAPPYBEAN FOUNDATION, NAVER Cultural Foundation, NAVER Connect Foundation, FASSTO, Pig Inc., HUNIVERSE GLOBAL Co., Ltd., Astron Security Co., Ltd.	ESPRESO MEDIA CO., LTD., Lunasoft corp., Jakga Company Co., Ltd., MYSTIC Story Inc., Studio Pat Co., Ltd., HD Junction, Inc., Contents First Inc., MESHKOREA Co., Ltd., Studio Swing Bat Co., Ltd., DOHANDS Co., Ltd Ubob Inc., HUNIVERSE GLOBAL Co., Ltd., LINE Games Corporation, THE HAPPYBEAN FOUNDATION, NAVER Cultural Foundation, NAVER Connect Foundation

(*) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large enterprise group according to the Monopoly Regulation and Fair Trade Act, or the entities issuing compound financial instruments that the Company are determined to be able to exercise significant influences.

C. Transactions with related parties including operating revenues and operating expenses for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023			
	Operating revenue and others(*3)	Operating expenses and others(*3)	Purchase of non-current assets	Disposal of non-current assets
Associate:				
LINE Corporation(*2)	₩ 80,172,632	₩ 11,781,510	₩ -	₩ -
LY Corporation(formerly, Z Holdings Corporation)(*2)	22,371,827	14,421,189	-	-
Goodus Data, Inc.	6,397,588	1,460,429	-	-
LINE Plus Corporation(*2)	5,718,210	3,240,141	3,077	-
WEVERSE COMPANY Inc.	5,619,095	257,790	-	-
LINE Taiwan Limited(*2)	2,023,408	5,495,812	-	-
IPX Corporation(*2)	1,951,296	1,541,326	7,600	-
LINE Biz Plus Corporation(*2)	1,333,487	-	3,104	-

Studio 389 Co., Ltd.	1,168,237	4,363,459	-	-
Reverse Corp(*2)	1,071,869	7,613,454	-	-
LINE Pay Plus Corporation(*2)	1,035,647	-	-	-
J Peul Media Co., Ltd.	974,443	10,338,630	-	-
The Grimm entertainment Co.,Ltd	732,954	15,690,276	-	-
Studio Mul Co., Ltd	678,030	4,119,544	-	-
LOCUS CORPORATION	590,664	-	-	-
IZE PRESS LLC.(*2)	442,911	-	-	-
Only Won Entertainment Co., Ltd	424,365	1,790,062	-	-
Mirae Asset MAPS Private Placement Real Estate 62(*4)	399,969	7,247,354	-	-
LINE STUDIO Corporation(*2)	360,845	291,291	-	-
Cafe24 Corp.	335,656	25,565,836	-	-
LINE Pay Corporation(*2)	302,166	268,323	-	-
LINE Company (Thailand) Limited (*2)	280,669	890,156	-	-
YLAB CORPORATION	275,967	10,035,599	-	-
LINE Financial Corporation(formerly, LINE Financial Plus Corporation)(*2)	273,746	-	-	-
REDICE Studio Inc.(*2)	252,852	6,576,227	115,385	-
Famous Studio Corp.	241,897	57,462,957	-	-
Vi-Frost	194,143	311,817	-	-
Sam Studio Co., Ltd.	180,574	996,054	-	-
SGRSOFT Co., Ltd.	179,137	326,585	-	-
Chicment Co., Ltd.	149,213	909,391	-	-
LINE PLAY Corporation(*2)	148,441	-	9,412	-
SHINE PARTNERS CO., LTD.	104,785	2,645,113	-	-
Sidus Corporation	104,472	11,166	-	-
Studio1991	85,941	820,499	-	-
ROKMEDIA(*2)	78,947	2,342,219	-	-
BY4M Studio Co., Ltd.	77,234	204,101	-	-
JQ COMICS Co., Ltd.	60,814	1,659,440	-	-
Playlist Corporation	59,542	2,235,994	-	471
MARKT Co.,Ltd.(*2)(*4)	42,039	11,369,683	-	-
Yumi studio Co., Ltd.	34,411	834,785	-	-
Studio hohoee Co.,Ltd.	24,004	1,118,217	-	-
R.I. Entertainment Co., Ltd. (formerly, REDICE Entertainment Co.,)	22,831	176,357	-	-
Big Picture Comics Co., Ltd.	17,136	1,438,618	-	-
SYNAP SOFT CORP.	7,980	850,000	-	-
Purpleduck Corp.	5,500	645,230	-	-
Onestore Co., Ltd.	4,931	580,209	-	-
Su Comics Co., Ltd.	2,554	175,521	-	-
GEULGGUN	1,705	258,299	-	-
LY Communications Corporation(Formerly, LINE Fukuoka Corp.)(*2)	339	7,379,362	-	-
Arointech inc	260	819,606	-	-
ZK Studio Co., Ltd.	-	38,000	572,769	-
Noi Co., Ltd. (*2)	-	232,222	-	-
BravoBeaver Incheon Corp.	-	301,611	-	-
LINE VIETNAM COMPANY LIMITED(*2)(*4)	-	355,118	-	-
Future Creation NAVER-SB Startup Investment Fund(*4)	-	370,370	-	-
PT.LINE PLUS INDONESIA(*2)	-	457,397	-	-
Breathe Company Corporation(*2)	-	486,775	-	-
Makma	-	766,624	-	-
Others	363,243	219,111	-	-
Joint venture:				
Animal and Human Story Co., Ltd.	19,187	1,032,053	-	-
Inter Biz Co., Ltd.	682	840,231	-	-
Tech Plus Co., Ltd.	26	644,009	-	-
School Jaem Co., Ltd.	3	800,426	-	-
Sseom Lab Co., Ltd.	-	628,200	-	-
Yeopeul Co., Ltd	-	660,950	-	-
Law&Media Co., Ltd.	-	666,862	-	-
Designpress Co., Ltd.	-	754,111	-	-
China Lab Co.,Ltd.	-	834,544	-	-
Agro Plus Co., Ltd.	-	1,026,200	-	-
Cineplay Co., Ltd	-	1,036,700	-	-
Others	19,996	24,105	-	-
Other:				

NAVER Connect Foundation(*1)	7,927,356	13,337,212	-	-
THE HAPPYBEAN Foundation(*1)	1,959,808	10,576,780	-	667,463
Contents First Inc.	996,639	448,650	-	-
LINE Games Corporation(*1)	159,473	-	-	-
NAVER Cultural Foundation(*1)	128,257	-	-	259,592
Ubob Inc.	12,896	229,415	-	-
MYSTIC Story Inc.	743	266,577	-	-
Others	181,018	171,415	-	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large-scale business group according to the *Monopoly Regulation and Fair Trade Act* and the amounts herein are the transaction amounts after the entities are designated to belong to large-scale business group.
(*2) The entities are subsidiaries of associates.
(*3) The amounts above exclude ₩ 10,896 million of receipt as revenue and ₩ 2,761 million of payment as expenses on behalf of the related parties.
(*4) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal and liquidation.

	2022			
	Operating revenue and others(*3)	**Operating expenses and others(*3)**	**Purchase of non-current assets**	**Disposal of non-current assets**
Associate:				
A Holdings Corporation	₩ -	₩ 328,604	₩ -	₩ -
LINE Company (Thailand) Limited(*2)	289,757	590,297	-	-
LINE Corporation(*2)	123,247,333	12,511,767	6,207	-
LINE Taiwan Limited(*2)	8,580	1,408,761	-	-
LINE NEXT Corporation(*2)	-	-	-	6,055
Makma	-	1,178,822	-	-
PT.LINE PLUS INDONESIA(*2)	102,636	189,712	-	-
LINE Biz Plus Corporation(*2)	3,724,956	-	825	5,606
LINE studio Corp. (*2)	256,751	654,700	-	-
J Peul Media Co., Ltd.	-	8,042,338	-	-
MARKT Co.,Ltd.(*2)	218,725	23,590,146	116,450	-
Sam Studio Co., Ltd.	-	1,067,435	-	-
Su Comics Co., Ltd.	-	305,225	-	-
Studio 389 Co., Ltd.	-	3,192,287	-	-
Studio Mul Co., Ltd.	-	2,390,288	-	-
Arointech inc	220	800,301	-	-
ZK Studio Co., Ltd.	-	44,247	394,231	-
Cafe24 Corp.	1,288,199	27,064,365	-	-
Famous Studio Corp.	160,739	49,684,429	-	-
LINE Plus Corporation(*2)	7,197,080	5,189,907	105,375	91,780
LINE PLAY Corporation (*2)	287,530	-	826	-
LINE Pay Corporation(*2)	329,094	447,484	-	-
LINE Financial Plus (*2)	459,673	-	-	-
IPX Corporation(formerly, LINE friends corporation)(*2)	1,588,423	4,689,959	5,016	703
Line Fukuoka Corp.(*2)	522	6,474,801	-	-
Pala Inc.	219	194,646	-	-
Yumistudio Co., Ltd.	-	2,032,818	-	-
Vi-Frost	-	251,014	-	-
Studio hohoee Co.,Ltd.	-	633,266	-	-
SHINE PARTNERS CO., LTD.	-	3,118,799	-	-
Only Won Entertainment Co., Ltd.	6,000	1,190,027	-	-
WEVERSE COMPANY Inc	194,235,890	53,861	-	7,604
SYNAP SOFT CORP	-	850,000	-	-
MUNPIA INC (*4)	-	2,947,170	-	-
eBOOK Initiative Japan Co., Ltd.(*4)	-	18,138	-	-
Studio Paran Inc.	8,000	200,000	-	-
Murple, Inc.	-	1,040,000	-	-
Chicment Co., Ltd.	15,494	242,391	-	-
AXIS Co.,LTD.	10,000	200,000	-	-
Mirae Asset MAPS Private Placement Real Estate 62	446,954	9,001,845	-	-
Goodus Data, Inc	2,319,914	580,004	-	-
Studio1991	-	333,664	-	-
Studio JHS Co., Ltd (*4)	-	8,380,483	-	-

REDICE Studio Inc.(*2)	-	2,998,128	554,615	-
Reverse Corp.(*2)	-	5,307,685	-	-
GEULGGUN	-	120,601	-	-
The Grimm entertainment Co.,Ltd.	-	14,338,360	-	-
Big Picture Comics Co., Ltd.	-	1,591,396	-	-
JQ COMICS Co., Ltd.	-	1,674,752	-	-
YLAB CORPORATION (*5)	-	12,772,612	5,062	-
Other	280,550	339,176	-	-
Joint venture:				
Designpress Co., Ltd.	-	1,688,189	-	-
Cineplay Co., Ltd	-	965,200	-	-
Yeopeul Co., Ltd	-	1,002,082	-	-
jobsN CO., Ltd	647	896,998	-	-
Animal and Human Story Co., Ltd.	7,899	611,632	-	-
Law&Media Co., Ltd	-	881,800	-	-
School Jaem Co., Ltd	168	970,693	-	-
Sseom Lab Co., Ltd.	90	657,160	-	-
Agro Plus Co., Ltd.	-	843,143	-	-
Artition Co., Ltd.	-	600,000	-	-
Inter Biz Co., Ltd	54	814,990	-	-
Tech Plus Co., Ltd.	11	627,005	-	-
China Lab Co.,Ltd	53	964,036	-	-
Other:				
LINE Games Corporation(*1)	168,934	-	-	-
THE HAPPYBEAN FOUNDATION(*1)	1,564,315	10,027,491	-	-
NAVER Connect Foundation(*1)	8,128,423	14,550,431	-	99,067
MYSTIC Story Inc	27,300	1,868,102	-	-
NAVER Cultural Foundation(*1)	65,781	2,000,323	-	-
Jakga Company Co., Ltd. (*4)	-	7,548,464	-	-
Contents First Inc.	612,359	944	-	-
Ubob Inc.	6,384	258,466	-	-
Other	2,641	163,341	-	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large-scale business group according to the *Monopoly Regulation and Fair Trade Act* and the amounts herein are the transaction amounts after the entities are designated to belong to large-scale business group.
(*2) The entities are subsidiaries of associates.
(*3) The amounts above exclude ₩ 11,345 million of receipt as revenue and ₩ 29,529 million of payment as expenses on behalf of the related parties.
(*4) The amount represents transactions before the reclassification from an associate to a subsidiary due to the additional acquisition of control for the year ended December 31, 2022.
(*5) The amount represents the total transaction amount of the entity reclassified from other related party to associate due to the conversion of ordinary shares.

33. Related Party Transactions (cont'd)

D. Outstanding balances of receivables due from and payables due to related parties as of December 31, 2023 and 2022 are as follows (Korean won in thousands):

	December 31, 2023			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*2)	Other payables	Accrued expenses and others
Associate:				
LY Corporation(formerly, Z Holdings Coporation)(*3)	₩ 35,452,771	₩ 51,945,102	₩ 13,166,286	₩ 231,279
Goodus Data, Inc.	1,285,956	-	325,895	-
LINE Plus Corporation(*3)	742,788	1,010,650	10,979,060	210,796
WEVERSE COMPANY Inc.	435,633	31,834,413	-	994,123
Onestore Co., Ltd.	277,186	32,288	168,945	-
LINE Pay Plus Corporation(*3)	190,119	92,923	-	-
IPX Corporation(*3)	162,561	181,737	3,323	-
LINE Pay Corporation(*3)	78,375	-	103,505	23,142
Reverse Corp.(*3)	57,191	171,182	260,198	-
LINE STUDIO Corporation(*3)	49,604	162,741	27,386	-
LINE Company (Thailand) Limited(*3)	39,173	-	206,412	-
REDICE Studio Inc.(*3)	37,541	1,484,659	359,320	-
JQ COMICS Co., Ltd.	18,243	40,514	167,701	-
The Grimm entertainment Co.,Ltd	8,757	2,827,712	120,786	-
LOCUS CORPORATION	7,210	18,448,855	-	-
Cafe24 Corp.	4,510	-	1,575,976	-
LINE Taiwan Limited(*3)	3,589	-	495,942	17,607
ROKMEDIA(*3)	650	47,355	189,340	-
Famous Studio Corp.	206	2,410,101	2,539,375	200,148
Genius studio Corp.	10	175,000	-	-
YLAB Corporation	-	3,601,568	84,256	3,815
J Peul Media Co., Ltd.	-	1,015,283	615,295	-
Pinokio, Inc.	-	632,852	9,812	-
PT Karunia International Citra	-	132,565	-	-
Sasom Company Limited	-	132,565	-	-
Studio hohoee Co.,Ltd.	-	17,901	111,823	-
Only Won Entertainment Co., Ltd	-	-	101,508	-
Studio Mul Co., Ltd.	-	-	176,205	-
SYNAP SOFT CORP.	-	-	220,000	-
SHINE PARTNERS CO., LTD	-	-	267,400	-
LY Communications Corporation(formerly, LINE Fukuoka Corp.)(*3)	-	-	418,029	214,208
Murple, Inc.	-	-	540,000	-
Z Intermediate Global Corporation	-	-	70,610,140	-
Others	151,109	611,958	576,371	29,200
Joint venture:				
Designpress Co., Ltd.	-	-	109,451	-
Others	-	37,793	244,403	-
Other:				
NAVER Connect Foundation(*1)	922,719	36,084	19,107	-
THE HAPPYBEAN Foundation(*1)	175,412	501,104	1,259,622	36,692
NAVER Cultural Foundation(*1)	13,013	185,986	-	14,272
Studio Pat Co., Ltd.	-	360,447	9	-
Others	106,485	30,663	40,088	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large-scale business group according to the *Monopoly Regulation and Fair Trade Act* and the amounts herein are the transaction amounts after the entities are designated to belong to large-scale business group.
(*2) Lease receivables are included.
(*3) The entities are subsidiaries of associates.

33. Related Party Transactions (cont'd)

	December 31, 2022			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*3)	Other payables	Accrued expenses and others(*4)
Associate:				
A Holdings Corporation	₩ -	₩ 17,963	₩ 158,623	₩ -
LINE Company (Thailand) Limited	60,544	-	186,755	-
LINE Conomi Corporation	-	3,336,861	-	-
LINE Corporation	56,856,561	54,303,934	38,221,708	203,429
LINE Taiwan Limited	1,783	-	252,025	-
LINE Biz Plus Corporation	409,271	1,284,074	-	1,184,576
Mirae Asset MAPS Private Placement Real Estate 62	-	18,875,390	-	351,594,520
J Peul Media Co., Ltd.	-	730,206	572,267	-
MARKT Co.,Ltd	6,828	12,099,024	121,599	-
Studio 389 Co., Ltd.	-	550,746	19,736	-
AXIS Co.,LTD. (*2)	-	-	-	-
HAVIT CORPORATION	-	500,000	485,391	-
Cafe24 Corp.	193	-	1,891,436	-
Famous Studio Corp.	-	2,019,638	2,189,493	204,978
LINE Plus Corporation	900,999	944,238	2,060,112	215,864
IPX Corporation(formerly, LINE friends corporation)	156,910	85,704	1,960,812	-
WEVERSE COMPANY Inc	-	40,350,088	5,132	1,892,601
LINE Pay Corporation	91,142	47,659	1,960,722	52,331
LINE Financial Plus Corporation	63,415	315,164	-	279,062
Line Fukuoka Corp.	23,369	-	324,623	341,604
Only Won Entertainment Co., Ltd.	-	-	139,543	-
SYNAP SOFT CORP.	-	-	1,020,000	-
Vi-Frost	-	26,188	31,471	105,421
ZK Studio Co., Ltd.	-	105,769	-	-
Murple, Inc.	-	-	540,000	-
SGRSOFT Co., Ltd.	-	-	300,350	-
Chicment Co., Ltd.	5,161	301,213	15,000	-
Goodus Data, Inc	453,242	-	219,958	-
YLAB CORPORATION	-	565,087	203,405	-
REDICE Studio Inc.	17,854	57,692	648,039	48,000
Reverse Corp.	47,323	137,244	423,652	-
The Grimm entertainment Co.,Ltd.	-	-	225,467	-
JQ COMICS Co., Ltd.	-	202,247	189,757	-
PT Karunia International Citra Kencana	-	774,379	-	-
Other	104,533	237,472	547,871	36,612
Joint venture:				
Designpress Co., Ltd.	-	-	391,341	-
China Lab Co.,Ltd.	-	-	146,890	-
Other	-	200	84,678	-
Other:				
NAVER Connect Foundation (*1)	865,805	8,525	206,274	-
THE HAPPYBEAN FOUNDATION (*1)	113,265	45,830	1,142,725	-
Studio Pot	-	293,613	222	-
Others	18,940	64,871	66,144	-

(*1) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they belong to the same large-scale business group according to the *Monopoly Regulation and Fair Trade Act* and the amounts herein are the transaction amounts after the entities are designated to belong to large-scale business group.
(*2) The outstanding balance of other receivables and others of AXIS does not include the allowance of ₩ 1,400 million.
(*3) Lease receivables are included.
(*4) Lease liabilities are included.

33. Related Party Transactions (cont'd)

E. Fund transactions with related parties for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023				
	Contributions in cash	Dividends received and others	Loans	Repayments(*1)	Collections(*1)
Associate:					
K-Fund II	₩ 28,624,048	₩ -	₩ -	₩ -	₩ -
K-Fund I	11,854,364	42,680,283	-	-	-
OVERDARE, Inc.	7,186,399	-	-	-	-
CHINA VENTURES FUND II, L.P.	5,074,682	-	-	-	-
Teamplus Corp.	4,372,500	-	-	-	-
China Ventures Fund I, Limited Partnership	3,604,238	1,585,056	-	-	-
FUTURE INNOVATION PRIVATE EQUITY FUND III	3,349,800	-	-	-	-
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-	-
Do Ventures Fund I, I-A	1,988,400	-	-	-	-
ZEP Co.,Ltd.	1,334,010	-	-	-	-
Sasom Company Limited	585,734	-	130,380	-	-
Purpleduck Corp.	509,231	-	-	-	-
BravoBeaver Incheon Corp.	260,000	-	-	-	-
Genius studio Corp.	200,015	-	-	-	-
A Holdings Corporation	-	120,648,830	-	-	-
Mirae Asset-NAVER New Growth Fund I	-	31,000,000	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd	-	14,169,325	-	-	-
MiraeAsset MAPS Private Placement Real Estate 62(*3)	-	8,162,038	-	22,626,298	-
NAVER-BSK Youth Foundation No.5 Investment Fund(*3)	-	6,606,151	-	-	-
LY Corporation(formerly, Z Holdings Corporation)(*2)(*4)	-	4,480,522	-	-	-
Mirae Asset-Naver Asia Growth Fund	-	2,861,740	-	-	-
NAVER KIP Cheer up! Gamers Fund	-	2,492,001	-	-	-
STL 18th Private Equity Fund	-	604,932	-	-	-
BonAngels Pacemaker Fund	-	375,000	-	-	-
Fast Cowell Private Equity Fund	-	131,857	-	-	-
SYNAP SOFT CORP.	-	107,142	-	-	-
Makma	-	75,310	-	-	-
TBT Global Growth Fund Ⅲ	-	9,739	-	-	-
Pala Inc	-	-	1,000,000	-	500,000
Pinokio, Inc.	-	-	620,000	-	-
PT Karunia International Citra Kencana	-	-	130,380	-	775,740
WEVERSE COMPANY Inc.	-	-	-	-	3,961,158
LINE Conomi Corporation(*4)	-	-	-	-	3,664,640
LINE Biz Plus Corporation(*4)	-	-	-	-	1,185,845
Chicment Co., Ltd.	-	-	-	-	300,000
LINE Financial Corporation(formerly, LINE Financial Plus Corporation)(*4)	-	-	-	-	278,775
JQ COMICS Co., Ltd.	-	-	-	-	200,000
Famous Studio Corp.	-	-	-	-	197,652
Joint venture:					
DaNaA Data Co., Ltd.	-	4,926,460	-	-	-
jobsN Co., Ltd.(*3)	-	2,175,364	-	-	-
Artitian Co., Ltd.(*3)	-	129,601	-	-	-
Other:					
THE HAPPYBEAN Foundation	-	-	-	-	155,975
NAVER Cultural Foundation	-	-	-	-	60,665

(*1) The amounts in relation to lease transaction are included.
(*2) Amounts recovered by disposal of shares in LINE Conomi Corporation prior to the merger of the LINE Corporation are included.
(*3) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal and liquidation.
(*4) The entities are subsidiaries of associates.

	2022			
	Contributions in cash	Dividends received and others	Repayments(*2)	Collection(*2)
Associate:				
WEVERSE COMPANY Inc.(*1)(*4)	₩ 199,999,533	₩ -	₩ -	₩ 2,630,341
K-Fund II	57,902,321	23,603,987	-	-
CHINA VENTURES FUND II, L.P.	29,754,834	-	-	-
China Ventures Fund I, Limited Partnership	10,516,288	5,243,187	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	30,489,343	116,341,041	-	-
K-Fund I	5,081,400	29,258,274	-	-
Mirae Asset-NAVER New Growth Fund I	4,500,000	-	-	-
Pinokio, Inc.	4,000,000	-	-	-
Studio Ppuri Co., Ltd.	2,750,000	-	-	-
Pala Inc	2,682,928	-	-	8,514
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-
Murple, Inc.	1,799,000	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	7,823,999	28,579,380	-	-
SYNAP SOFT CORP.	-	107,142	-	-
Mirae Asset MAPS Private Placement Real Estate 62 (*4)	-	8,371,671	26,233,052	-
Paramark KB Fund I (*3)	11,861,000	2,238,867	-	-
TAIL Start-up Fund I	1,600,000	-	-	-
Studio Dragon Japan CO., LTD.	8,734,770	-	-	-
LINE NEXT Inc.	6,181,209	-	-	-
Do Ventures Fund I, I-A	2,625,800	-	-	-
TBT Global Growth Fund III	7,500,000	9,637	-	-
STUDIO YELL Co.	107,700	-	-	-
Studio 1991	149,984	-	-	-
Goodus Data, Inc	2,999,952	-	-	-
Purpleduck Corp.	473,846	-	-	-
SHAKE HANDS SDN BHD	2,216,898	-	-	-
Makma	-	58,662	-	-
Future Creation NAVER-SB Startup Investment Fund	-	1,457,382	-	-
A Holdings Corporation	-	491,042,585	-	-
NAVER-BSK Youth Foundation No.5 Investment Fund	-	1,144,021	-	-
Fast Cowell Private Equity Fund	-	708,066	-	-
YN CULTURE & SPACE	3,923,080	-	-	-
Korea Contents Mutual Aid Association	25,000	-	-	-
CravingCollector Inc.	5,499,989	-	-	-
VerseWork Co., Ltd.	300,000	-	-	-
ZEP Co.,Ltd.	1,600,000	666,000	-	-
Contrau ventures fund no.1	2,000,000	-	-	-
Studio Paran Inc.	700,000	-	-	-
BY4M Studio Co., Ltd.	2,999,672	-	-	-
SGRSOFT Co., Ltd.	499,960	-	-	-
Chicment Co., Ltd.	3,000,000	-	-	-
Quokka Industries Inc.	4,000,000	-	-	-
DHP private equity fund 3	-	39,102	-	-
BonAngels Pacemaker Fund	-	1,500,000	-	-
Famous Studio Corp.	-	-	-	64,932
PT Karunia International Citra Kencana	1,962,744	-	-	-
Sasom Company Limited	2,578,426	-	-	-
STL 18th Private Equity Fund	20,000,000	-	-	-
Mirae Asset-NAVER New Growth Fund I	-	717,000	-	-

Arointech inc	-	8,000	-	-
LINE Biz Plus Corporation	-	-	-	3,015,351
LINE Financial Plus	-	-	-	745,893
LINE Plus Corporation	-	-	-	609,874
LINE UP Corporation	-	-	-	82,887
Joint venture:				
Studio TooN Corp.	4,998,000	-	-	-
Other:				
HUNIVERSE GLOBAL Co., Ltd.	2,000,004	-	-	-
Ubob Inc.	2,000,003	-	-	-

(*1) The ownership of WEVERSE COMPANY Inc. is acquired as consideration for business transfer.
(*2) The amounts in relation to lease transaction are included.
(*3) The investment in associates is reclassified to financial instrument due to the decrease in the portion of ownership for the year ended December 31, 2022
(*4) During the year ended December 31, 2022, the Group recognized ₩ 385,696 million of right-of-use asset at the time of acquisition in accordance with the 10-year office lease contract with MiraeAsset MAPS Private Placement Real Estate 62 and the balance as of December 31, 2022 is ₩ 351,595 million. Some of these offices were provided to WEVERSE COMPANY Inc. for 10 years in finance lease contract and the remaining balance of lease contract as of December 31, 2022 is ₩ 41,877 million.

F. There is no payment guarantees provided by the Group to the related parties as of December 31, 2023.

G. Compensation to key management

The compensation paid or payable to key management (executive directors) for their services for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023	2022
Short-term employee benefits	₩ 2,630,000	₩ 2,919,785
Post-employment benefits	331,527	370,230
Share-based payment expenses	1,935,164	1,698,389

34. Business Combinations

Significant business combinations of the Group for the year ended December 31, 2023 are as follows:

A. In January 2023, the Group acquired 100% shares of Poshmark, Inc., whose main business is operating the largest secondhand market platform in North America. The acquisition was made for the purpose of expanding the global C2C portfolio to the North American market, entering into global competition in full swing, and establishing the foundation for C2C to grow into a major revenue source.

Summary of related accounting is as follows (Korean won in thousands):

		Amount
I. Consideration transferred		
Cash and cash equivalents	₩	1,875,154,705
Exchange of RSU held by the former management to common shares		12,677,999
	₩	1,887,832,704
II. Recognized amounts of identifiable assets acquired and liabilities assumed		
Assets		
Cash and cash equivalents	₩	629,960,667
Trade and other receivables		11,776,949
Other assets		19,119,070
Property, plant and equipment		4,100,017
Right-of-use-assets		6,666,199
Intangible assets		349,652,189
Deferred tax assets		151,195
		1,021,426,286
Liabilities		
Trade and other payables		360,905,170
Current tax liabilities		17,072,916
Lease liabilities		11,287,932
Other liabilities		18
Deferred tax liabilities		94,997,017
		484,263,053
Total identifiable net assets	₩	537,163,233
III. Goodwill	₩	1,350,669,471

The operating income and net loss of Poshmark, Inc. and its subsidiaries recorded after the acquisition date in the consolidated statements of comprehensive income amount to ₩ 473,849 million and ₩ 19,063 million, respectively. If Poshmark, Inc. was consolidated from the beginning of the year ended December 31, 2023, the Group's operating income and net loss, which would have been recorded in the consolidated statements of comprehensive income, would have been ₩ 9,676,687 million and ₩ 815,379 million, respectively.

B. In December 2023, the Group acquired 64.85%(including forward contract) shares of SODA inc., whose main business is operating the limited edition of commerce platform in Japan. The acquisition was made for the purposes of expanding the global capabilities and establishing the foundation for capability as an e-commerce platform.

34. Business Combinations (cont'd)

Summary of related accounting treatments is as follows (Korean won in thousands):

		Amount
I. Consideration transferred		
Cash and cash equivalents	₩	53,226,261
Fair value of interests held before business combination		108,625,015
Forward contract		48,176,137
	₩	210,027,413
II. Non-controlling interests(*1)	₩	4,252,601
III.Recognized amounts of identifiable assets acquired and liabilities assumed		
Assets (*2)		
Cash and cash equivalents	₩	12,558,593
Trade and other receivables		12,063,294
Inventory		4,898,594
Other assets		9,196,183
Property, plant and equipment		3,133,354
Right-of-use-assets		729,038
Intangible assets		43,011
		42,622,067
Liabilities		
Trade and other payables		22,202,617
Current tax liabilities		27,477
Other provisions		936,124
Lease liabilities		629,477
Other liabilities		4,816,168
		28,611,863
Total identifiable net assets	₩	14,010,204
III. Goodwill	₩	200,269,810

(*1) The non-controlling interests were measured proportionately to the share of the fair value of net identifiable assets.
(*2) The fair value of identifiable assets and liabilities are provisional amount that may be adjusted as a result of the valuation.
If SODA inc. was consolidated from the beginning of the year ended December 31, 2023, the Group's operating income and net income, which would have been recorded in the consolidated statements of comprehensive income, would have been ₩ 9,763,949 million and ₩ 980,355 million, respectively.

C. In December 2023, the Group acquired 100% shares of Famous Studio Corp., whose main business is operating inspection and logistics. The acquisition was made for the purposes of expanding business capabilities by stabilizing the transaction structure and establishing the foundation for capability as an e-commerce platform.

34. Business Combinations (cont'd)

Summary of related accounting is as follows (Korean won in thousands):

		Amount
I. Consideration transferred		
Cash and cash equivalents	₩	9,000,000
Fair value of interests held before business combination		4,500,000
	₩	13,500,000
II. Recognized amounts of identifiable assets acquired and liabilities assumed		
Assets		
Cash and cash equivalents	₩	11,072,371
Short-term financial instruments		508,037
Trade and other receivables		6,821,599
Inventory		1,970,439
Other assets		99,248
Property, plant and equipment		703,965
Right-of-use-assets		1,245,376
Intangible assets		165,100
		22,586,135
Liabilities		
Trade and other payables		8,026,998
Borrowings		2,000,000
Other provisions		322,376
Lease liabilities		1,082,055
Other liabilities		1,232,896
		12,664,325
Total identifiable net assets	₩	9,921,810
III. Goodwill	₩	3,578,190

If Famous Studio Corp. was consolidated from the beginning of the year ended December 31, 2023, the Group's operating income and net loss, which would have been recorded in consolidated statements of comprehensive income, would have been ₩ 9,757,401 million and ₩ 988,803 million, respectively.

Cash flows from business combination are as follows (Korean won in thousands):

		Amount
Net cash flows from acquisition of subsidiary	₩	653,591,631
Cash and cash equivalents paid		(1,937,566,993)
Net cash and cash equivalents paid	₩	(1,283,975,362)

35. Operating Segment Information

A. The chief operating decision-maker of the Group is the Board of Directors who makes resource allocation decisions and assesses performance based on financial information presented on a consolidated basis. Accordingly, the Group have determined that they have a single reportable segment and operating segment structure. Operating information by service types is reported to the chief operating decision-maker and such reported segment information does not differ from the amount reported in the consolidated statements of comprehensive income.

B. Operating revenues by service types for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

	2023			2022		
	Operating revenue		Ratio (%)	Operating revenue		Ratio (%)
Search platform (*1)	₩	3,589,060,852	37.1	₩	3,567,963,990	43.4
Commerce (*2)		2,546,648,516	26.4		1,801,079,126	21.9
Fintech (*3)		1,354,766,599	14.0		1,186,634,550	14.4
Contents (*4)		1,732,983,532	17.9		1,261,512,589	15.4
Cloud (*5)		447,184,078	4.6		402,888,454	4.9
	₩	9,670,643,577	100.0	₩	8,220,078,709	100.0

(*1) Search and display and others
(*2) Commerce advertising, brokerage, sales and membership
(*3) Pay service and digital financing
(*4) Webtoon,SNOW and others
(*5) NCP, Works, Clova and others

C. The revenues from external customers by region for each of the two years in the period ended December 31, 2023 and non-current assets as of December 2023 and 2022 are as follows (Korean won in thousands):

	Revenue from external customers				Non-current assets (*)			
	2023		2022		December 31, 2023		December 31, 2022	
Domestic	₩	8,318,094,625	₩	7,550,646,710	₩	3,797,407,760	₩	3,722,806,990
Japan		679,917,507		436,846,390		604,221,624		167,352,989
U.S.A		531,093,120		102,284,163		2,525,954,460		791,836,731
Others		141,538,325		130,301,446		95,326,843		97,677,579
	₩	9,670,643,577	₩	8,220,078,709	₩	7,022,910,687	₩	4,779,674,289

(*) Financial instruments (including investments in associates and joint ventures) and deferred tax assets are not included.

D. The revenue from contracts with customers by category for each of the two years in the period ended December 31, 2023 is as follows (Korean won in thousands):

	2023		2022	
By timing of revenue recognition				
Recognized at a point in time	₩	7,180,223,099	₩	6,004,966,956
Recognized over time		2,490,420,478		2,215,111,753
	₩	9,670,643,577	₩	8,220,078,709

36. Information for Non-controlling Interests

A. The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Group for each of the two years in the period ended December 31, 2023 (Korean won in thousands) is as follows:

	2023										
	Non-controlling Interest rate(%)		Accumulated Non-controlling Interests at the beginning of the year		Loss allocated To non-controlling interests		Other comprehensive income allocated to non-controlling interests		Changes in non-controlling Interests by share issuance of subsidiaries		Accumulated non-controlling interests at the end of the year
Naver Financial Corporation	10.79	₩	331,216,975	₩	43,617,305	₩	1,893,348	₩	(14,735,499)	₩	361,992,129

	2022										
	Non-controlling Interest rate(%)		Accumulated Non-controlling Interests at the beginning of the year		Loss allocated To non-controlling interests		Other comprehensive income allocated to non-controlling interests		Changes in non-controlling Interests by share issuance of subsidiaries		Accumulated non-controlling interests at the end of the year
Naver Financial Corporation	10.79	₩	302,904,513	₩	29,148,789	₩	(836,326)	₩	-	₩	331,216,975

B. Effects of transactions with non-controlling interests on the equity attributable to owners of the Parent Company for each of the two years in the period ended December 31, 2023 are as follows (Korean won in thousands):

		2023		2022
Subsidiaries' capital reduction with refund (*1)	₩	(68,409,384)	₩	-
Other transactions with non-controlling interests (*2)		-		(17,987,623)

(*1) As Z Intermediate Global Corporation and LINE Plus Corporation participated in the capital reduction with refund of Snow corporation, a subsidiary of the Group, the Parent Company's stake in Snow Corporation decreased for the year ended December 31, 2023.

36. Information for Non-controlling Interests (cont'd)

(*2) As LINE Corporation and others participated in the paid-in capital increase of WEBTOON Entertainment Inc., a subsidiary of the group, the Parent Company's stake in WEBTOON Entertainment Inc. decreased for the year ended December 31, 2022.

C. Summarized financial information before inter-company eliminations for each subsidiary that has non-controlling interests that are material to the Group is as follows:

1) Summarized statements of financial position

	Naver Financial Corporation	
	December 31, 2023	December 31, 2022
Current assets	₩ 3,562,889,067	₩ 3,096,323,881
Non-current assets	194,770,581	156,221,095
Current liabilities	2,671,790,092	2,232,993,599
Non-current liabilities	33,833,178	32,185,172
Equity	1,052,036,378	987,366,205

2) Summarized statements of comprehensive income

	Naver Financial Corporation	
	2023	2022
Revenue	₩ 1,476,525,016	₩ 1,257,280,627
Profit for the year	114,610,659	57,901,824
Other comprehensive income (loss)	6,163,496	(2,742,533)
Total comprehensive income	₩ 120,774,155	₩ 55,159,291

3) Summarized statements of cash flows

	Naver Financial Corporation	
	2023	2022
Cash flows from operating activities	₩ 276,605,632	₩ 433,727,483
Cash flows from investing activities	(39,804,815)	(482,223,223)
Cash flows from financing activities	(2,938,514)	(2,963,650)
Effects of exchange rate changes on cash and cash equivalents	(797,839)	(1,727,314)
	233,064,464	(53,186,704)
Cash and cash equivalents at beginning of year	887,059,472	940,246,176
Cash and cash equivalents at end of year	₩ 1,120,123,936	₩ 887,059,472

37. Assets Held for Sale

A. The Group decided to sell land and buildings held for the year ended December 31, 2023. The sale is underway as of December 31, 2023 and is expected to be completed within a year.

B. Major assets classified as an assets held for sale as of December 31, 2023 are as follows (Korean won in thousands):

		December 31, 2023
Land	₩	8,599,628
Buildings		202,740

38. Events after the Reporting Period

The Group issued the 5th wave of debentures in Korean won amounting to ₩ 200 billion on January 24, 2024, for the purpose of refinancing ₩ 250 billion of 4th-1 wave of debentures in Korean won due on February 25, 2024.

Audit opinion on internal control over financial reporting

The accompanying independent auditor's report on internal control over financial reporting is attached as a result of auditing the internal control over financial reporting of NAVER Corporation and its subsidiaries (the "Group") and the consolidated financial statements of the Group for the year ended December 31, 2023 in accordance with the Article 8 of the *Act on External Audit of Stock Companies*.

Attachments:
1. Independent auditor's report on internal control over financial reporting
2. Report on the effectiveness of the internal control over financial reporting

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Independent auditor's report on internal control over financial reporting

(English Translation of a Report Originally Issued in Korean)

NAVER Corporation
The Shareholders and Board of Directors

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting ("ICFR") of NAVER Corporation (the "Company") based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea (the "ICFR Committee") as of December 31, 2023.

In our opinion, the Group's ICFR has been designed and is operating effectively, in all material respects, as of December 31, 2023, in accordance with the Conceptual Framework for Design and Operation of ICFR.

We also have audited, in accordance with the Korean Standards on Auditing ("KSA"), the consolidated statement of financial position as of December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information, of the Company and its subsidiaries (collectively referred to as the "Group") and our report dated March 11, 2024, expressed unqualified opinion thereon.

Basis for opinion on ICFR

We conducted our audit in accordance with KSA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of ICFR section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of ICFR in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for ICFR

Management is responsible for designing, implementing, and maintaining an effective ICFR, and for assessing the effectiveness of the ICFR included in the accompanying Report on the Effectiveness of ICFR.

Those charged with governance are responsible for overseeing the Company's ICFR process.

Auditor's responsibilities for the audit of ICFR

Our responsibility is to express an opinion of the Group's ICFR based on our audit. We conducted our audit in accordance with KSA. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective ICFR was maintained in all material respects.

An audit of ICFR involves performing procedures to obtain audit evidence as to whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit also includes testing and evaluating the design and operating effectiveness of ICFR based on obtaining an understanding of ICFR and the assessed risk.

ICFR definition and inherent limitations

A company's ICFR is implemented by those charged with governance, management, and other employees and is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”). A company's ICFR includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with KIFRS, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements of the consolidated financial statements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that ICFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor’s report is Jung ho, Chae.

Ernst & Young Han Young

March 11, 2024

This audit report is effective as of March 11, 2024, the independent auditor’s report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of independent auditor’s report to the time this report is used. Such events and circumstances could significantly affect the Company’s ICFR and may result in modifications to this report.