

Hankook
& Company

2022 Annual Report

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Interactive User Guide

The Hankook & Company Annual Report 2021 is published in an interactive PDF format to enable readers interested in specific topics to toggle quickly between pages and click on hyperlinks to navigate their search.

Intro

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Innovation

We study the ways to bring innovation to life with the most advanced technology.

We stay ahead of the curve to empower you to realize your own innovations.

Introducing Future Oriented Business Portfolio 'S.T.R.E.A.M.'



Under the strategic direction of the slogan 'Hankook Creates the Future STREAM (reading the flow of future industries and keeping the momentum for new growth drivers)', we stay abreast of the ever-evolving trends and expands our business portfolio accordingly.

Additionally, the company announced 'S.T.R.E.A.M,' a new growth portfolio, which encompasses creating the group's future strategy, exploring new growth engines and enhancing core business

competitiveness. Each letter from 'S.T.R.E.A.M' indicates the directions the group is headed for:

Guided by our future growth portfolio 'S.T.R.E.A.M,' which not only encompasses building the group's future strategy, identifying new growth engines, and enhancing core business competitiveness, but also represents the group's core business areas, we will actively look for investment opportunities to strengthen our core business competitiveness and explore new business territories centered on the 'S.T.R.E.A.M.' sectors.

- Smart Energy: eco-friendly batteries and renewable energy
- Tire & Core biz: the company's core business
- Rising Tech: which is to be adapted to diversify the business portfolio
- Electrification: parts, technology and solutions for electrification
- Automation: which includes efficiency through advanced technology such as robotics
- Mobility: the mobility industry as a whole.

EV High Tech Exclusive Product

iON Family launching

iON evo AS
iON evo AS SUV
ALL-SEASON
(for America, Asia)

iON evo
iON evo SUV
SUMMER

iON Winter
iON Winter SUV
WINTER STUDLESS



Leading the global EV tire market through continuous R&D investment and innovative technology development, in 2022, Hankook Tire developed EV tires specifically engineered to enhance the performance and overcome trade-offs of EVs through continued R&D investment and advanced technology development.

Amidst a major paradigm shift in the rapidly growing electric vehicle (EV) sector, we led the EV tire market by launching iON in 2022, the world's first tire brand with optimal performance for EV characteristics, and following up with new segment products in 2023 powered by the unique features and technological expertise of our EV products as verified by 'iON'.

We debuted our iON products in Europe, the US and Korea in 2022, with global rollout following in 2023. We currently put wheels on premium brand EVs and share our iON tires and technology heritage as an official partner of the Formula E World Championship for the 2022-23 season, showcasing our position as a leader in EV tire technology.

Launching Hankook Technoring, Asia's Largest Tire Test Drive Site



Hankook Technoring, the largest tire proving ground in Asia with a site area of 1.26 million square meters, opened in May 2022 and has since been in operation. Featuring 11 test tracks, including a high-speed circuit that is designed for high-speed driving tests with a maximum speed of over 250 km/h, Hankook Technoring is a space for testing and evaluating tire limits on various conditions.

As such, we plan to develop and gradually expand unmanned test solutions for autonomous driving, as well as continue to design new test methods in line with mobility trends. In addition, we plan to transfer 40-50% of our overseas test volume to Hankook Technoring for evaluation so as to shorten the product development time and ensure perfect quality control through organic collaboration with Hankook Technodome. Not only do we drive technological innovation,

Hankook Tire also offers enhanced in-house D&T training to raise employees' awareness of tire performance when mounted and driven, and external D&T training to promote the company's technological prowess as well as traffic safety culture. Hankook Technoring carries significance as a proving ground and R&D facility dedicated for tire development. Going forward, we plan to actively invest in augmenting

its infrastructure and adding more dynamic testing conditions to make Hankook Technoring a global reference proving ground. Additionally, we will continue to host motorsport competitions as well as other ride-and-drive events, taking the customer experience to the next level.

Culture

Designed to provide a pleasant brand consumption experience beyond the tire as a product,
Mobility Culture represents our effort to create linkage with the customers.

MADE IN HANKOOK

: Life & Culture

Technology Setter



About MADE IN HANKOOK

Hankook Tire has launched its own motor culture brand 'MADE IN HANKOOK' to engage various generations, including the MZ generation, in cultural marketing activities. Launched in 2021, the MADE IN HANKOOK brand is rooted in its brand identity of 'My Amazing Driving Emotion in Hankook' and aspires to deliver a pleasant mobility experience to customers, and ultimately, lead the culture beyond the tire industry. MADE IN HANKOOK portrays the youthful and dynamic image of Hankook Tire, which aims to usher in innovative changes across the future mobility culture. It also seeks to provide new entertainment and enjoyable experiences that align with the characteristics and tastes of the MZ generation (those in their 20-40s), for whom brand relationships are about experiencing and recognizing brands firsthand.

Achievements

Since the launch of MADE IN HANKOOK in 2021, we have been holding offline events every year, and in 2022, we shared our brand values and vision, including our distinctive culture, design, and innovative technology, with the public under the theme of 'Techno Vision'. In the 2022 event, 'Techno Vision' conveyed the message of 'Hankook Tire leading the electric vehicle era beyond the internal combustion engine' and we connected with the millennial generation in a variety of ways. The space was structured around Hankook Tire's core assets, Techno Assets (Technoplex, Technodome, and Hankook Technoring), which not only added to the fun, but also elevated the brand experience with exhibitions

and interactive spaces that symbolized the present and future of Hankook Tire.

Furthermore, we presented an exclusive object modeled after the Formula E race car to showcase our innovative technologies, while collaborating with various brands on experiential programs.

For instance, MADE IN HANKOOK teamed up with leading F&B brand Knotted Donuts to create donuts in the shape of a tire, participated in the 'Haus of Wonder' music festival as a sponsor, and arranged the 'Formula E x World DJ Festival' stage.

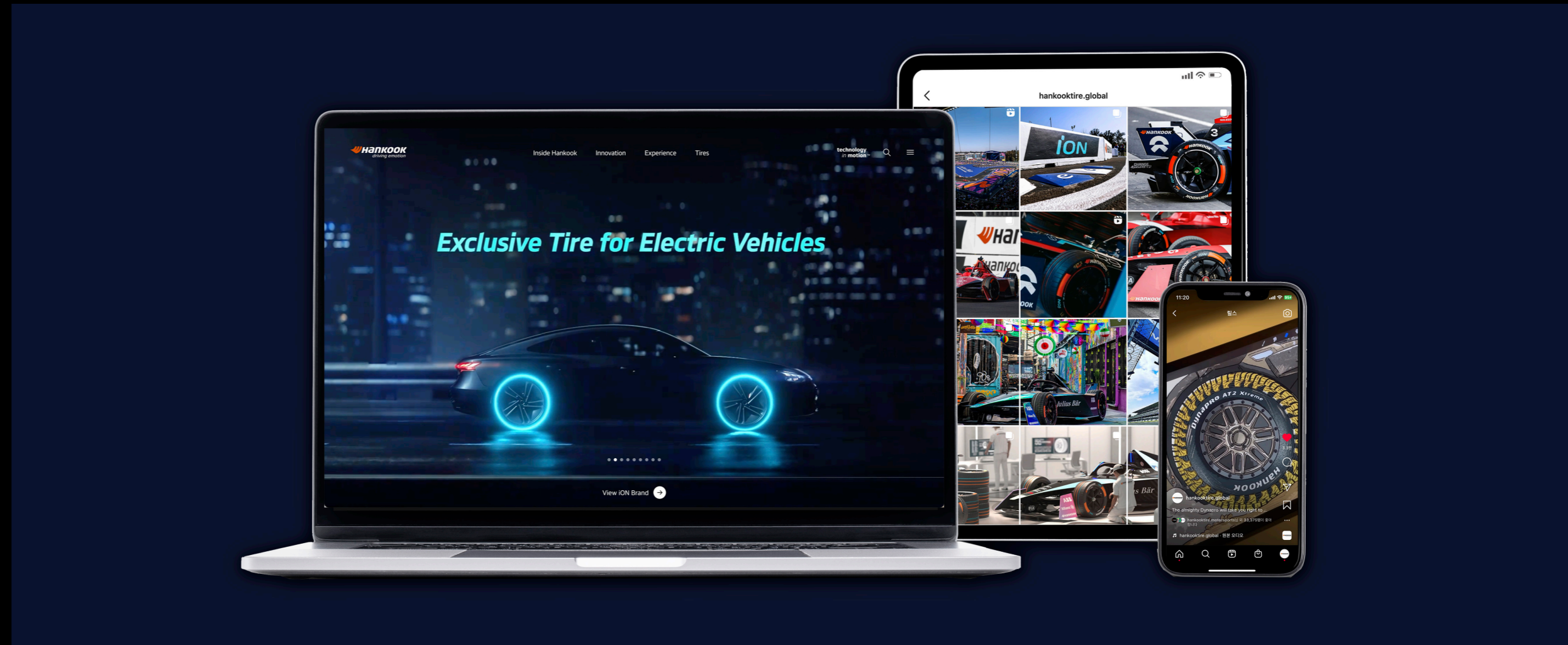
In addition, we ran extensive marketing through out-of-home advertising in the Gangnam and Samseong districts in Seoul, using

a technovision campaign video featuring Hankook Tire's technology and its position as the first mover in the electric vehicle era.

These efforts have resulted in a dramatic increase in the number of visitors from about 7,000 in 2021 to approximately 20,000 in 2022, making MADE IN HANKOOK events one of the most iconic cultural events for Generation MZ.

Through MADE IN HANKOOK, we communicate with our customers through a variety of events and experiences covering tangible and intangible topics such as future mobility, fashion, music, and F&B. We officially registered our trademark in 2022, and are planning for even more colorful programs in 2023.

Expansion of Digital Marketing Channels



Hankook Tire has revamped and expanded its digital marketing channels as part of its efforts to engage with customers around the world and further elevate its status as a premium brand.

In May 2022, we launched a total redesign of the existing Hankook Tire website with the concept of 'The New Innovation Platform'. On the basis of visitor data analysis, the global website has been reorganized to focus on brand experience while country-specific ones have been redesigned to emphasize sales information, thereby conveying to global customers our brand identity that is tied to high-tech and innovation, going beyond our existing premium brand image.

In parallel, the focus of the website revamp was on strengthening the digital customer experience, including user-oriented website design, system improvements, improved sales support and new brand contents, thereby highlighting user convenience and differentiation.

Hankook Tire's global website features content that allows visitors to discover the company's innovative technology on the main page, including the ABB FIA Formula E World Championship, EV-exclusive tire iON, and Asia's largest tire testing ground Hankook Technoring.

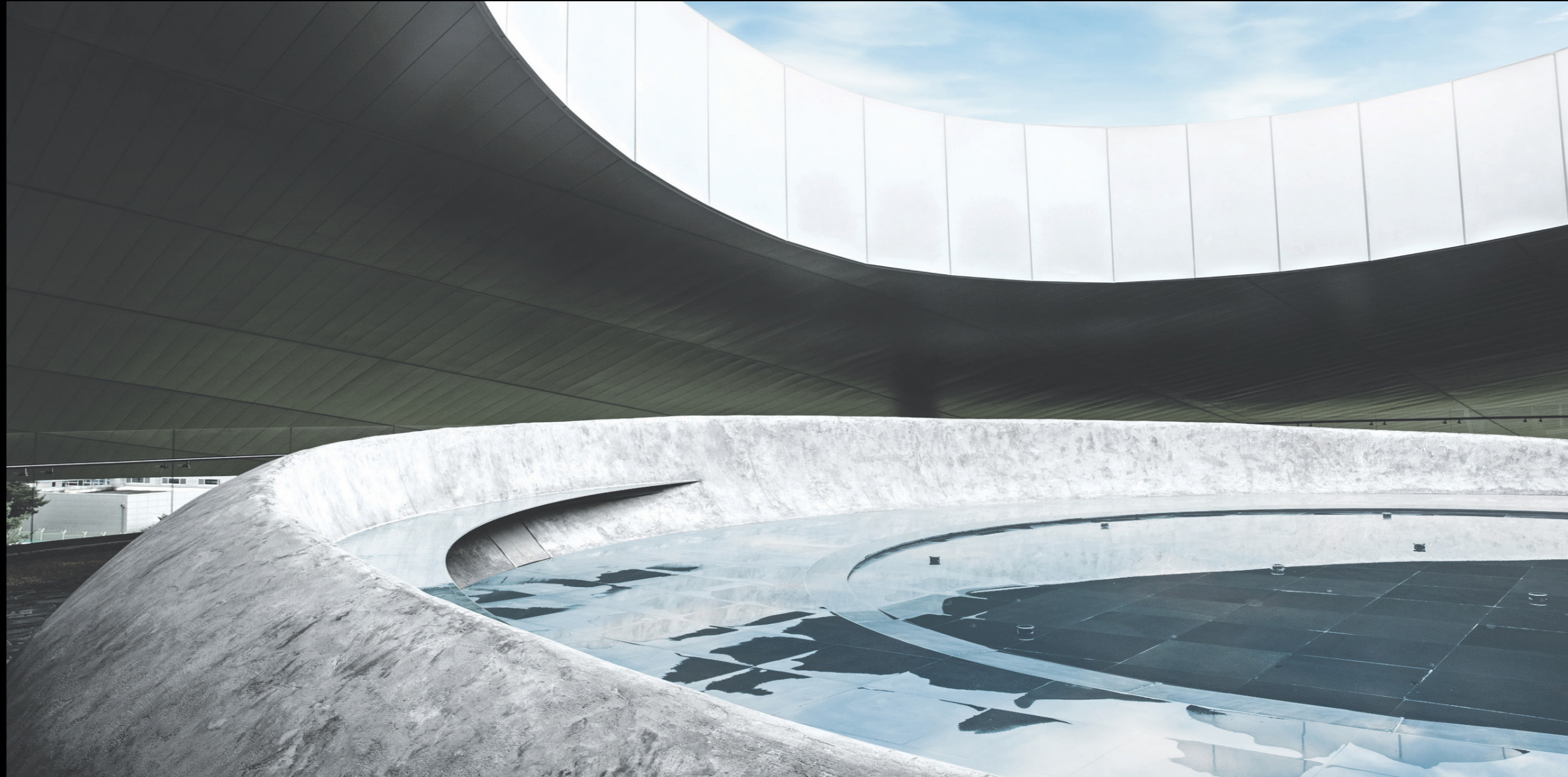
We have also enhanced the product search function on our country-specific websites so customers can quickly and easily find the ideal tires for their vehicles, while offering our store information based on user location to further promote customer convenience. Along with the official website, we have also launched global channels on Instagram, LinkedIn and Tiktok to strengthen communication with customers.

Through these diverse channels, we showcased the unique visual content of the iON brand as well as our innovative tire technologies for EVs as an official Formula E partner, thereby sharing the brand values of Hankook Tire, including High-Tech, Innovation, and Performance, with consumers.

Future

We constantly push the boundaries of the new tomorrow.
We pioneer new paradigms to shape our own path forward.

Recognized for Sustainability for 7 Consecutive Years



Hankook Tire has once again been recognized as one of the global leading companies for sustainability performance in the 2022 Dow Jones Sustainability Index (DJSI) World for the seventh consecutive year. This year, we recorded our highest score since the inception of DJSI, demonstrating our steady improvement in ESG practices.

The continued progress is indeed the result and recognition of our commitment to ESG management, as we run eight ESG steering committees for each area of expertise, formulate and execute tasks for each focus area, and develop practical solutions to related issues.

In 2022, we also scored in the top 1% of EcoVadis' global sustainability assessment for the third consecutive year.

Selected as Official Gen3 Tire Partner of ABB FIA Formula E World Championship Starting 2022/23 Season



Hankook Tire has won the bid to supply electric vehicle (EV) tires to ABB FIA Formula E World Championship. Succeeding Michelin who is the exclusive supplier of tires of Formula E Gen2 race cars, Hankook Tire will serve as the official tire supplier and technical partner starting the 2022-23 season when the new Gen3 chassis is introduced.

When Formula E Championship begins around the globe, all vehicles participating in the official races will run on Hankook tires. Drawing on its years of know-how in EV tire technology and guided by a vision of innovative mobility that will lead the industry in the future, Hankook Tire will satisfy all the strict requirements of Formula E, including the optimum driving performance, low rolling resistance, consistent performance, and application of eco-friendly materials.

Official Test in Valencia

To mark the start of the supply of EV tire iON, we held an official test in Valencia, Spain on December 11, 2022, where 22 drivers from 11 teams joined together to experience the more powerful and faster GEN3 cars and iON tires.

Hankook Title Race (Mexico, Rome, London)

Hankook Tire also added to the anticipation prior to the season by announcing its title sponsorships for three places - Mexico, Rome, and London - during Formula E Season 9.

2023 Hankook Mexico E-prix

The 2023 HANKOOK MEXICO CITY E-PRIX, the opening race of the ABB FIA Formula E World Championship (Formula E) Season 9, an electric vehicle racing competition organized by the Federation Internationale de l'Automobile (FIA) and sponsored by leading global tire company Hankook Tire, was successfully concluded on January 14 (local time) with a total of about 40,000 spectators. Hankook Tire has once again demonstrated its technical prowess with flawless performances. And the drivers who came in 1st, 2nd, and 3rd place in the competition spoke highly of the consistent and excellent performance of the tires, which exceeded their expectations.



Hankook & Company

We drive toward a sustainable tomorrow for people and the planet today to shape the mobility business of the future.

Future Innovated

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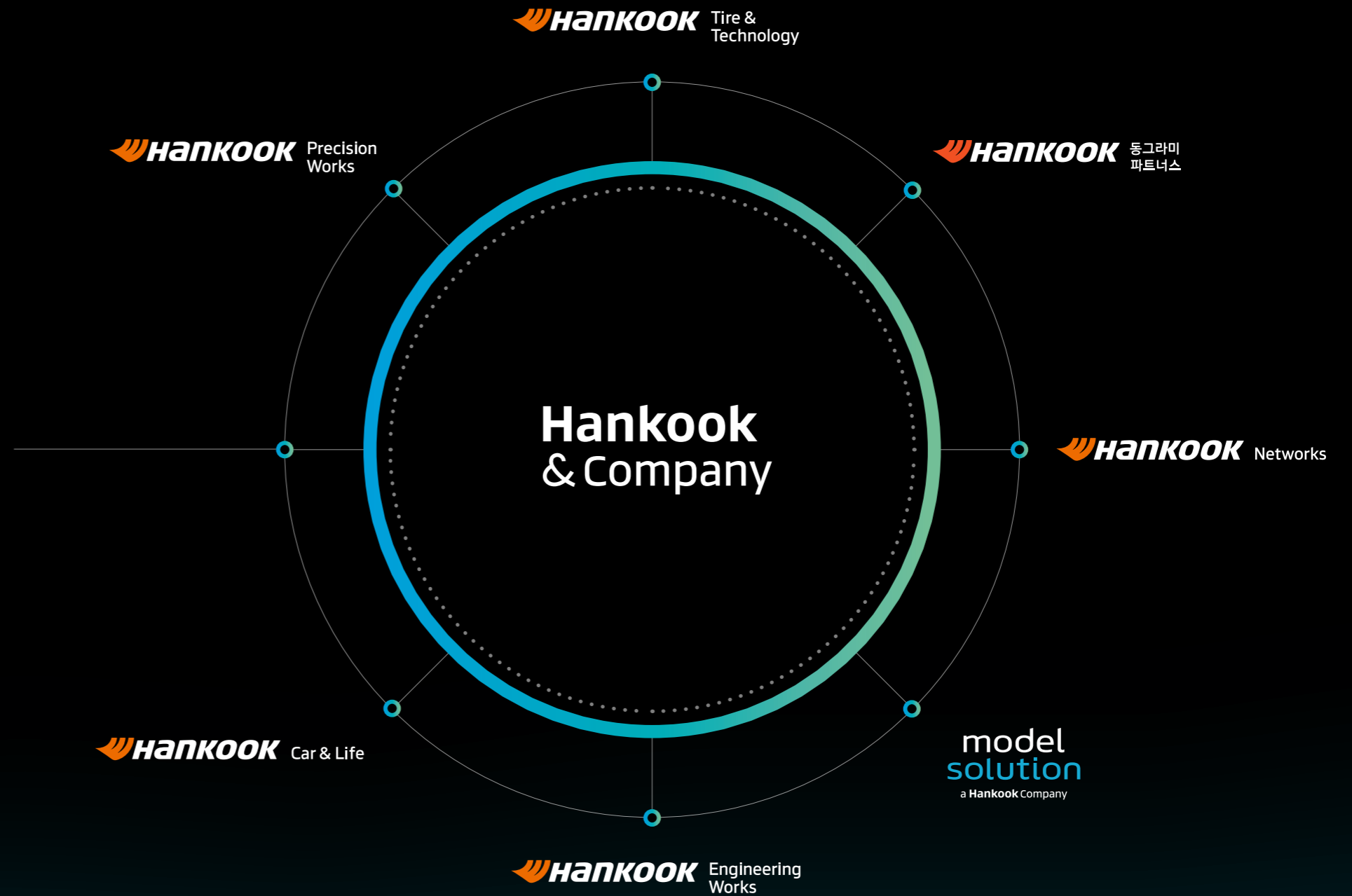
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We envision better lives by delivering on the most important values we stand for.

We ask questions from new perspectives to challenge the established status quo. We make use of our cutting-edge technology to answer questions and make future forecasts. We work proactively, think creatively and relentlessly test our limits in pursuit of more valuable technology. Our journey for 'innovation' never ends: this undoubtedly will drive the evolution of our technology and thinking to deliver a more vibrant lifestyle for all our customers.



A message from the CEO

Dear valued shareholders,

I would like to express my sincere gratitude to you for your unwavering support for Hankook & Company in the midst of challenging conditions. Our Group, including operating holding company Hankook & Company, is exerting varied efforts to grow even in a rapidly changing business environment, and in 2022, we achieved meaningful results in a number of areas.

First, the Energy Solution Business Headquarters, Hankook & Company's business division, established a new subsidiary in Europe and reinforced its global sales network to acquire new customers in North America and Latin America. In addition, we achieved stable sales of lead-acid batteries with over 37 percent year-on-year growth, recording KRW 829.3 billion in sales through strategic moves such as effective price management in key global markets.

As for the ESG sector, we were recognized for our contributions with the Happiness Award in the donation category at the Annual Community Chest Korea (CCK) Grand Prize. Since 2003, we have been carrying out society outreach programs with local communities in partnership with the CCK, donating approximately KRW 13.6 billion to underprivileged neighbors until last year. As we look ahead to 2023, we plan to accelerate our global growth by increasing sales of AGM batteries, our premium product, and stabilizing our Tennessee plant in the US to enhance our core business competitiveness. We will also renew our efforts to expand into new business areas to deliver smart energy solutions in line with recent market changes. Hankook Tire, as the core business subsidiary of

the Group, recorded KRW 8,394.2 billion in sales last year, setting a new record for the highest sales since its founding.

The year has also seen us take another leap forward as a first mover in the EV tire market with our new role as the exclusive racing tire supplier and official partner of the ABB FIA Formula E World Championship, the world's premier EV racing competition. Additionally, Model Solution, a non-tire affiliate of the Group, has achieved the milestone of listing on the KOSDAQ for the first time in the domestic prototype industry. Taking this KOSDAQ listing as an opportunity, we will make every effort to build future growth engines to reinvent ourselves as an innovative leader in the manufacturing sector. This achievement was made possible because of our agile crisis management, proactive future planning, and the confidence of our clients, partners, communities, employees, and shareholders in Hankook & Company. I would like to take this opportunity to once again express my deepest gratitude.

Shareholders,

There is no doubt that the business environment of the next ten years, including the automotive industry, will be unfolding in an unimaginably different way from what we have seen in the past. To prepare for the future, it is time for the Group to embark on a new chapter of robust growth by continuously strengthening our R&D capabilities and capitalizing on our global network and M&A capabilities to explore inorganic growth opportunities in various business areas, including mobility.

To this end, we aim to focus on creating value by strengthening new growth engines and enhancing the competitiveness of our core businesses based on our future growth portfolio, S.T.R.E.A.M. We will also continue to expand our customer engagement centered on our flagship brand, Hankook.

We will move forward into a promising future of change and innovation together with our customers and shareholders, who have shown their unwavering trust and support for Hankook & Company. We look forward to your continued interest and encouragement this year. Thank you.



Hyunbum Cho
Chairman & CEO, Hankook & Company

A message from the CEO

Dear Shareholders,

I would like to extend my heartfelt gratitude to you for the continued support for the sustained growth of Hankook Tire & Technology.

In 2022, despite a challenging and tough business climate, including rising raw material prices, global logistics disruptions, and an economic slowdown, Hankook Tire achieved KRW 8,394.2 billion in sales, the largest in its history, thanks to optimized sales strategies for each region, including expanding the proportion of high-value-added products and raising sales prices. At the same time, our share of 18-inch and larger passenger tire sales, one of the indicators of a premium brand, exceeded 40% on an annualized basis for the first time, reflecting our continued qualitative growth.

Last year, we made several significant achievements as a first mover in the global EV tire market. First of all, we strengthened our OE tire supply and strategic partnerships for new EV models from global manufacturers such as BMW, Audi, Toyota and Skoda, as well as Hyundai's IONIQ 6 in Korea.

In addition, we launched the world's first full lineup EV tire brand, iON, in Europe, Korea, and North America, shaking up the EV RE tire market. We also took another step in our pursuit of technological innovation with the opening of Asia's largest tire test track, Hankook Technoring, which represents yet another crucial momentum to drive the future era of mobility.

In terms of ESG management, we have been listed on The Dow Jones Sustainability Indices (DJSI) World for the seventh consecutive year, an indicator given only to the top ten percent of the world's 2,500

largest companies by market capitalization for their environmental, social, and governance (ESG) performance. Among Korean companies, 24 companies were included, and only two companies in the auto parts industry - us and Hyundai Mobis - were ranked, a distinguished record and the fruit of our steady efforts to improve ESG management.

We owe this achievement to our customers, partners, employees, communities, and shareholders who supported us with their trust in Hankook Tire, along with our prompt crisis response and proactive future planning. Once again, I would like to express my sincere gratitude.

We expect the business environment in 2023 to be challenging both at home and abroad. While many challenges remain ahead of us, including the global economic downturn with high interest rates and inflation, as well as geopolitical issues, Hankook Tire will concentrate all its efforts on sustaining growth, with the goal of growing sales by more than five percent year-on-year, raising the proportion of 18-inch and larger passenger car tires to 45 percent, and increasing the proportion of EV models to 20 percent of the total OE tire supply for passenger and light truck vehicles. In parallel, we will take another leap forward as a first mover in the global EV tire market by expanding our activities as the exclusive racing tire supplier and official partner of the ABB FIA Formula E World Championship, the world's premier electric vehicle racing competition.

Shareholders,

Hankook Tire strives to enhance shareholder value by solidifying its core business competitiveness and taking the initiative in leading the future business areas. As we all know, the concepts of vehicle electrification and connected cars have become all too familiar now, while autonomous driving and mobility as a service are also becoming commonplace at a rapid pace. In order to prepare for the future, we will place top priority on realizing technological innovation based on enhanced R&D capabilities and delivering results, including expanding the supply of EV tires. Additionally, we will also maintain open innovation research activities such as virtual tire technology, sensor tires, airless tires, and the development of sustainable raw materials and products to sharpen our competitiveness in future products. We will actively embrace digital transition and continue to lead innovation internally and externally, including analyzing market information and adopting innovative technologies.

Lastly, I promise that we will endeavor to ensure that the future value of the company is consistently reflected in our business performance with an independent board of directors playing a key role, thus giving top priority to the interests of our stakeholders. We ask for your continued interest in, and support for, Hankook Tire, and wish you and your family good health and happiness. Thank you.

Sooil Lee
President & CEO, Hankook Tire & Technology



TOP Management

Hankook & Company Group has established a globally-recognized corporate governance structure and ensures transparency and accountability in business conduct with its Board of Directors (BOD) playing a pivotal role. Under the BOD are the Audit Committee and other expert committees to assist our senior management with business management and protect the interests and rights of shareholders while elevating our corporate value.



Hyunbum Cho
Chairman & CEO Hankook & Company
Chairman Hankook Tire & Technology



Sooil Lee
President & CEO
Hankook Tire & Technology

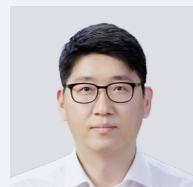


Jongseon Ahn
President & COO / Head of ES Business HQ
Hankook & Company

Hankook & Company



Jungho Seo
Executive Vice President
Head of Future Strategy Department
Hankook & Company



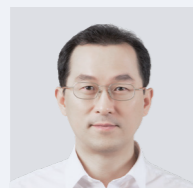
Seongjin Kim
Senior Vice President
Head of Digital Strategy
Department
Hankook & Company



Hyukjin Kwon
Vice President
Head of Communication
Department
Hankook & Company



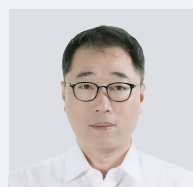
Jaekyeom Kim
Vice President
Head of Legal Department
Hankook & Company



Seunghwan Yoon
Vice President
Head of Audit Department
Hankook & Company



Seokmo Choe
Vice President
Head of R&D Division,
ES Business HQ
Hankook & Company



Jongdal Yoon
Vice President
Head of Safe Production Division,
ES Business HQ
Hankook & Company

Hankook Tire & Technology



Jongho Park
President
Chief Administrative Officer
Hankook Tire & Technology



Jeongho Park
Executive Vice President
Chief Marketing Officer
/Chief Innovation Officer
Hankook Tire & Technology



Bonhee Ku
Executive Vice President
Chief Technology Officer
Hankook Tire & Technology



Sanghoon Lee
Executive Vice President
Head of Europe HQ
Hankook Tire & Technology



Seongho Jeong
Executive Vice President
Head of Safe Production & Engineering
Staff Office
Hankook Tire & Technology



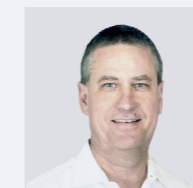
Jongho Park
Executive Vice President
Head of Korea Business HQ
Hankook Tire & Technology



Hakjoo Kim
Senior Vice President
Head of Quality Staff Office
Hankook Tire & Technology



Hyuncheol Kim
Senior Vice President
Head of China HQ
Hankook Tire & Technology



Robert Williams
Senior Vice President
Head of North America HQ
Hankook Tire & Technology



Yongsu Jung
Vice President
Head of Asia Pacific Division
Hankook Tire & Technology



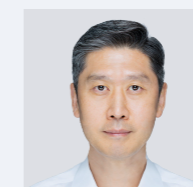
Jeongsoo Kang
Vice President
Head of Middle East & Africa Division
Hankook Tire & Technology



Sunjung Kim
Vice President
Head of SCM Division
Hankook Tire & Technology



Jongyune Kim
Vice President
Head of HR Division, CAO
Hankook Tire & Technology



Hyunmin Park
Vice President
Head of Purchasing Division
Hankook Tire & Technology



Heonjun Kim
Vice President
Head of G.OE Innovation HQ
Hankook Tire & Technology

CEOs of Group Affiliates



Donghoan Moon
Executive Vice President
CEO Hankook Precision Works
CEO Hankook Engineering Works



Byungil Woo
Executive Vice President
CEO Model Solution

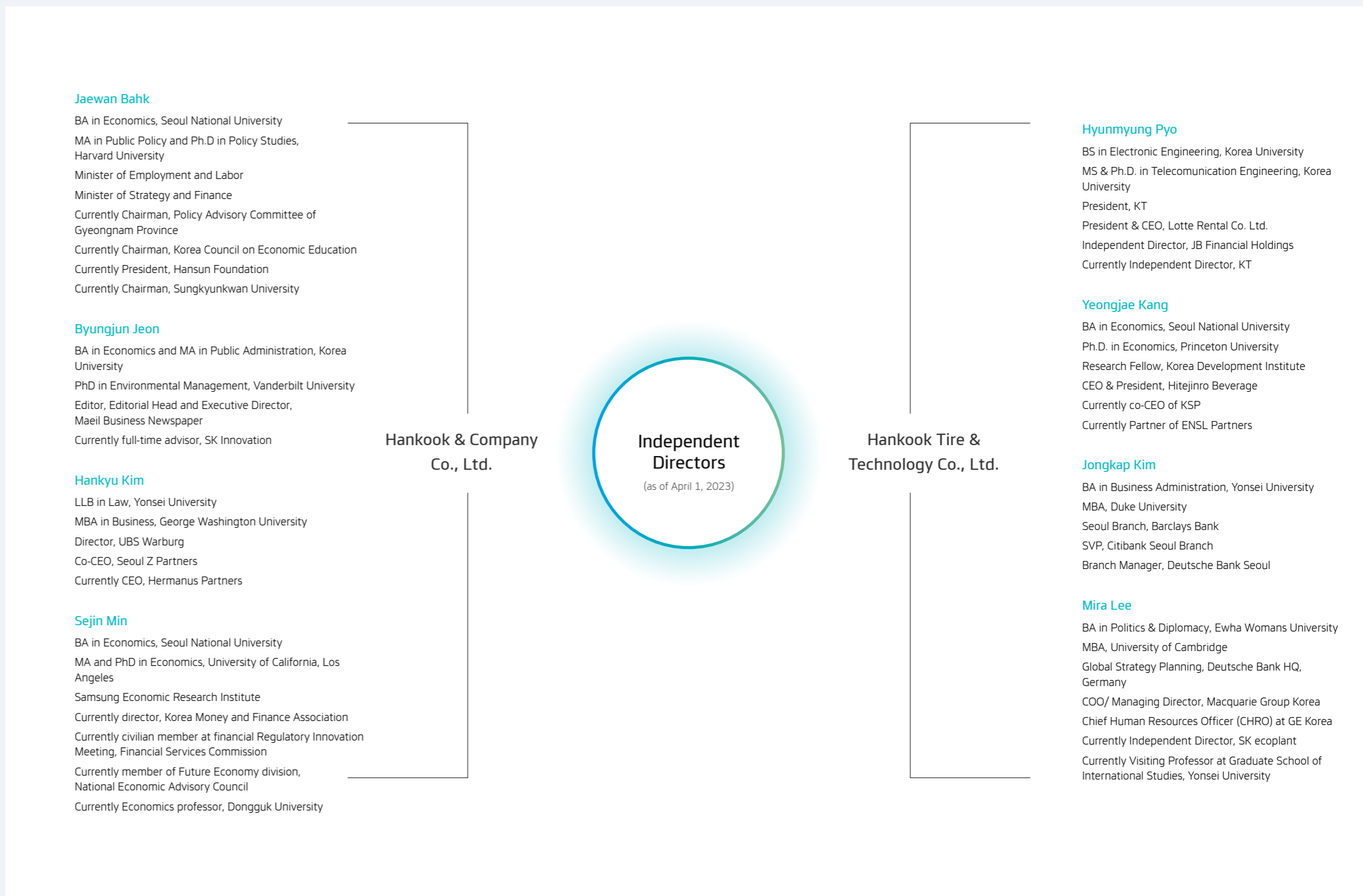


Youngmin Cho
Senior Vice President
CEO Hankook Networks

Overview of the BOD

It is essential for any global business to conduct business in a transparent and advanced manner. Numerous global companies have established such institutional systems as boards of directors and audit committees to protect the rights and interests of shareholders and improve the transparency and expertise of their business operations. A board of directors (BOD) performs the three primary functions of monitoring top management on behalf of shareholders, offering management advice, and assisting senior management to conduct business successfully. Leading global businesses have endeavored to set the stage for their BOD to smoothly fulfill their intended responsibilities of Control, Service, and Resource Dependence. We promote sound governance and reasonable, transparent business by advancing performance-driven management and BOD centric decision making process.

Hankook & Company's current BOD consists of two executive directors, four independent directors and one non-executive director, and Hankook Tire is made up of three executive directors and four independent directors. Additionally, We strictly adhere to the Board of Directors Administration Regulations, to ensure efficient and responsible operation. Hankook & Company's independent directors are appointed for their long-term careers either in academia or private sector companies and for their significant contributions to society. Their appointment follows transparent and fair procedures through the Non-Executive Director Nomination Committee operated under the BOD, and is based on the extensive experience that they bring to our company to ensure that top management benefits from appropriate checks and supervision and accurate, objective advice and recommendations.



Roles and Composition of BOD Committees

Hankook & Company Group operates a range of robust internal control systems to ensure transparency in generating business outcomes. Notably, expert committees have been established within the BOD and are delegated by the BOD to review agenda items in their respective areas in a systemic and organized manner. Presently, Hankook & Company has four such committees - the Audit Committee, Non-Executive Director Nomination Committee, Management Committee and Internal Transactions Committee - and Hankook Tire & Technology has five committees - the Audit Committee, Non-Executive Director Nomination Committee, Sustainability Management Committee, Internal Transactions Committee and ESG Committee - and all contribute to enhancing the transparency of our business.

Audit Committee

Both Hankook & Company and Hankook Tire & Technology have an Audit Committee within their respective BODs, and each has four audit committee members, all of whom are independent directors, to maintain their independence. Audit Committee members are specifically authorized to grant their consent on the appointment of the head of the internal audit department to proactively conduct business audits, and this enables the committee to perform, check and monitor top management on behalf of the shareholders. In accordance with the Audit Committee Operational Rules, the committee may request BOD members to report on business operations or investigate the status of company assets whenever such needs arise to help improve the transparency of our business conduct. These rules also assist committee members in easily accessing any business information required to perform audits. The committee regularly meets every quarter, and ad-hoc meetings are convened when deemed necessary.

Non-Executive Director Nomination Committee

Hankook & Company and Hankook Tire & Technology operate

the Non-Executive Director Nomination Committee to maximize fairness and independence in nominating non-executive director candidates. The committee consists of seven directors in total, and ensures that non-executive directors account for the majority to ensure transparency and impartiality in the nomination process. The committee complies with the basis for establishment and relevant regulations stipulated in the Articles of Incorporation. Out of the pool of candidates nominated by the committee, non-executive directors are appointed through a vote at the general shareholder meeting.

Internal Transactions Committee

Hankook & Company and Hankook Tire & Technology operate the Internal Transactions Committee mandated to closely supervise and monitor internal transactions made with related parties. The committee performs preliminary reviews and approve transactions conducted with affiliated parties as stipulated in Korea's Fair Trade Act. The basis for establishment and relevant regulations for this committee are set forth in conformity with the Articles of Incorporation. When deemed necessary to deliberate on and approve agenda items, the committee may request the company to submit and report related documents concerning the key details of internal transactions, contract methods, criteria for selecting contract parties, and detailed contract terms and conditions.

Management Committee/ Sustainability Management Committee

Hankook & Company and Hankook Tire & Technology have in place the Management Committee/Sustainability Management Committee in order to improve the expertise and efficiency of our business operations by reducing the frequency of and procedures at BOD meetings and by expediting decision-making. The committee is mandated to deliberate and decide on general management and financial issues that most frequently arise in business conduct as well as risk management issues to preemptively identify and prevent risks

that may affect our sustainability as a company. The committee, in so doing, enables regular BOD meetings to fully focus on key agenda items and complements the BOD activities to further strengthen our management responsibility.

ESG Committee

Hankook Tire & Technology operates an ESG Committee within the BOD that reviews and decides on environmental, social, and governance management activities to strengthen our sustainability management. The committee aims to strengthen ESG management policies, strategies and activities, and with this move, the company intends to reinforce board-centered management and achieve sustainable growth in the long run. The Committee is responsible for advising on the direction of ESG activities and material ESG risks that may arise, deliberating and resolving on them, and supervising the implementation.

The committee is composed of seven members including the chairperson who is appointed by resolution of the committee. The majority of its members are independent directors in order to boost their expertise as well as the committee function.

Performance Assessment System Global Assessment and Management

Hankook & Company Group manages business risks at the company-wide level, and performs periodic audits mainly on key processes of respective job functions to facilitate risk prevention.

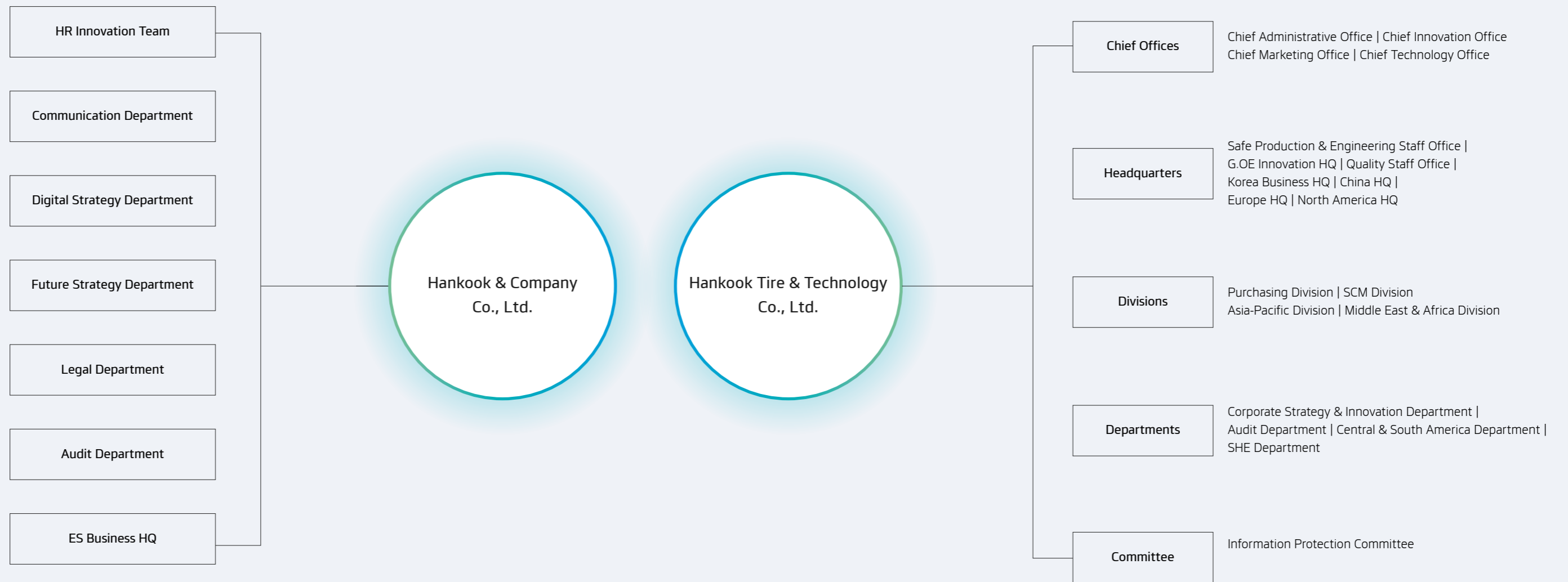
Hankook & Company Group's Performance Assessment System

Performance assessments are categorized into thematic assessments conducted from the viewpoint of process improvement and management support, periodic assessments, year-round assessments made to resolve major management issues that arise in business conduct, and report assessments made based on the internal and external reports submitted. Business management teams at the headquarters and overseas worksites perform preemptive monitoring on sector-specific risks - local costs, investment, and general management - and they are delegated to conduct assessments based on these monitoring outcomes. The Management Diagnosis Committee serves to prevent company-wide risks and promote their integrated management. The committee sets the direction of performance assessments at the company level and reviews and offers feedback on assessment outcomes in order to plan and manage assessment activities that contribute to preventing the recurrence of identical risks and attaining company-wide strategies.



Organizational Structure

Hankook & Company and Hankook Tire & Technology operate an optimized organizational structure to effectively implement their strategy in alignment with the mid/long-term vision. Respective business units are organically harmonized while regional headquarters maintain their independence. This balanced approach enables us to proactively respond to the shifting market landscape and build a stronger global competitive edge.

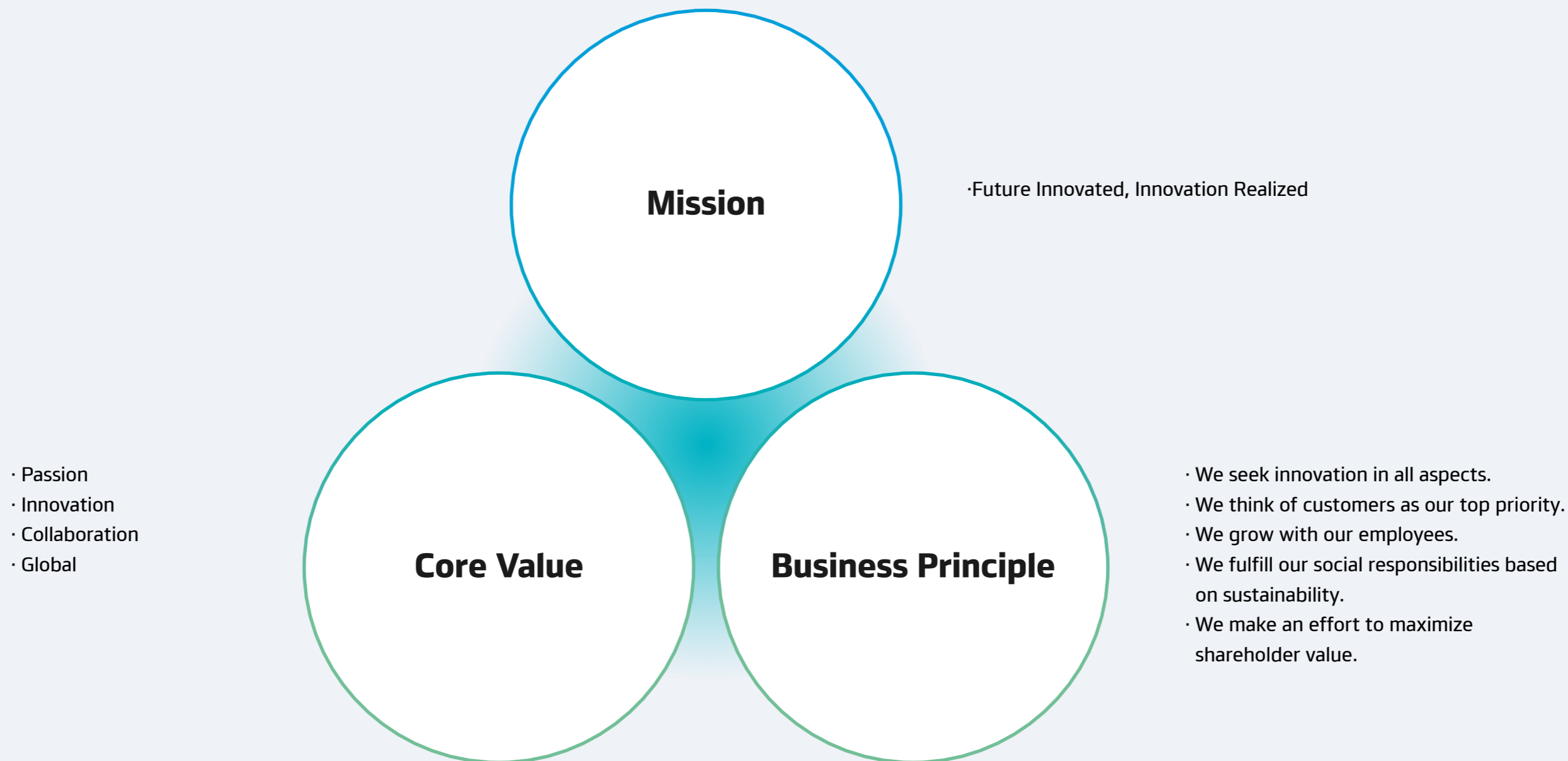


* HR Innovation, Communication, Digital Strategy, Future Strategy, Legal and Audit report to the holding Company as per the organizational chart.

as of January 1, 2023

Group Mission

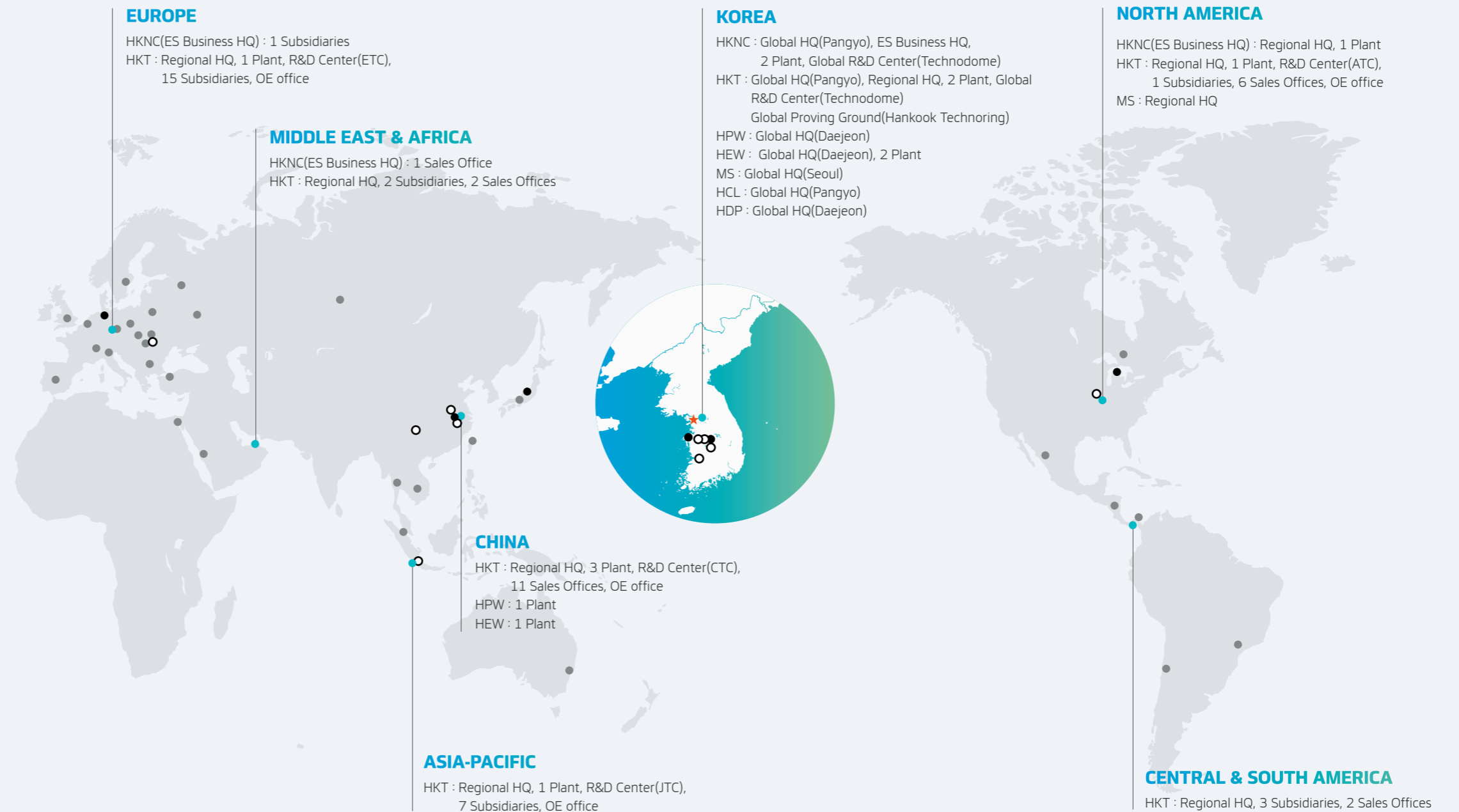
At Hankook & Company Group, our mission is to realize the future our customers imagine through innovation. To achieve this mission, we endeavor to uphold the group's management principles and core values.



Global Presence

Hankook & Company Group offers only the best products and services that cater to specific local needs throughout its global network that encompasses manufacturing, R&D, sales, and marketing & communications. We will ceaselessly push the boundary of our capabilities to reach out to the wider world and to bring the greatest possible satisfaction right to the point of customer satisfaction.

Our strategy is centered on achieving balanced growth in both mature and emerging automotive markets. We supply products tailored to local customer characteristics by building sales networks in Korea where HQ is located, as well as in China, Europe, North America, Latin America, Asia-Pacific, and the Middle East and Africa. We have also established communication channels for new tires (OE offices) in Korea, China, Germany, the US, Japan, and Indonesia to forge closer partnerships with global automotive companies.



*as of January 1, 2023, based on Hankook & Company Group (marked only once for any overlap)

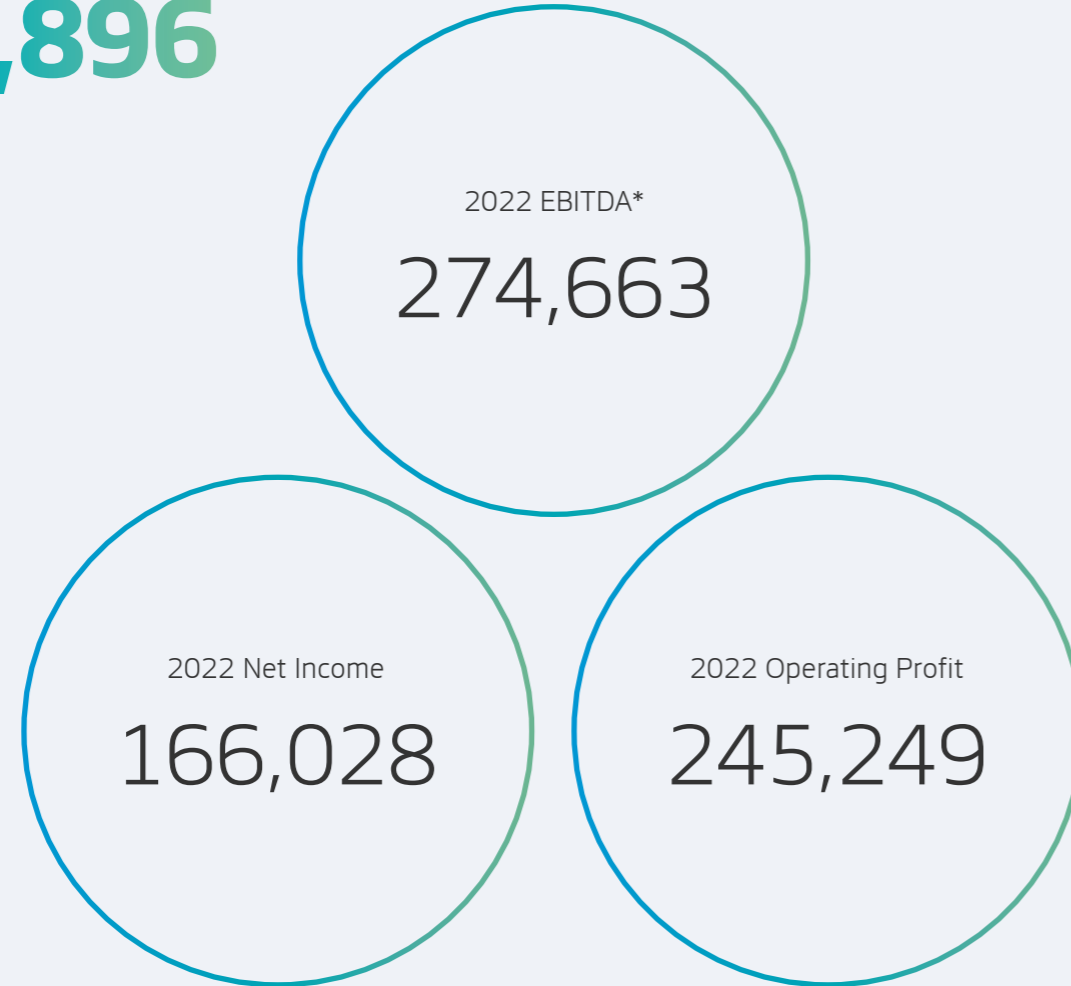
Financial Highlights

(Unit: KRW million / on a K-IFRS-compliant, consolidated basis)
* Earnings Before Interest, Taxes, Depreciation and Amortization

Hankook & Company Co., Ltd.

2022 Sales and Equity Method Gain-Loss

1,095,896



Hankook Tire & Technology Co., Ltd.

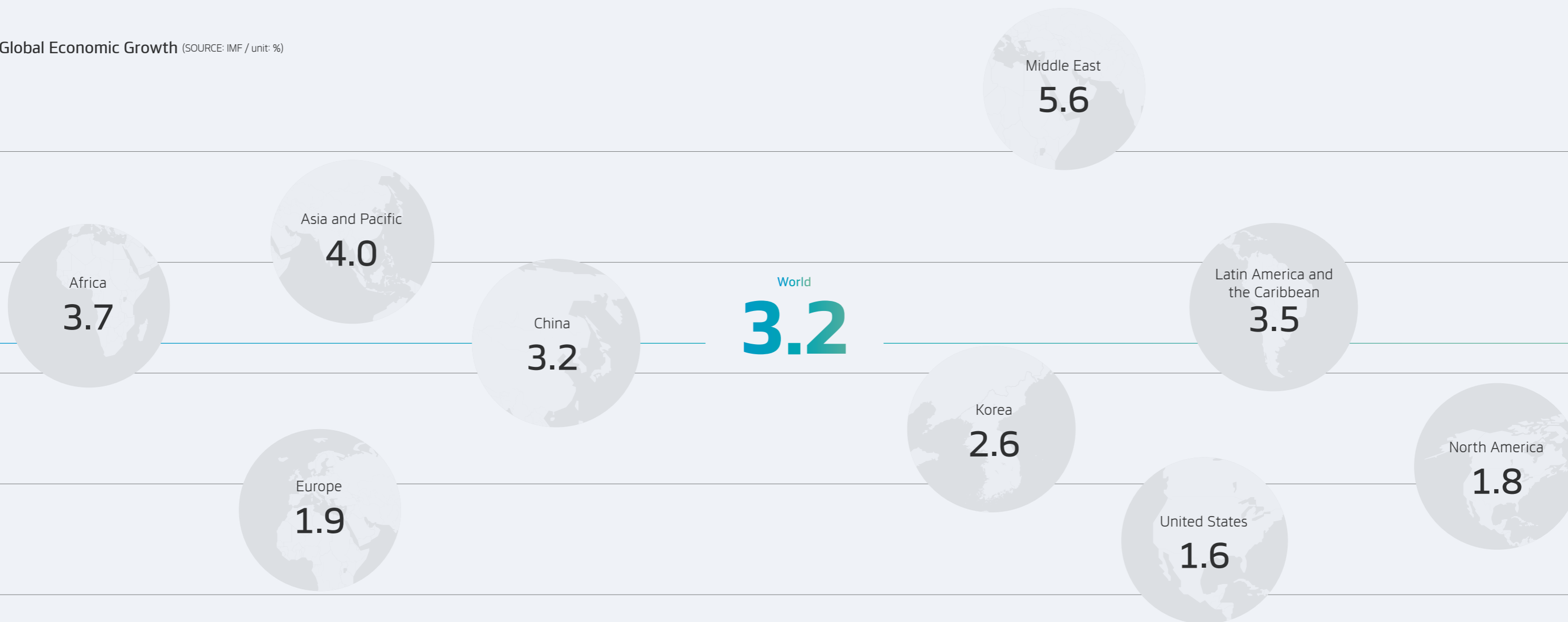
2022 Sales

8,394,203



Market Analysis

2022 Global Economic Growth (SOURCE: IMF / unit: %)

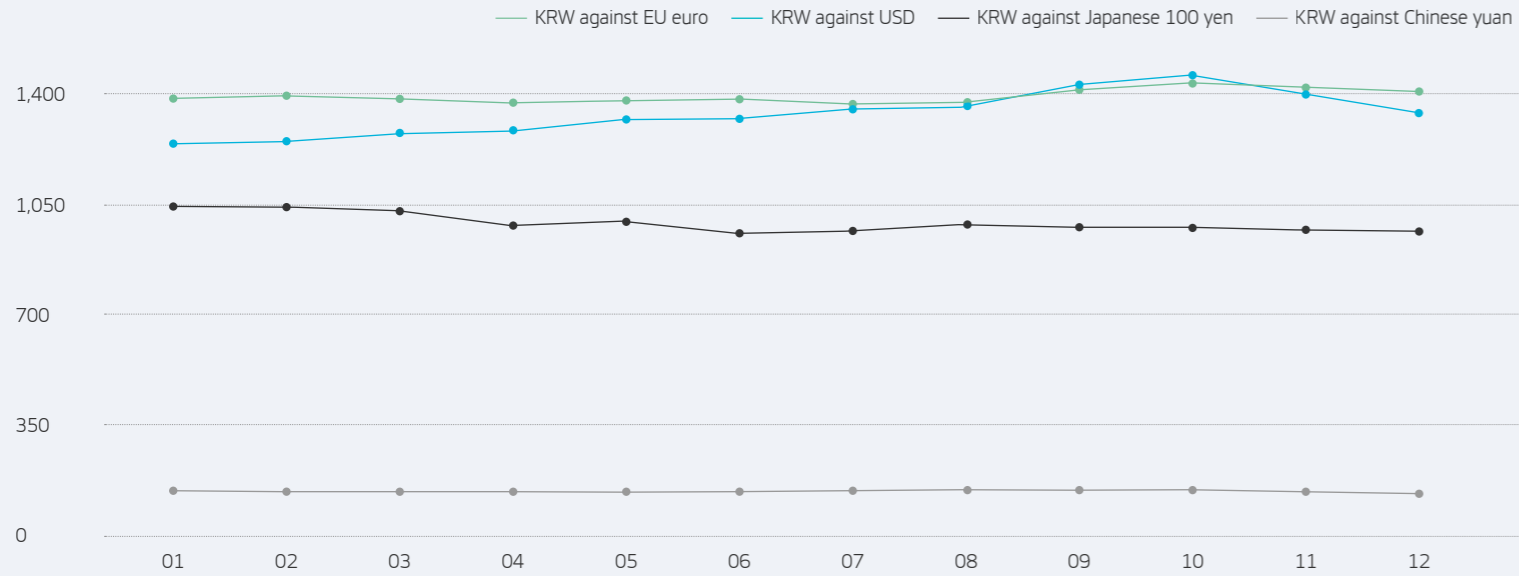


* Source: IMF, World Economic Outlook_Oct 2022

* Real GDP growth

* Europe includes the following 37 countries - Germany, France, Italy, Spain, Netherlands, Belgium, Austria, Ireland, Portugal, Greece, Finland, Slovakia, Lithuania, Slovenia, Luxembourg, Latvia, Estonia, Cyprus, Malta, the UK, Switzerland, Sweden, Czech Republic, Norway, Denmark, Iceland, San Marino, Russia, Turkey, Poland, Rumania, Ukraine, Hungary, Belarus, Bulgaria, Serbia, Croatia

2022 Currency Rate Trend (unit: KRW, source: KEB Hana Bank)



2022 Global Oil Price Trend (unit: USD/bbl)

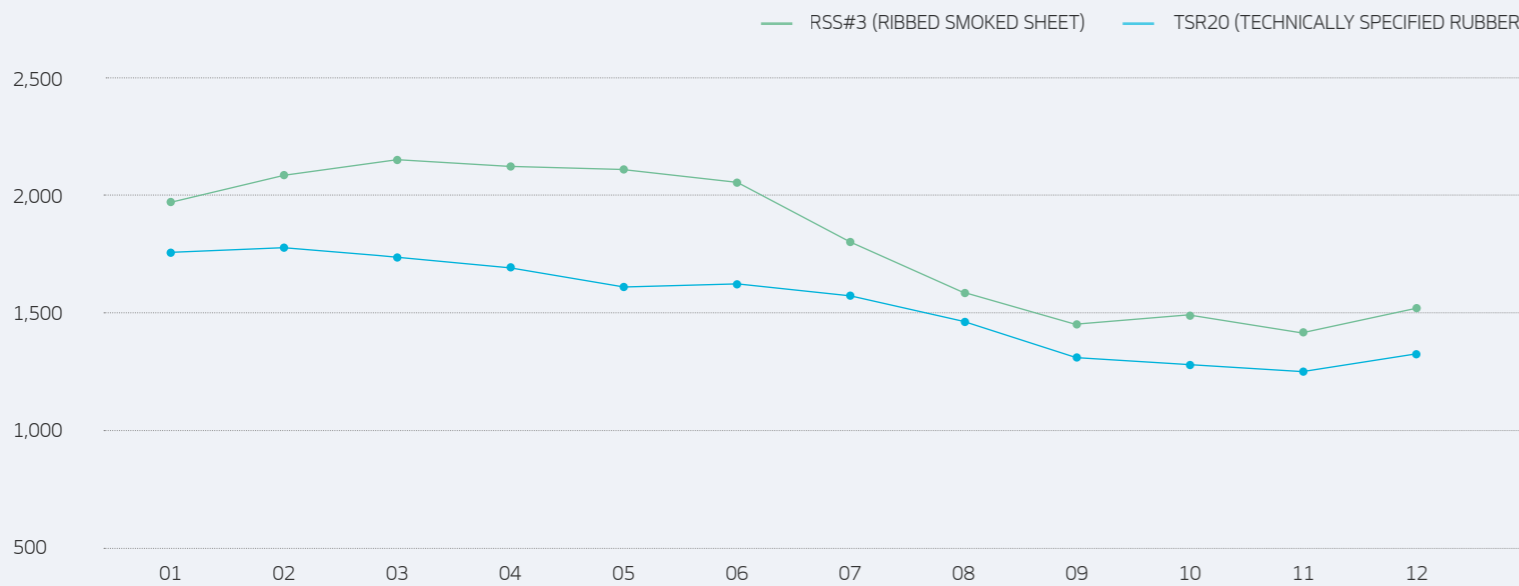
(source: WTI-New York Mercantile Exchange (NYMEX), Brent crude - London ICE Futures Exchange)



2022 Raw Materials Price Trend (unit: average price based on cargo for following month (FOB, USD/MT))

Natural Rubber SICOM Monthly Price (unit: USD/ton)

(source: SICOM(<http://www.sgx.com>))



Synthetic Rubber Basic material price trend (unit: USD/ton)

(source: BD - Platts(CFR Taiwan), SM - Platts(FOB Korea))



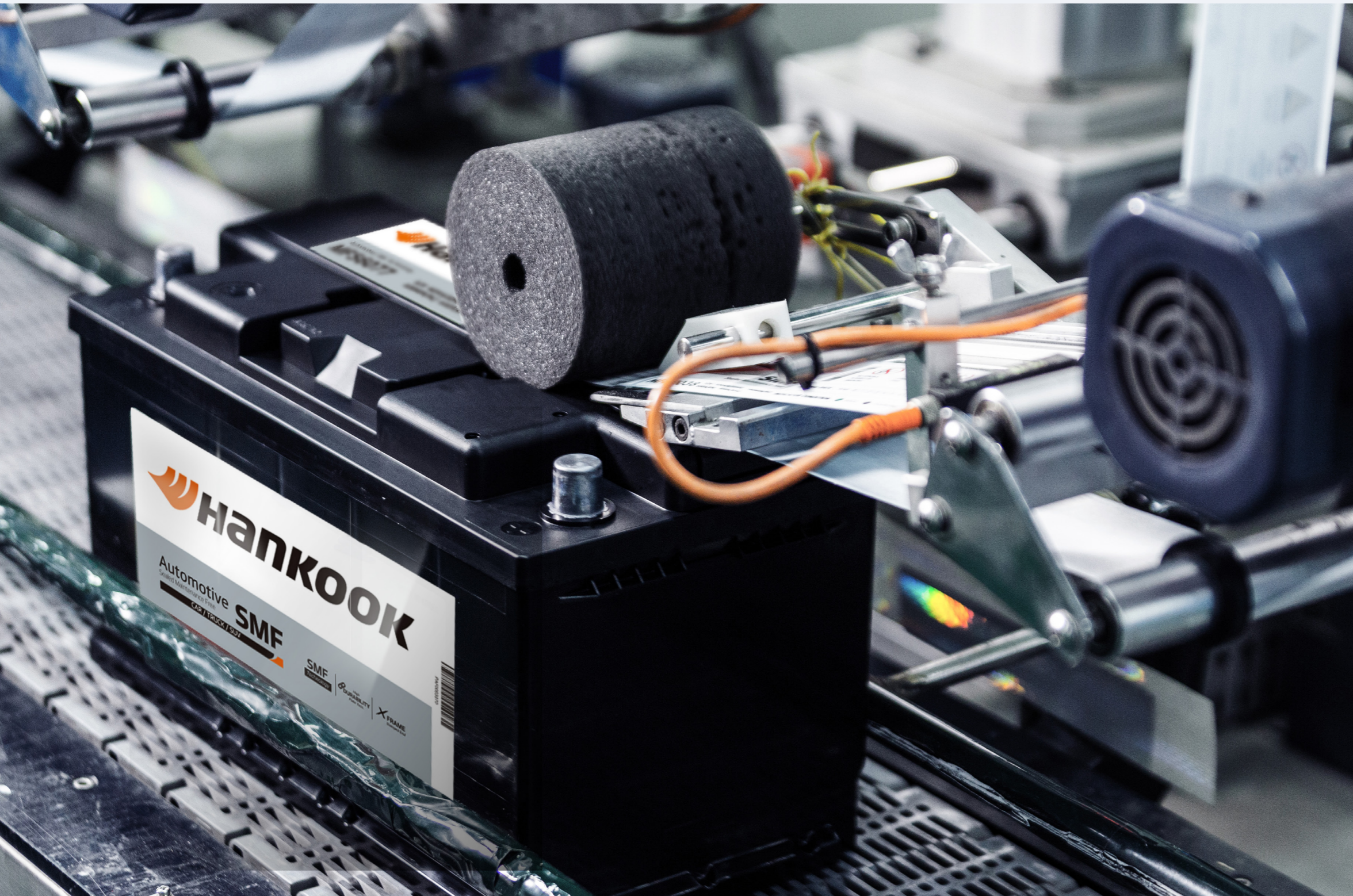


Hankook & Company Co., Ltd.

Driving Future Growth with Newly Defined Innovation Strategy

Signaling with its transformation into an operating holding company in April 2021, Hankook & Company is leading investments for bolstering the competitiveness of key businesses while discovering new business opportunities based on a flexible and rapid decision-making structure. The company plans to maximize business efficiency by implementing integrated management strategies for engaging in efficient allocation and share of physical and human capital, and in doing so, the company will work to create synergy by expanding the business, investing, securing new technologies, and facilitating M&A capacity using its networks as a holding company. While spearheading business innovation to create synergy across the group based on the future growth portfolio 'S.T.R.E.A.M.', we will also proactively read the trends in emerging industries, diversify our technology-based investment portfolio, and leverage Hankook Technoring to drive our technological innovation and the group's sustainable growth into the future.





Hankook & Company ES Business Headquarters

Enhancing Service Capabilities to Serve Differentiated Customer Experiences

ES Business Headquarters is the lead-acid battery manufacturing and sales division of Hankook & Company, and is making the leap to become a smart energy solutions provider. Noting the sustained growth of the LAB market, we are increasing our production capacity to a combined total of 5 million units by expanding our Tennessee plant in 2021 and our Korea plant in 2023. Particularly, we are concentrating on responding to the ever-increasing demand by securing additional production capacity for AGM batteries amounting to 1.5 million units. In parallel, we strive to strengthen profitability and achieve sustainable corporate development through efforts to improve sales prices, adjust product sales mix, and reduce costs.

The ES Business Headquarters is currently in the process of developing new AGM battery technologies in line with the electrification trend in the automobile industry, establishing a market/customer-oriented product development process to become a market-friendly company, and streamlining internal systems and processes to reduce product delivery time.

Our sales subsidiaries and offices in the US, Germany, and Dubai, among others, serve as the hubs that link us to customers across continents, thereby allowing us to respond to market and customer needs ahead of time. In addition, we are developing customer-centered sales tools to strengthen our customer communication, such as a delivery visibility system that provides end-to-end visibility from product purchase to its delivery, and a customer portal that provides an optimal environment and information to assist with purchases. Through these efforts, the ES Division will keep striving to be recognized as a differentiated company by offering elevated experiences to its customers and markets.





Hankook Tire & Technology Co., Ltd.

Increasing OE tire supply to global premium brands

In 2022, Hankook Tire expanded Original Equipment (OE) tire supplies to BMW, Mercedes-Benz, Porsche and other premium automakers and demonstrated yet again its world-renowned technology and top-tier brand value. BMW's high-performance SUV model X5 is equipped with our ultra-high-performance Ventus S1 evo3 X tires, and Mercedes-Benz's premium sedan S-Class run on our Ventus S1 evo3. We also continue the supply of our Ventus S1 evo3 EV tires to the Taycan, Porsche's first-ever battery-powered high-end EV model, Audi's first battery-powered EV e-tron and Volkswagen's ID. series, gaining recognition for technological prowess in the EV market.





Hankook Tire & Technology Co., Ltd.

Leveraging Best R&D Infrastructure to Perfect Innovation Synergy

As part of its plans to generate a fresh mid/long-term momentum to lead the future automotive industry, Hankook Tire has built Asia's largest testing ground, Hankook Technoring, in Taejeon, Chungnam, in 2022. Covering an area of 1.26 million square meters, the size equivalent to about 125 soccer fields, with 13 different tracks, Hankook Technoring is capable of conducting high-speed driving tests with a maximum speed of over 250 km/h, as well as performance tests needed for the development of innovative tire products for EV or supercars. With the completion of the Hankook Technoring, we have now formed the best R&D infrastructure to complete our innovation synergy, consisting of global control tower Technoplex for mid/long-term strategic and innovative product planning, the central R&D center Hankook Technodome for proprietary technology development, eight global production bases, and the final testing ground Hankook Technoring. Hankook Technoring, where various road and extreme environmental conditions are systematically simulated, will lead Hankook Tire's technological innovation in the future.





Hankook Tire & Technology Co., Ltd.

Lamborghini Signs Official Sponsorship for Super Trofeo Competition

Hankook Tire has signed an official sponsorship agreement with Lamborghini at the company's headquarters in Bologna, Italy, to exclusively supply racing tires and provide technical support for all cars competing in the 2023 season. The competition's racing car, the 'Uracan Super Trofeo Evo2', will be equipped with Hankook's 'Ventus' racing tires for ultra-high speeds. With its aerodynamic design, use of ultra-lightweight materials, and new brake system, Uracan exhibits extreme performance, and together with Hankook Tire, a company known for its innovative racing tire technology, it gathers much anticipation for a more complete and exciting competition. The Lamborghini Super Trofeo Series 2023 kicks off this May with three series spanning four continents - Europe, North America, Asia, and Australia - with a total of six rounds each. The winners of each series then come together for the Grand Final at the Valerunga Circuit in Italy this November to crown the final champion. As the race progresses, we expect to see Hankook Tire's innovative racing tire technology in action.



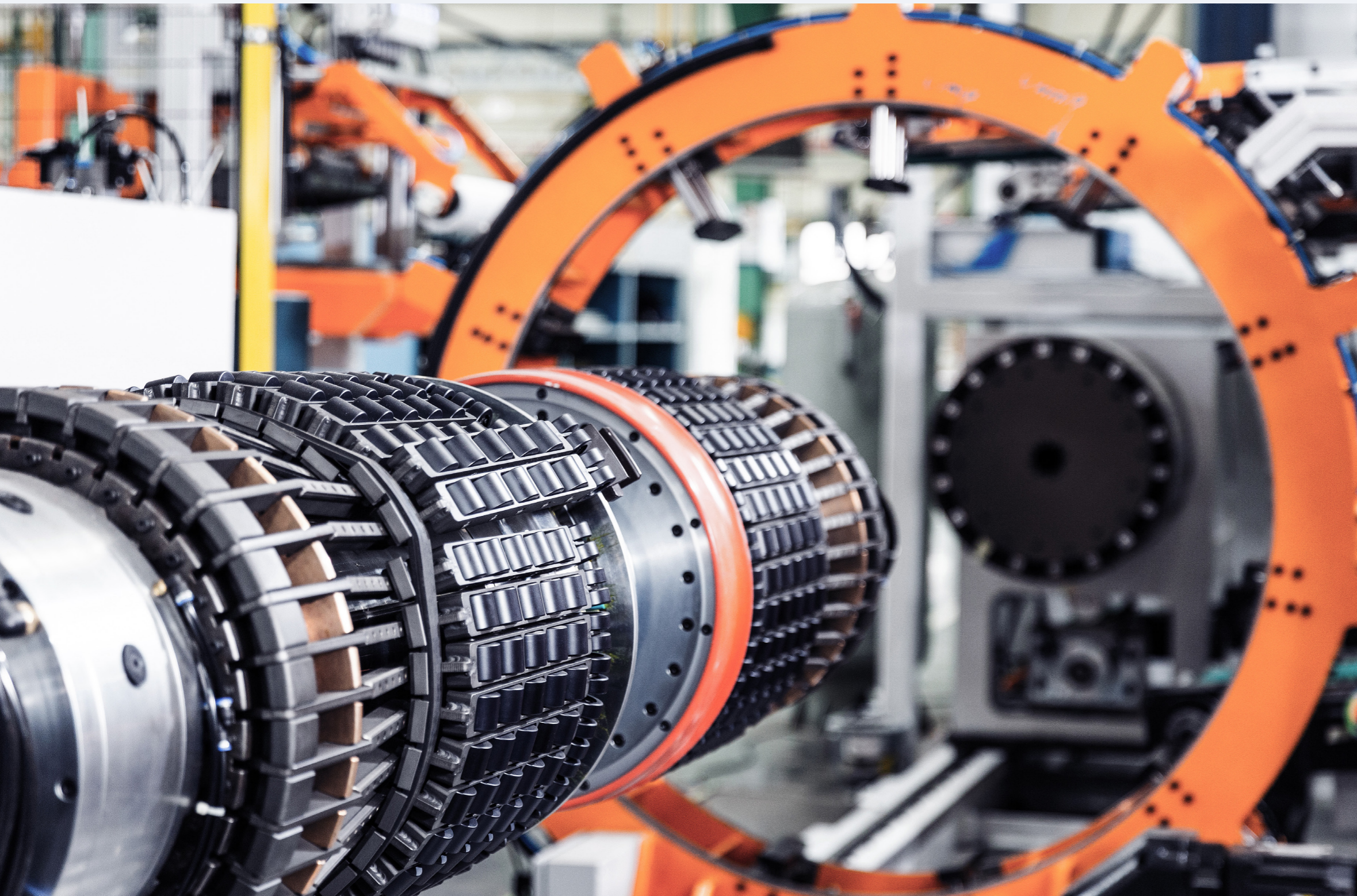


Hankook Precision Works Co., Ltd.

Continuous Technological Innovation For Sustainable Growth

In 2022, Hankook Precision Works secured future growth engines through the development of various new technologies, acquisition of new equipment, and management innovation activities. The company engineered a new molding technology using 3D printing and adopted new low-pressure casting equipment and techniques. It also developed new EV molding techniques and improved a range of processes and shop floor conditions, strengthening its competitive edge in manufacturing technology in so doing. Furthermore, the company reduced costs and diversified the supply chain through procurement process improvement, and steadily sought innovation across its management and organization, laying the basis for sustainable growth and emergency preparedness. Hankook Precision Works will be ever engaging in technology development and business innovation while promoting company-wide digital transformation and an agile, flexible organizational culture to evolve into an innovative precision technology provider as a leading affiliate of Hankook & Company Group.





Hankook Engineering Works Co., Ltd.

Delivering High-end Manufacturing Equipment with Innovative Technology

Created in 1992, Hankook Engineering Works has built extensive expertise on technology-based high-end manufacturing equipment and automation/unmanned/ smart systems. Over the years, the company has manufactured a range of tiremaking equipment in the fields of bead, cutting, forming, curing, inspection, and testing while continuing to develop cutting-edge, high-end equipment as well as high-quality, high-productivity equipment through its in-house research institute. Laying the basis for global advancement in 2004 by establishing a Chinese subsidiary in 2004, the company acquired the bead business of Hankook Tire in 2007, followed by its expansion and stable operation. Presently, Hankook Engineering Works is committed to continued transformation and innovation to become a global engineering leader not only in the tire business, but also in the joint industry-academia-research institute R&D, engineering services across multiple industries, and even smart technology.

Business Portfolio

Hankook Engineering Works provides end-to-end engineering services, from design and processing to assembly and commissioning, based on its 30-year experience in machine manufacturing. The company also produces and sells high-tech tire making equipment. Its continued R&D efforts are expanding to such smart technologies as robotics, vision and sensing, as well as smart machines, robot application systems and end-to-end logistics solutions through open innovation.



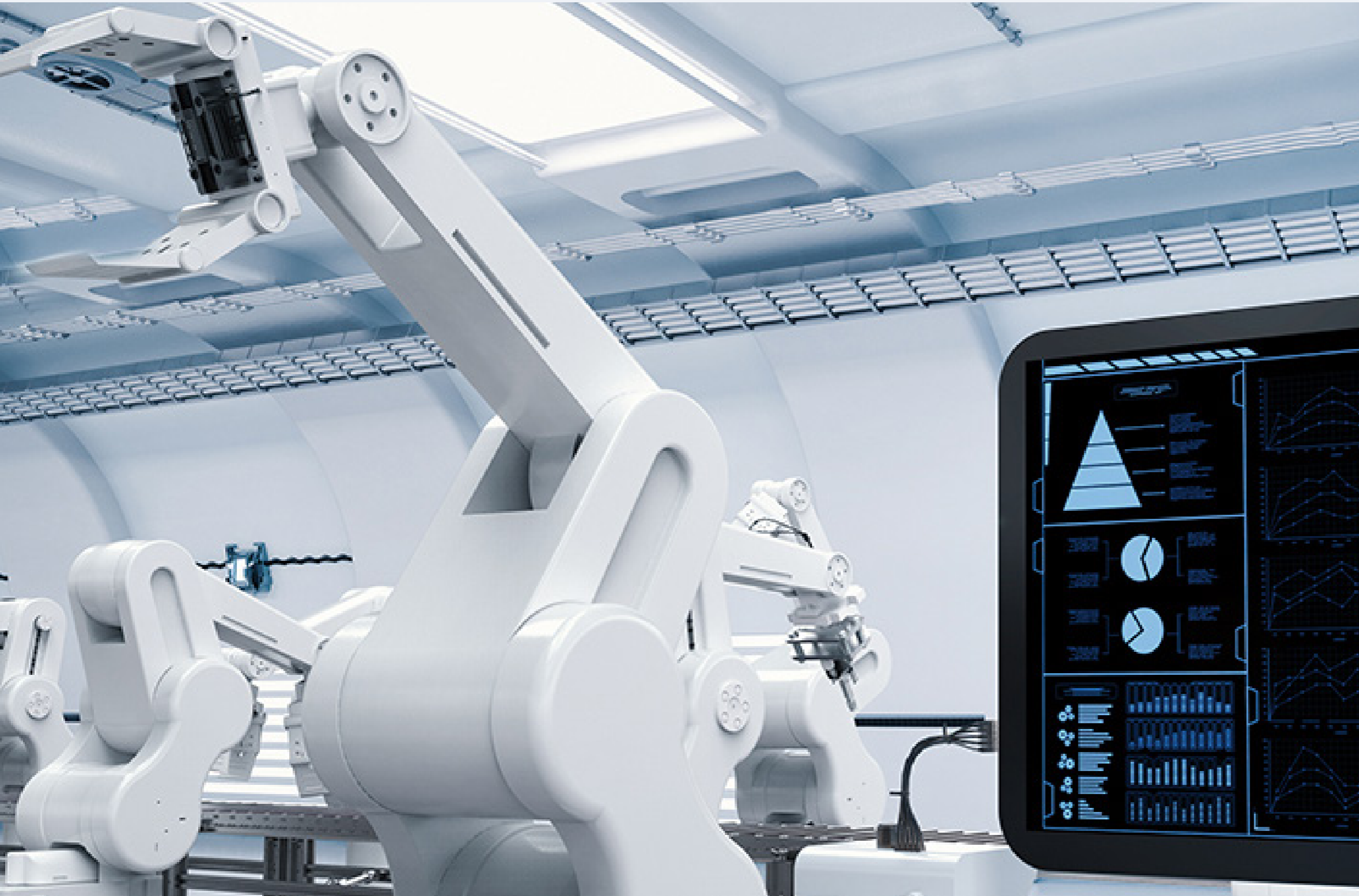


Model Solution Co., Ltd.

Emerging as One-stop Hardware Solution Provider with Excellent Development Skills and Technology

Model Solutions is a globally recognized one-stop solution provider of accelerated services and high-quality products from design and prototypes to molds, low-volume production and contract manufacturing. We work with consumer and high-tech brands across the globe to speed up product development and solve challenging manufacturing problems. Model Solutions provides unrivaled total solutions based on proven rapid processes and systematic quality management systems in all industries, from high-quality, lifelike models to cutting-edge aerospace and robotics components and high-tech medical devices. At the same time, Model Solutions strives to secure new growth engines that can ensure sustainable growth of the company by investing steadily in building its own brand.





Hankook Networks Co., Ltd.

Ushering In Digital Transformation through Optimized Solutions for Customer

Hankook Networks taps into IT and digital technology and delivers business solutions optimized to customers' business environment to realize digital innovation that achieves both cost reduction and productivity improvement. Its enterprise solution, which represents the culmination of the company's 20 years of know-how and excellence, analyzes data gathered from complex logistics sites and then allows for easier tracking of logistics flows and logistics automation. In the future, we will expand into new areas such as smart factory solutions that integrate production and logistics, data and AI-driven intelligent production automation, solution licensing, and cloud business, while at the same time enhancing solutions and digital and automation capabilities through continuous collaboration with partners to leap forward as a technology-centric global solution company that caters to customer characteristics.





Hankook Car & Life Co., Ltd.

Proposing an Innovative Lifestyle of Future Mobility

Hankook Car & Life explores and invests in a range of business opportunities in the rapidly-shifting mobility industry. The company provides maintenance, parts, tuning components and repair services for imported cars through 'Sonic Motors', a service station exclusively designed for imported cars. In 2019, the company broadened its business by establishing a sales and service network for an official Peugeot-Citroën dealership business, paving the way to tap uncharted territories. Going forward, we will continue to build a solid business model to respond to the future mobility market and create new business opportunities to serve mobility lifestyle solutions.



Hankook Donggeurami Partners

Realizing the True Value of Companionship by Expanding Hiring for People with Disabilities

Hankook Donggeurami Partners was established back in 2015 by Hankook Tire as a standard site that hires mentally/physically-challenged people, who are often at a disadvantage in the job market, to provide them with professional and stable employment. Its employees are mainly responsible for laundering company uniforms and operating bakeries at our Daejeon / Geumsan Plants, offering steam car wash services at the Headquarters and Engineering Lab, operating cafeterias at five of our worksites including the Headquarters, and supporting clerical work. The number of employees has doubled, from 18 at the time of inception to nearly 160 as of the end of 2022. In addition to creating a steady stream of employment opportunities, we also are improving the health and safety features of the work environment, and these improvements helped earn us the title of a best practice business in inclusive employment in 2019. Hankook Donggeurami Partners not only provides jobs for the underprivileged in our society but also promotes a wholesome corporate culture that helps establish the prosperous co-existence between those with disabilities and those without. This ultimately contributes to the growth and development of society at large.

AFFILIATES

Hankook & Company Group continue its growth with a strong standing in tire and energy solution businesses and is making strategic investments to establish a league of affiliates recognized for world-class technology in their business areas of IT services, manufacturing equipment and molding & parts.

Hankook
& Company

Hankook & Company Co., Ltd.

Leading future growth by scaling innovation

Hankook & Company, upon the successful conversion into an operating holding company, unveiled 'S.T.R.E.A.M.', a group-wide future growth portfolio to guide its effort to drive business innovation. The company is looking to explore and harness the potential of future growth engines through active investment, propelling the group's growth in the future.

Smart Energy Solution Provider

Born through the merger with Hankook & Company, which is Hankook Tire's holding company, the ES Business Headquarters is channeling its capabilities to grow into a company specializing in smart energy solutions. Responsible for Hankook & Company's lead-acid battery business, the ES Business Headquarters has generated steady profits by leading the qualitative and quantitative growth of the battery industry, developing Korea's first maintenance-free (MF) battery and absorbent glass mat (AGM) battery. The synergies created between the ES Business Headquarters' solid business foundation and Hankook & Company's brand value, networking and M&A capabilities now allow for more ambitious investments into securing next-gen battery technology, manpower and new sources of demand. Armed with a cutting-edge knowledge base and innovative technology accumulated over the past eight decades, the manufacturing site in Clarksville, Tennessee in the US stably manufactures and supplies products with exceptional performance and competitive quality. Going forward, ES Business Headquarters will leverage its locally-based plant and sales network to grow closer to its customers and markets, reinforcing customer engagement and solidifying its position as a global battery business.

Brand Portfolio

ES Business Headquarters offers a variety of brands to suit specific local conditions with a focus on the flagship brand Hankook and ATLASBX. The company is strengthening its market leadership by increasing investments in marketing and communication while developing innovative technology and improving product competitiveness. It also plans to take a multi-portfolio strategy to elevate its brand value over the mid/long-term.

Hankook & Company
2022 Sales

1,095,896

Including overseas operations (unit: KRW in million)

AFFILIATES



Hankook Tire & Technology Co., Ltd.

The Future Driving Innovator

Initiated as Korea's first-ever tire maker back in 1941, Hankook Tire has made quantum leaps along the way, through its commitment to developing technology, expanding its production and sales network, forming partnerships with global car OEMs, launching effective brand marketing campaigns, and delivering differentiated customer services. Presently, we manufacture 102 million high-quality tires per year across eight production sites in Korea, China, the US, Hungary and Indonesia, serving more than 160 countries as a global tire business. Our goal is to emerge as a global top-tier company that leads the future automotive industry by rendering our core business more competitive based on our world-class technology leadership and by continuously pursuing technology-driven innovation and improving our premium brand value.

Hankook Tire & Technology
2022 Sales

8,394,203

Including overseas operations (unit: KRW in million)

Brand Portfolio

Hankook Tire strategically operates three global tire brands: 'Hankook' represents our leading premium brand in Korea and abroad; 'Laufenn' targets global customers who pursue a young, smart and trendy lifestyle, and 'Kingstar' endeavors to meet specific local needs.



Hankook

As Hankook Tire's global flagship brand, Hankook operates a range of sub-brands that cater to diverse vehicle and product types, including iON (high-performance electric vehicle lineup), Ventus (ultra-high-performance and racing lineup), Dynapro (on & offroad SUV lineup), Kinergy (all-season urban driving lineup), Vantra (van lineup) and Smart (premium lineup for trucks/buses) as well as winter tire lineups including Winter i*cept (studless) and Winter i*pike (studded). These segmented brands serve the needs of diverse global customers.

Major Product Lines

iON ventus Dynapro

KINERGY vanTRA

Winter i*cept Winter i*Pike

e-SMART SMART

Laufenn

Launched in 2014, the brand name Laufenn originates from the German word 'Laufen' which means 'to run', and targets to be incorporated into thriving and abundant lifestyles of young, trendy and smart drivers. Starting from the Americas and China in 2015, Laufenn has broadened its sales network into Europe, the Middle East, and Asia. Laufenn operates diverse brands that are fine-tuned to the needs of global customers including S Fit (high-performance and sport line-up), G Fit (general purpose passenger car), X Fit (LT & SUV), and I Fit (winter line-up).

Major Product Lines

S FIT G FIT X FIT I FIT Z FIT

AFFILIATES

Hankook Tire & Technology Co., Ltd.

Hankook Tire & Technology's Distribution Channel Portfolio

Hankook Tire delivers cutting-edge end-to-end automobile services with a specific focus on tires through its distribution network that consists of more than 4,600 locations across the globe, with T'Station, The Tire Shop, Hankook Masters, TBX, and Hankook Truck Masters serving as main distribution channels. Following our acquisition of the Australian tire distributor 'JAX TYRES' in 2017 and the German premium tire retailer 'Reifen-Müller' in 2018, we have consistently widened our global sales and service network to reinforce our competitive edge in distribution. In response to the continuously growing O2O market, we are also building sales platforms in Korea and China to tap into this emerging market.

T'Station

T'Station represents Hankook Tire's distribution service channel that delivers unrivaled customer satisfaction on the basis of proven expertise. Since the first T'Station opened in January 2005, its network has constantly expanded to include nearly 460 locations in Korea as of 2021. T'Station's professional end-to-end services are made available through its high-tech equipment from the Road Force Measurement (RFM) system and 3D wheel alignment gear to Ultra-High-Performance tire changers. The multi-brand strategy was adopted to cater to wide-ranging customer needs, and 'all my T service' ensures the delivery of differentiated customer value.



Hankook Masters

Expanding the Hankook Masters membership program from Europe to the Middle East and Asia Pacific since 2011, Hankook Tire has established an integrated global retail network. As of 2022, the Hankook Masters membership network spanned nearly 3,200 locations in 11 major countries in Europe; four countries in Latin America; five Asia Pacific countries of China, Australia, Indonesia, Malaysia and Thailand; and three countries in Middle East, including Saudi Arabia.

The Tire Shop

The Tire Shop specializes in offering Hankook Tire products to cater to diverse customer needs. As of 2021, nearly 210 shop locations are in operation in Korea, providing tire changing and wheel alignment services among others.

TBX, Hankook Truck Masters

TBX, a specialized large tire retailer of Hankook Tire, is a tire-centric repair shop where customers can get professional tire-related services as well as high-quality vehicle maintenance services anywhere in the country. As of 2022, about 210 TBX locations are under operation in Korea, equipped with cutting-edge equipment and professionals to effectively sell and service large-sized tires. They also provide TBX membership services to offer financial benefits to commercial vehicle customers. Globally, Hankook Truck Masters is available as an exclusive TBR tire service network.

AFFILIATES



Hankook Precision Works Co., Ltd.

Precision, We make design real

Since its establishment in 1973, Hankook Precision Works has been a leader in the tire molding, tire curing container, and precision parts business, and completed its own technology roadmap on the basis of proprietary casting and five-axis precision milling technology. Leveraging such technological competency, the company supplied tire molds to global tire makers as well as Hankook Tire for several years before joining Hankook & Company Group in 2011. Following the adoption of metal 3D printers in 2015, the company succeeded in mass-producing tire molds and precision parts through continued R&D endeavors. In 2016, it also embraced laser processing technology to develop textures that were difficult to obtain through CNC processing as well as fine serrations and other highly sophisticated design patterns to ultimately reach the mass production phase. Its ceaseless commitment to new technology R&D enabled the company to consecutively develop split molds, compact molds, ventless puzzle molds, polishing techniques, and split pattern molds. Simultaneously, it established a polishing massproduction system and developed mass-producible process automation equipment to secure independent tire exterior improvement technology and pursue manufacturing innovation, which truly elevated its tire mold technology in so doing. Hankook Precision Works will evolve into a global player specialized in molding and precision parts through relentless technology innovation.

Business Portfolio

Hankook Precision Works has led the market trend with its highquality tire molds, mold containers, and precision parts manufacturing technology. The company was the industry's first to adopt metal 3D printers to establish innovative manufacturing processes, and is taking the lead in developing the much sought after eco-friendly technology such as EV tire molds. Going forward, Hankook Precision Works will continue to develop convergence-driven technology and seek digitallybased innovation to become an innovative precision technology provider that represents the Hankook brand.

Hankook Precision Works
2022 Sales

137,947

Including overseas operations (unit: KRW in million)

Hankook Networks Co., Ltd.

Create your future with the best digital technology

Hankook Networks is an IT and logistics engineering affiliate of Hankook & Company Group, with over 20 years of experience in developing comprehensive IT services and solution to meet market needs. The company provides specialized IT services and logistics automation to Hankook & Company affiliates, and has evolved into a trusted partner of choice in the ever-changing distribution and logistics industry, with expertise in delivering successful outcomes for every customer challenge. Furthermore, its R&D on wide-ranging IT solutions enabled the company to build IT solutions and deployment experiences optimized for Supply Chain Management (SCM), Manufacturing Execution System (MES) and Law & Patent (L&P). Notably, the SCM IT solutions (air-WMS, air-WOS) have been awarded with the 'Korea SW Business Competitiveness Grand Prize', 'Logistics Solution Grand Prize' and 'Best Solution Grand Prize' for providing total package solutions based on WMS, which is one of the strengths of Korea Networks, proving their top-tier position as Korea's No.1 logistics SCM solutions. Leveraging outstanding IT solutions and accumulated experience, the company has extended the scope of its business into smart logistics, smart factory, and distribution logistics automation through innovation across manufacturing and logistics engineering in preparation for the 4th Industrial Revolution.

Business Portfolio

Hankook Networks engages in the industrial automation business which is the backbone of the manufacturing industry, including MES systems, logistics systems, and storage, categorization, transportation, and transfer. Among them, its WMS (warehouse management system) solution, which handles logistics data, has No. 1 reference and competitiveness in the industry. Hankook Networks' solutions provide differentiated logistics efficiency at a minimum cost to small and medium-sized enterprises that have limited human resources and are burdened by high development and operation costs, unlike large enterprises that develop and implement their own WMS solutions using abundant capital from operating large, high-value-added businesses.

Hankook Networks
2022 Sales

36,106

(unit: KRW in million)

AFFILIATES



Hankook Car & Life Co., Ltd

The Future of mobility life, we make it happen

Hankook Car & Life was established in 2016 to help explore and invest in new business opportunities within the rapidly-shifting imported car market in Korea. Hankook Car & life and its affiliate businesses provide sales, maintenance, parts, tuning components, and repair services for imported cars. Going forward, Hankook Car & Life will develop a robust business model to respond to the future mobility market and continue to create new opportunities.

Brand Portfolio

Hankook Car & Life conducts through its subsidiaries includes Sonic Motors, which sells, repairs, and offer maintenance for imported vehicles focusing on super/hyper cars, and Han Automobile, which operates dealership business for Peugeot-Citroën brand.

Hankook Car & Life 2022 Sales

25,368

(unit: KRW in million)



Model Solution Co., Ltd.

Innovation, We Realize Ideation

Model Solutions, an industry leader, has been producing and supporting the production of new product prototypes that feature cutting-edge technologies such as electronic and medical devices through a variety of solutions including rapid prototyping, ultra-precision machining, molds, and low-volume production. Since its inception in 1993, the company has served more than 500 global customers. Significant investment has also been made in design, engineering and small quantity batch production system to bring key steps of the manufacturing value chain in-house, reinventing itself as an end-to-end hardware solution provider.

Brand Portfolio

Model Solution offers high fidelity appearance models that incorporate advanced design and latest CMF to assist customers with perfect visual validation as a step in product development and decision making; functional prototypes to be used to test functionality of test products as well as for parts in final products; and mold & injection service for small quantity batch production solutions for quick turnaround time and high cost efficiency. Starting in 2022, the company is strategically nurturing Contract Manufacturing as a separate business unit to provide a one-stop service of the entire value chain of products from the design and engineering to prototyping and mass production.

Model Solution 2022 Sales

69,976

Including overseas operations (unit: KRW in million)



Hankook Donggeurami Partners Co., Ltd.

For the better world, we will continue to promote social contribution as proactive service company

Hankook Donggeurami Partners was established back in 2015 by Hankook Tire as a standard site that hires mentally/physically-challenged people, who are often at a disadvantage in the job market, to provide them with professional and stable employment. Its employees are mainly responsible for laundering company uniforms and operating bakeries at our Daejeon / Geumsan Plants, offering steam car wash services at the Headquarters and Engineering Lab, operating cafeterias at five of our worksites including the Headquarters, and supporting clerical work. The number of employees has doubled, from 18 at the time of inception to nearly 160 as of the end of 2022. In addition to creating a steady stream of employment opportunities, we also are improving the health and safety features of the work environment, and these improvements helped earn us the title of a best practice business in inclusive employment in 2019. Hankook Donggeurami Partners not only provides jobs for the underprivileged in our society but also promotes a wholesome corporate culture that helps establish the prosperous co-existence between those with disabilities and those without. This ultimately contributes to the growth and development of society at large.

Hankook Donggeurami Partners 2022 Sales

6,452

* Including overseas operations (unit: KRW in million)

Innovation Realized

- 46 Steady Investment in R&D
- 50 Tire Test Results
- 51 Hankook Innovative Performance
- 52 New & Innovative Products
- 54 Design Innovation
- 55 Global First Tier Quality Competitiveness
- 56 Motorsport
- 58 Marketing Communications
- 60 Global Automotive Partnerships
- 61 OE Tire Market Performance & Future Strategy
- 62 Tire Market Performance by Product Group
- 63 Regional Analysis & Future Strategy
- 64 Proactive Culture
- 70 Sustainable Environment, Social, Governace
- 75 Risk Management & Emergency Response

Steady Investment in R&D

Hankook & Company Group is consistently expanding its pool of professional researchers and increasing its investments in high-tech infrastructure to establish the lead in tires, batteries and all business areas. With Hankook Technodome playing a central role as a green high-tech research institute, we will build innovative technology that will lead the automotive industry and strengthen our technological competitive edge in so doing.

1. Hankook & Company Co., Ltd._ES Business Headquarters

Batteries for Dynamic Driving throughout All Seasons

Hankook & Company's ES Business Headquarters is the first to produce automotive batteries in Korea. Through ongoing R&D and rigorous quality control, we develop and integrate advanced technologies that maximize battery performance into our products. The most advanced technologies, such as the X-Frame board, which enables optimal performance in various situations throughout all four seasons, and tire life extension technologies that extend a tire's lifetime by more than 30%, are being implemented to give customers

the power-driving life they seek. With a keen eye on sustained market growth, ES Business Headquarters is concentrating on providing various products/technology services as well as developing new technologies to capture new growth engines.

* AGM Battery : Absorbent Glass Mat Battery

R&D personnel

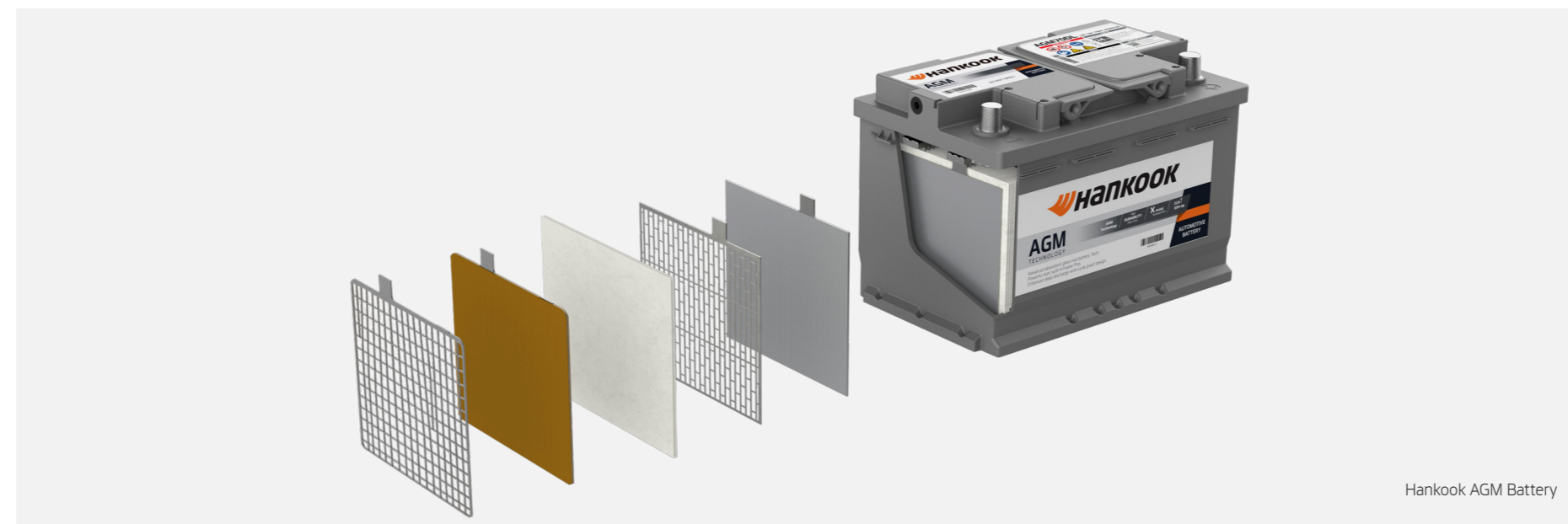
45

Patents held in Korea

140

Utility model rights

1



Hankook AGM Battery

Steady Investment in R&D

2. Hankook Tire & Technology Co., Ltd.

Hankook Technodome

With the aim to build global technology leadership and reinforce future competitiveness, Hankook Tire built Hankook Technodome as its central research facility in 2016. With 96,328m² in total floor space, Technodome consists of a 4-story, 2-basement research building and a 7-story, 1-basement residence building. The Technodome houses a driving simulator where virtual tests are performed under real-life racing conditions, a world-class anechoic chamber used to conduct tire noise tests, and other advanced research and testing equipment.

Additionally, we have procured the necessary hardware and software to drive digitalization across R&D, including virtualization of the development process using digital twins, thus laying the foundation for effective R&D activities.

Hankook Technodome will enable us to develop innovative future tire technology and build an unrivaled technological competitive edge.

R&D Talent Recruitment & Nurturing Program

Hankook Tire continues to make discerning investments in recruiting outstanding talent. We launch successful technology promotion events and wide-ranging industry-academia programs in alignment with Hankook Technodome while strategically nurturing R&D workforce based on a training roadmap that outlines customized job training courses, both online and offline, specific to each R&D job line for both new hires and existing employees. In addition, we support employees in attending training programs at domestic and overseas prestigious universities. At the same time, a wide range of initiatives are being taken to promote a culture of creativity and autonomy to help our R&D workforce fully engage in their work.

Leading Future Tire Technology through Patent Development

Hankook Tire is further strengthening its R&D competitiveness by patenting R&D achievements. As of the end of 2022, our patent portfolio included 653 patents granted in Korea and 308 patents granted overseas. Recently, we have been actively investing in securing patents in the US, Europe, Japan, and China to preemptively gain a competitive edge across the global technology landscape. We plan to develop original technology on the Non-Pneumatic Tire (NPT), intelligent tires, and on next-generation green tire materials to make patent applications in key tire technology areas.



R&D personnel

1,011

Patents held in Korea

653

Patents held overseas

308

Steady Investment in R&D

3. Hankook Networks Co., Ltd

Developing and Implementing End-to-End Logistics Solution

Hankook Networks offers end-to-end logistics solutions aiming to provide fast, accurate and quality service. A wide range of solutions are available, including Warehouse Management System (WMS), Transportation Management System (TMS), Order Management System (OMS) and Visibility Management System (VMS), to efficiently implement an integrated logistics system. This enables real-time tracking of logistics activities and helps secure the visibility of the logistics flow by taking care of all operations from warehousing to shipping based on serial numbers. In addition, Hankook Networks has also attained logistics automation system engineering capabilities through in-house development and strategic partnership with industry experts. The company has developed Digital Picking System (DPS), Digital Assorting System (DAS), Vehicle Mounted Computer (VMC) and machine vision-based barcode scanners, among others, and continue its R&D projects to deliver automation service for

core logistics facilities and intensify synergies with existing logistics solutions. Hankook Networks has accumulated a track record of automation deployment in various sectors such as apparel, food and beverage, and cosmetics for many years, and has reliably delivered improved shipping processing and faster turnaround time, along with a reduction in operating personnel compared to existing logistics centers. We are in the process of developing a new business model at Level 5, which integrates the logistics automation business with our strengths in WMS to enable intelligent and unmanned operation, which will bring a heightened level of service to our customers.

Launching 'Solution Lab' for Next Generation Solution Development

Hankook Networks recently created the 'Solution Lab' organization with the goal of perfecting its existing solutions. To meet the needs of customers in the rapidly evolving distribution and logistics industry, we are constantly analyzing market trends and customer feedback, upgrading solutions, and developing new products. Through these efforts, we aim to reduce the amount of customization required when implementing solutions, and further enhance customer satisfaction and market competitiveness by reducing manpower/workload and speeding up project implementation timelines.



R&D personnel

136

Patents held in Korea

5

Intellectual property rights

35

Steady Investment in R&D

4. Model Solution Co., Ltd.

AR HMD Development Project

Originally conceived in 2020, Model Solution's AR HMD (Head-mounted Display) has recently been upgraded with significant improvements in functionality and design. It is now equipped with a thermal imaging module, an essential feature for industrial applications, and has secured ease of use. A pilot project is underway at Hankook Tire's production sites, and upon successful completion, we plan to commercialize it within 2023. We also plan to work on a 2nd generation Binocular Type as a follow-up product.



Model Solution AR HMD

Robot-operated Platform Development Project

Model Solution notes the growth potential of the service robot market in the future. Accordingly, we plan to develop a differentiated platform to respond to various service robot needs. In particular, by addressing all the requirements of the current market for stable overcoming of stairs, satisfaction of safety requirements for riding on an elevator, and driving stability using sensor-assisted speed control, we plan to develop an indoor robot platform as a new business model.



Model Solution AR HMD20

R&D designers/engineers

8

R&D Team, Design Team

Design prototype engineers

165

Production division

Mold/injection engineers

76

Production division

Tire Test Results

The quality and technology of Hankook Tire & Technology is highly regarded even by the world's leading automotive and tire magazines. Year on year, we exceed the standards of technical excellence with outstanding test results.

In 2022, Hankook Tire won 11 tire tests conducted by renowned magazines and was named best manufacturer for its all-weather line of tires by Auto Bild, one of the world's most prominent automobile publication with the largest global readership. Notably, the Ventus S1 evo 3 SUV was declared test winner in Auto Bild Allrad's SUV test, outperforming the global top brands. Similarly, Ventus Prime 4 and Ventus S1 evo 3 was ranked second in a Auto Bild magazine test and Auto Bild Sportscars test respectively, creating a highly positive synergy in terms of sales, especially in the European market. The winter i*cept evo 3 was named winter tire test winner in Auto

Bild Sportscars, the sports car branch of Auto Bild, and obtained the highest 'Very Recommendable' rating for a third consecutive year, which represents a recognition of our commitment to technological development. We plan to promote the excellent performance of our products by expanding test reviews to include influential online media in a bid to continue the favorable test reviews.

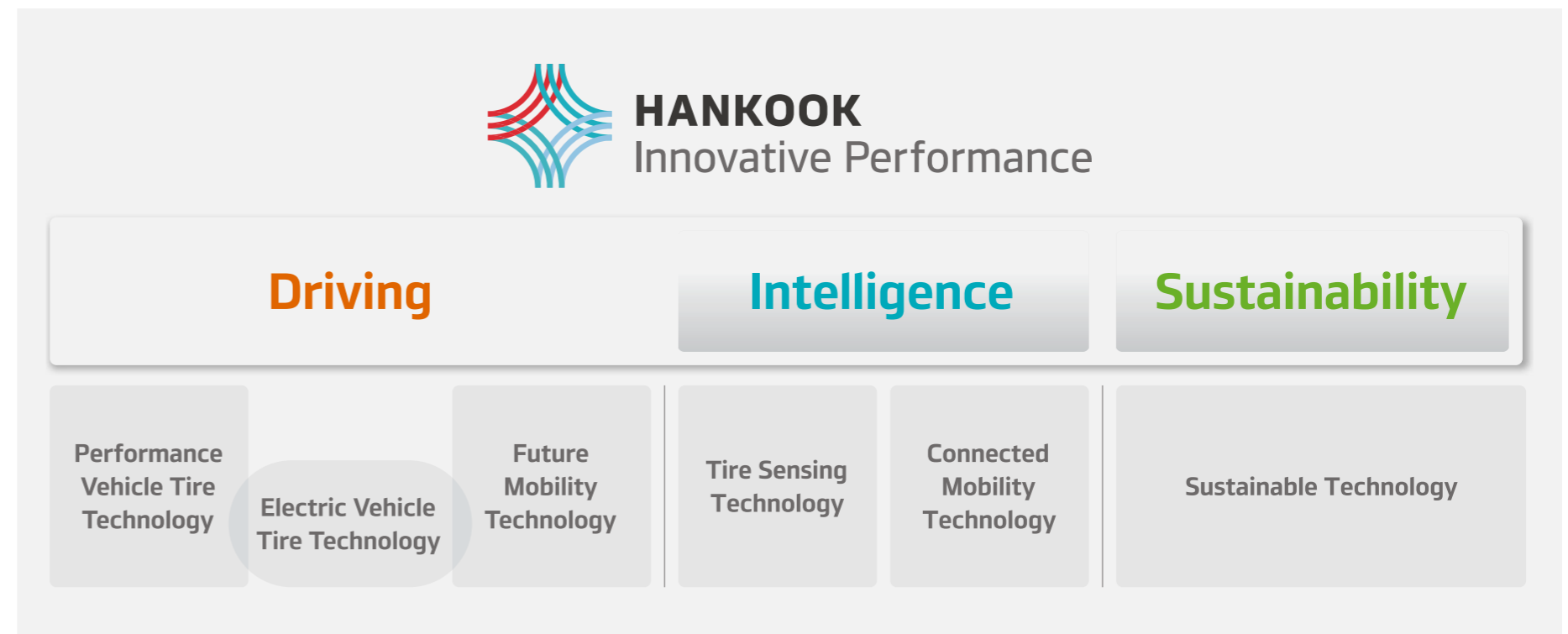


Hankook Innovative Performance

Hankook Tire & Technology is exploring future mobility technologies that are closely related to our daily lives, from EVs and autonomous driving to sharing and fleet management services, with Hankook Innovative Performance (HIP) as its underlying concept. We accompany every driver on their journey with our tire technology that delivers optimal performance in the diversified future mobility environment as well as environmental sustainability. Moreover, with our Intelligent Technology, drivers are more connected to their tires and cars than ever before.

Hankook Tire & Technology's Technology Philosophy - Hankook Innovative Performance (HIP)

Hankook Innovative Performance (HIP) represents Hankook Tire's new technology philosophy that guides us into the future mobility environment. As our unique technology philosophy and approach to innovation, HIP is interwoven throughout the entire process from product and service research to development and production, with the aim of truly realizing the mobility innovations and values that Hankook Tire is proud of.



New & Innovative Products

Hankook Tire & Technology sets the trend in the global tire industry by introducing new products that cater to market and customer needs through continuous technological innovation. We are developing safer, quieter and improved passenger car radial (PCR) and light truck radial (LTR) tires, while bringing out high performance truck and bus radial (TBR) tires with improved environmental performance and fuel efficiency, as well as EV tires equipped with cutting-edge technology to raise our product competitiveness to a higher level.

1. PCR,LTR

Passenger Car·SUV (PCR·LTR) Tires

In line with the increasing importance of Safety Tire Technology, Hankook Tire is intensively investing in new technology that caters to such customer needs. Our 3rd-generation run-flat tire, developed with key technology on new materials and manufacturing techniques, is the result of combining all our unique cutting-edge technology and will undoubtedly deliver even greater safety to drivers.

Furthermore, our sound-absorbing tire cancels out tire cavity noise and thus reduces road noise while driving in order to provide a more comfortable and quieter ride.

* Tire cavity noise: Noise generated when the air inside the tire vibrates due to the shock from the road surface while driving



iON evo SUV

High-performance EV tire perfected with exclusive EV technology



iON evo AS SUV

All-weather EV tire perfected with exclusive EV technology



iON icept SUV

Winter EV tire perfected with exclusive EV technology



Dynapro HPX

Premium comfort SUV tire with ultimate handling



VENTUS S1 evo Z

Ultra-high-performance super sport tire engineered with motorsport technology



VENTUS PRIME 4

Balanced tire delivering optimum driving control and comfort



Winter icept evo 3

High-performance winter tire recognized in Europe



KINERGY 4s²

All-weather tire that guarantees year-round safe handling, both in snow and rain

New & Innovative Products

2. TBR

Truck and Bus Radial (TBR) Tires

To keep pace with the emerging trends of eco-friendliness, high fuel efficiency, and stability in the global TBR tire market, Hankook Tire has placed a stronger focus on fuel efficiency and ride comfort as well as mileage performance to satisfy customer requirements and respond to such market trends. We introduced new SMaRT LINE products that are qualified for Europe's highest fuel efficiency grade (Label A) to focus on growing a premium brand in the global market based on our high quality product competitiveness. We will continue to expand our market share by launching a new eco-friendly electric bus, 'e SMaRT City AU06+', specialized for the Korean market.



SMART LINE AL50

Long Haul all-position tire that provides the best fuel efficiency with optimized grip performance in long distance driving



SMART LINE DL50

Long Haul drive-position tire that provides excellent fuel efficiency as well as outstanding traction performance in long distance driving



e-SMART City AU06+

Hankook & Technology's first tire exclusively designed for electric buses



SMaRT LINE AL50

Design Innovation

Design Innovation at Hankook Tire & Technology is a R&D project that aims to articulate a vision and solution for mobility. Under the theme of 'Urban reshaping', we continuously propose new concepts of mobility in line with changes in the urban infrastructure, environment, and technology. We envision a new urban environment with redefined mobility that goes beyond simple movement to create unique experiences in our daily lives.



WheelBot Tire

WheelBot Platform



Design Innovation for Customer Safety

User safety should always come first in designing tires. As such, the tire design process, unlike the design of general products, demands a level of technology that requires us to do it right the first time without even a 0.001% tolerance for error. Hankook Tire defines its design identity as 'Refined and Dynamic Style' to highlight the future-oriented dynamism and sophistication of its tires, and embraces design concepts optimized for each product.

We have also been hosting the Design Innovation project since 2012 to discover various design solutions and explore future technologies. Through joint research that combines participants' creative ideas with Hankook Tire's technical

solutions, the project aims to present a vision for future mobility and propose the next-generation tire systems to translate this vision into a reality. Hankook Tire will constantly pursue design innovation to enable all its customers to enjoy a safe and dynamic driving experience and explore new possibilities.



'Urban Reshaping' Concept Mobility

Global First Tier Quality Competitiveness

Hankook Tire & Technology considers quality as its top priority and thus seeks continued innovation to build its Global First Tier quality competitiveness. By engaging each and every employee in advancing customer-oriented quality management, we will deliver customer satisfaction and solidify our reputation as a premium brand.

Green Future Technology Innovation for Strengthened Quality Competitiveness

Hankook Tire ranks among the top in the auto component industry in terms of the number of its customers, which inevitably adds to the number of requirements the company needs to satisfy. With the aim of delivering the greatest possible customer satisfaction, we strictly abide by quality management principles at all levels on the basis of our customer-driven quality management philosophy. Notably, we are optimizing the underlying data of our unique Hankook Quality System from the digital transition perspective and fully leveraging artificial intelligence to constantly improve management quality. Products and services provided by Hankook Tire are designed and manufactured to meet any and all applicable customer requirements & expectations, intended use conditions, and laws and regulations. Furthermore, process-specific assurance as well as pre/post sales service systems are operated to this end. Our quality management organization is responsible for all these activities and is structured in a way to guarantee its independence to effectively hold in check and support other corporate functions.

Such endeavors were widely recognized as we ranked first in the Korean Standard-Quality Excellence Index for 14 consecutive years and were named an Outstanding Quality Competitiveness Enterprise for 13 consecutive years in 2022, while maintaining ISCC Plus, a globally applicable sustainability certification system, which we obtained for the first time in the industry. Signaled by the launch of the world's first dedicated EV tire brand iON along

with our role as the exclusive tire supplier and official partner of the eco-friendly EV racing series Formula E, we have also taken steps to be among the first movers in the electric vehicle era.

At Hankook Tire, quality is our overarching value in reaching out to our customers and it is also what serves as the cradle of our innovation. We will place innovation front-and-center within our quality awareness to deliver the highest possible products and will endeavor to create a deep-rooted corporate culture that values excellence above all else.



Motorsport

Hankook Tire & Technology, a proud official sponsor and exclusive EV tire supplier of the world's most prestigious 'ABB FIA Formula E World Championship', has announced its official sponsorship of the 'Lamborghini Super Trofeo Series' in 2023. The company is also building excitement for a new season among motorsports fans around the world by announcing large-scale sponsorships, including 'Super Formula Lights', 'Stock Car Pro Series', and 'Junior European Rally Championship'. In addition, we demonstrate our world-class technological excellence through our continued sponsorship of nearly 80 motorsport events and teams around the world, including the '24H Series', 'Super Taikyu Series' and 'ADAC TCR Germany'. As a strong supporter for the world's premier motorsports, we will contribute to developing a culture of driving satisfaction and unite this enthusiasm with motorsports fans across the globe.



Super Taikyu Series

Chosen as the exclusive tire supplier and a title



24H Series

Chosen as the exclusive tire supplier and a title



Pikes Peak International Hill Climb

1st place awarded to the Hankook Tire & Technology sponsored driver



Technology and Quality Recognized through Motorsports

Since 1992, Hankook Tire has participated in globally recognized motorsport competitions, from the 'Super GT' and the 'Nürburgring 24h' to the '24 hours of Le Mans'. After years of competing against global leading tire makers, we have been proudly chosen as an official tire supplier to the Deutsche Tourenwagen Masters (DTM) since 2011 and to the FIA F3 European Championship since 2012. As one of the world's top three touring championships, the DTM serves as a venue for German premium automakers - Audi, BMW, and Mercedes-Benz - to showcase their technological prowess. Our products gained recognition for their exceptional quality and technology through this competition to enable us to become an official tire supplier to the 'Audi Sport TT Cup', a support racing event for the DTM directly hosted by Audi Motorsport. Our tires' exceptional endurance prevailed in 2014 when we attended the 'Nürburgring 24h', a 24-hour circuit race also known as 'Green-hell' that challenges drivers to the extreme limit. We have served as a title sponsor and the exclusive tire supplier since 2015 to the '24H Series Powered by Hankook Tire', one of the world's largest endurance races, to solidify our brand image.



24H Series



Formula E

Motorsport

In 2017, Rhys Millen, sporting Hankook Tire tires, made first place in the 'Time Attack' class at the 'Pikes Peak International Hill Climb', the world's top mountain motorsport competition.

We have served as an official partner of British sportscar maker Radical since 2018, exclusively supplying tires to all motorsport competitions Radical participates in in Europe, including 'SR1 Cup', 'Radical Challenge' and 'European Masters'.

In 2019, the 'W Series', which is an all-female championship and a support event to F1, was newly added to the portfolio of our exclusive tire supply, sponsorship and engineer/mechanic support contracts, to deliver the optimum environment for female drivers to achieve their best performance.

For Hankook Tire, 2022 marked a breakthrough in tire technology in that we signed a sponsorship deal with the ABB FIA Formula E World Championship, the world's most prestigious EV racing competition, and launched the iON lineup, the world's first dedicated EV tires, drawing on the experience we gained in developing race tires for EVs.

Also in 2023, we were named the official tire sponsor of the global Lamborghini Super Trofeo in an exclusive agreement with Lamborghini, proving yet again our status as a globally recognized tire maker.

As a brand that honors motorsports competitions, Hankook Tire will reciprocate motorsports fans the world over for their loyalty and enthusiasm. We aspire to attend global motorsport events to strengthen our brand power and product awareness and become a brand beloved by even more customers in the global market.



Lamborghini Super Trofeo



Super Taikyu Series

Marketing Communications

In 2022, we continued to engage in wide-ranging marketing communication programs in order to raise awareness of and trust in Hankook & Company Group's brand. ES Business Headquarters of Hankook & Company, Hankook Tire & Technology and Model Solution employ a systemic strategy in consideration of the characteristics of their markets and customers to further elevate their brand power through sports sponsorships, campaigns, and exhibitions.

1. Hankook & Company_ES Business Headquarters

Emerging as Global Battery Brand

ES Business Headquarters capitalizes on the most prominent automotive parts and service exhibitions in various parts of the world to discover new customer bases and promote our brand value.

ES Business Headquarters has been a regular participant in the annual Automotive Aftermarket Products Expo (AAPEX) in Las Vegas, biennial Automechanika Frankfurt, and Automechanika Dubai, where we deliver brand communication that centers around our flagship battery brands of 'Hankook'.

We also attend various regional trade fairs including Automechanika Dubai to establish a new network and broaden its presence in the global market.

Attending overseas trade fairs allows us to reach out to our customers and markets, connect with industry stakeholders, and further consolidate our position as a global battery brand.



2. Model Solution

Engraving Global Top-tier CMF Design Skills

Model Solution participated in the Seoul Design Festival 2022, where designers and companies from around the world gather to showcase global design trends, and demonstrated its top-tier CMF (Color, Materials, Finish) technology in the global design prototype industry.

The company availed the opportunity to exhibit its own CMF applications and the latest CMF solutions from the CMF Lab (Color, Materials, Finish Laboratory) to imprint Model Solution's design-based total manufacturing solutions on the world. The company also unveiled the results of its Master CMF Trend project, a collaboration with world-renowned design studio Chris Lefteri Design, to introduce the industry to the latest design trends and insights, thereby leading the global design prototype industry.



Marketing Communications

3. Hankook Tire & Technology

Globally Recognized Premium Brand

Hankook Tire has maintained its marketing partnership with 'Real Madrid', one of the world's top-tier football clubs, from the 2016-17 season to reinforce its premium brand image among global customers. Starting in 2021, we run 'Electrified, Hankook' campaign, which aims to publicly convey Hankook Tire's state-of-the art technology, quality and green policy to keep pace with EVs where future mobility lies.

We convey to the world the value of Driving Emotion that characterizes the ultimate driving experience for EV drivers through an emphasis on grip and quietness. With iON, our brand dedicated to EV tires, we are embodying the high technology of electric vehicles and positioning ourselves as a leader in the EV market.

In the European market, as an Official Partner of the UEFA Europa League since 2012, we proactively engage in brand marketing that appeals to local consumer interests. This close partnership has been renewed for a further three years from the 2021-22 season.

In the strategic US market, we signed an official sponsorship contract with the Major League Baseball (MLB), which is a quintessentially American sports franchise, in 2018, and have since capitalized on MLB property across our marketing programs to further elevate our brand reputation in the US market. In China, we are increasing consumer engagement through Integrated Marketing Communication (IMC) and launching continued activities to improve our premium brand and satisfy consumer preferences.

In Korea, we are running the 'Premium OE' campaign to highlight our OE tire supply to such premium OEM car brands as Porsche and BMW and, our distribution channel T'Station also serves as a channel to launch a range of campaigns and deliver distinctive services that set T'Station apart from the competition, further reinforcing our premium brand reputation.



Global Automotive Partnerships

In line with the rapidly shifting future automotive landscape, Hankook Tire & Technology continues to invest in R&D and building competitive cutting-edge technology to increase OE tire fitment gains. We are also strengthening our trusted partnerships with global OEM brands through close communication and cooperation.

Increasing OE Tire Supply to Car OEMs

We maintain close partnerships with global top-tier car OEMs and increase our Original Equipment (OE) tire supply for major brand models. In 2022, we continue to develop tires for Porsche's Cayenne and supplied new tires for BMW's X5 Series for North America. Furthermore, we continue to supply Volkswagen, BMW, and Mercedes-Benz with "Ventus Prime2 Seal Guard", a self-sealing tire made of sealant materials, and "Ventus S1 evo2", a run-flat tire capable of running for 80km at the speed of 80km/h even when the tire air pressure is reduced to zero.

Close Partnerships with Global Car OEMs

With our Hankook Technodome playing a pivotal role, we operate local research centers in major regions of the world to satisfy the performance requirements of future-oriented vehicles as desired by global automakers and to develop tires optimized for respective local markets. We are also building cooperative partnerships for shared growth with major car OEMs through joint research, concept tire development, and technology exchanges. In addition to regular business meetings, we make use of global auto shows and exhibitions to promote the OE tire business of Hankook Tire. These multipronged communication programs enable us to forge stronger trusted relationships with global car OEM brands.

Hankook Tire & Technology's OE Tire Partners



OE Tire Market Performance & Future Strategy

In 2022, Hankook Tire & Technology more than doubled its OE tire supply for EVs worldwide. We also increased our supply of sealant tires and run-flat tires for premium models and remained ahead of the competition in developing ecofriendly tires, elevating our status as a global tire maker recognized for unrivaled world-class technology.

2023 OE Tire Business Strategy



2022 Performance Analysis

Even as the global automobile industry faced headwinds such as the COVID-19 pandemic and semiconductor shortage, Hankook Tire continued to increase its OE tire supply to premium OEM brands such as BMW, Mercedes-Benz, and Porsche in 2022. The company also expanded OE tire supply for EVs while maintaining a stable supply system with its existing customers, which resulted in sales remaining unchanged from the previous year.



UHP tire selected for Taycan Electric

2023 Business Strategy

We will establish an optimal business strategy for 2023 to pursue stable growth and further increase our OE tire supply for global top-tier automakers. In addition to our existing OE tire customers - Hyundai Motor and Kia, Volkswagen, Ford, GM, Toyota, Honda and Nissan, we plan to continuously expand our OE tire supply to BMW, Mercedes-Benz, Audi, Porsche, Tesla, and other premium brands. We will also expand our business with local Chinese car OEMs and Japanese car OEMs operating in India and ASEAN. Specifically, we aim to target popular models of these car OEMs to form even closer partnerships. We will raise the share of high-inch tires and develop new technology that caters to both the ever evolving global automobile market as well as customer needs in order to further upgrade our OE tire supply portfolio. We plan to actively expand our supply of run-flat tires, foam-filled tires and other specialty tires while focusing our capabilities on the development of advanced tires for EVs, hybrid vehicles, plug-in hybrid vehicles, and other next-generation vehicles in line with the accelerating global trend of reducing carbon emissions.

Tire Market Performance by Product Group

In 2022, Hankook Tire & Technology's top priority was to expand the sales of high-margin products across the globe. As such, noteworthy growth was witnessed with our 18-inch and larger high-inch tires that are manufactured with cutting-edge technology and valued for their potential to generate high profitability. The share of high-inch tires in the sales portfolio grew to 31%, and sales of EV tires grew by 236% year-on-year, reflecting a successful shift towards higher-margin products.

Share of High-inch Tire Sales

31%

Growth in Dedicated EV Tire Sales YoY

236%

2022 Business Results and Performance Analysis

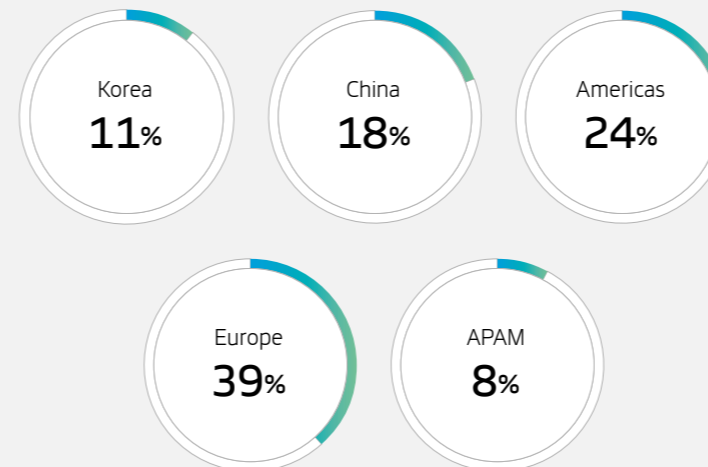
Hankook Tire's global tire sales by region is as follows: 11% in Korea, 18% in China, 24% in the Americas, 39% in Europe, and 8% in Asia Pacific and the Middle East-Africa. We record stable sales thanks to this balanced sales portfolio that spans not only such advanced markets as the Americas and Europe, but all across the globe.

Notably, our sales of highly-profitable 18-inch and larger high-inch tires in the PCR/LTR category recorded a 109% YoY growth and the share of high-inch tire sales expanded to 31%. In addition, our sales of EV tires jumped 236% year-on-year, leading the market shift towards the expansion of EV sales.

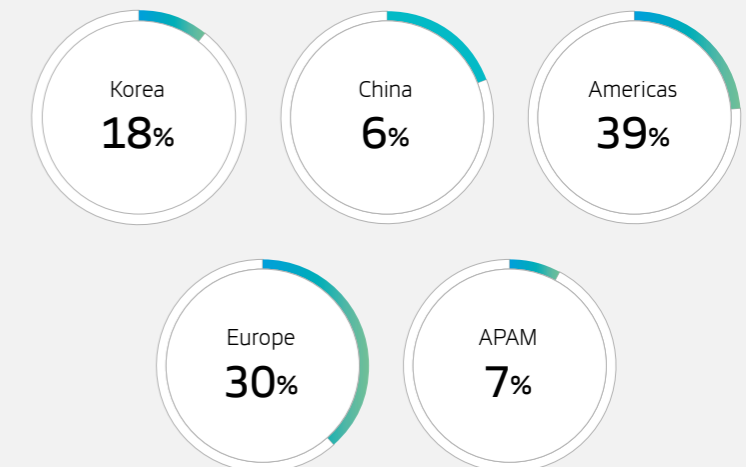
The sales of high-inch tires and dedicated EV tires are forecast to rise continuously in the mid/long-term, and we will proactively respond to such changing market trends.

The regional sales breakdown of TBR tires is as follows: 18% in Korea, 6% in China, 39% in the Americas, 30% in Europe, and 7% in Asia Pacific and the Middle East & Africa. Specifically, the North America market showed prominent sales growth.

2022 Regional Breakdown of Tire Sales (PC/LT/TB, OE/RE Total)



2022 Regional Breakdown of Tire Sales (TB, OE/RE Total)



Regional Analysis & Future Strategy

In Korea, we launched a number of marketing programs, ranging from new product development and distribution structure innovation to retail service improvements. These proactive efforts have enabled us to further consolidate our dominance in the domestic market and increase both customer satisfaction and brand value.

Share of 18-inch/larger PCR RE tires in Korea in 2022

45%

Korea

In 2022, we launched more aggressive marketing activities in the Korean market to maintain the growth momentum. We took the lead in the EV market with the launch of iON, the first full range of EV tires featuring exclusive EV technology. To coincide with the launch of iON, we ran major media advertisements for the brand and held the iON Brand Day for influencers and fans to experience the products at Hankook Technoring, Asia's largest tire test track. This event was promoted on YouTube and SNS channels to communicate the need for dedicated EV tires to the market and position the company as a leader in EV tires. We also differentiated our products in line with the changing domestic automotive market by reinforcing our premium SUV tire brand, Dynapro, to complete a full line-up. We increased advertising of new tires added to the Ventus line-up and retail stores on new media channels such as YouTube and SNS, while the 30-day Happy Guarantee Program, which offers a 100% refund if customers are not satisfied within 30 days of purchase, was one of our differentiated marketing promotions for consumers to experience

first-hand. Finally, we expanded our all my T service, which provides a one-stop service for tire replacement to deliver the ultimate customer experience at T'Station.

In 2023, domestic tire demand is expected to decline due to a recession caused by high interest rates and inflation, resulting in a contraction in private consumption and deepening household polarization. Under these circumstances, we will further strengthen our leadership in the EV tire market by launching the EV performance tire iON evo and expanding T'Station with specialized EV charging facilities. In addition, we plan to expand Dynapro XT, an off-road tire for SUVs, and Ventus evo Z AS, which targets ultra-high-performance, high-powered vehicles not offered by our competitors, to maximize product differentiation. At the same time, we will continue to conduct product and brand promotion to further solidify our image as a leader in the Korean market, thereby improving customer satisfaction and enhancing brand value.



Regional Analysis & Future Strategy

In China, even in the face of declining market growth across the industry, we expanded our consumer marketing, distribution channels, and OE tire supplies, lifting the share of 18-inch and larger tires to 23%, continuing value-driven growth.

2022 sales growth of 18-inch and larger high-inch tires in China

23%

China

In 2022, the Chinese tire industry as a whole suffered from a downturn in production and consumption due to the prolonged COVID-19 pandemic. Nevertheless, we continued our value-driven growth in the Chinese market thanks to our proactive response through continuous consumer marketing, distribution channel expansion and increased OE tire supply, increasing the share of sales of 18-inch and larger tires to 23%.

In the OE tire market, we have partnerships with three German premium brands (Mercedes-Benz, BMW, Audi) and are expanding our cooperation with global EV manufacturer Tesla through increased supply. We also continue to supply OE tires to top global automakers such as Volkswagen and Toyota.

China has been witnessing rapid changes in the distribution landscape, with ever growing online purchases and spread of new distribution channels car

sharing, corporate customers, and auto maintenance chains. In response, we are focusing on strengthening our distribution infrastructure by stabilizing existing offline channels, while developing new and emerging distribution channels and promoting digitalized distribution downstream through online and mobile applications.

In 2023, our strategic focus is on strengthening the foundation for stable and sustainable growth in line with the changing market environment in China. We will continue to pursue growth in the Chinese market by launching new high-tech premium products, expanding OE tire fitments on premium car brands, targeting the rapidly growing Chinese EV market with the launch of our dedicated EV brand iON, and strengthening our competitiveness through active distribution investments to establish our position as a premium brand.



Regional Analysis & Future Strategy

In Europe, we continue to raise our market share by improving productivity and product competitiveness, executing a segmented distribution strategy, and launching proactive marketing activities. We are also building a premium brand image across Europe through our UEFA partnership and motorsports sponsorships, including Formula E.

2022 sales growth of 18-inch and larger high-inch tires in Europe

47.7%

(compared to 2021)

Europe

In 2022, the European market was hit hard by extremely challenging conditions with sluggish economic growth with the ongoing COVID-19 pandemic, global shipping delays and disruptions, and a continued decline in new car sales since 2020. Still yet, we were able to maintain our market share in this region and achieve profit-driven sales growth achieved by increasing the sales of high-profit margin products, such as high-inch tires, all-season tires and EV tires. With an aim to pursue sustainable growth, we are fully committed to executing the strategic priorities of reinforcing our position as a premium brand and establishing a market-focused Market Intelligence (MI) system.

We are strengthening our premium brand awareness across Europe as an official partner of Europe's top soccer federation UEFA's Europa League and Conference League. In 2022, we launched the world's first EV-exclusive tire iON, and as an official partner of Formula E, the world's largest electric vehicle race, we are exclusively supplying tires, solidifying our position as a strong player in the expanding EV tire market. From 2023, we will exclusively supply tires as an official sponsor of Lamborghini's biggest race, the Super Trofeo, reinforcing our image as a premium brand equipped with the best technology.

In Europe, we are realigning our brand portfolio with a focus on profitability in line with continued uncertainties across the global economy.

Our strategy is to optimize the high-margin products of the 'Hankook' brand by increasing OE tire supply for premium models and improving the sales mix to shift to top-tier high-inch tire sales. We are expanding our premium car fleet business as a way to establish an operational system capable of responding to the transforming sales structure and changing market trends. Furthermore, we are increasing our market share in the growing mid/low-price segments in Europe with our strategic brand Laufenn that spans the entire product spectrum from passenger and light truck tires to truck and bus radial tires.

In 2023, our focus is to pursue qualitative growth to successfully compete against top-tier players as well as quantitative growth to advance sustainable innovation. We will develop and implement a set of well-thought-out strategies and processes and maintain growth momentum to swiftly respond to changing market conditions and become a trendsetter, paving the way for sustainable growth.



Regional Analysis & Future Strategy

In North America, we are taking a multifaceted approach to sustainable growth in all business areas from production and logistics to sales and marketing. We record a constant increase in sales of highly profitable 18-inch and larger Passenger Car & Light Truck (PCLT) tires, and we also actively engage in more active sports sponsorships, including Major League Baseball and Formula E.

2022 ratio of 18-inch and larger high-inch tires in total sales in North America (based on net AMT)

43.3%

North America

Despite the rapid increase in market inventory following the resolution of the previous year's global logistics crisis, coupled with a decline in market demand due to falling consumer sentiment caused by inflation, we managed to secure profitability by increasing sales by 113% year on year through price increases during the year. In the face of supply constraints at the beginning of the year, we overcame the difficulties by maintaining supply flexibility and using locally sourced materials from our Tennessee plant. In particular, we focused on improving our sales mix in terms of profitability by expanding high-inch products for SUVs/pickup trucks and the i-segment by securing the Dynapro line-up. In addition, as an official sponsor of Major League Baseball (MLB), we continue to strengthen our premium brand value through various marketing activities on SNS.

In 2023, we plan to strengthen our SUV/pickup tire lineup by developing and launching new products to expand stable sales in North America, and respond to new demands by leveraging our new EV tire, iON, and collaborating with corporate clients. We will further expand our presence in the RE tire market by investing in the expansion of the Tennessee plant and seeking new trading partners and business opportunities to partner with finished vehicle manufacturers, as well as further expanding sales of high-value-added products. In addition, through various sports marketing activities such as Formula E and MLB, we will lay the foundation for our position as a premium brand and a leading EV tire brand.

North America



Regional Analysis & Future Strategy

In Asia Pacific, we continued to innovate our distribution channel and increased our sales with a focus on high-inch tires and strategic brands.

In the Middle East and Africa, we stabilized our regional key logistics infrastructure and developed new customer accounts to lay the basis for future sales growth.

2022 ratio of 17-inch and larger high-inch tires in total sales in Asia Pacific & Middle East-Africa (based on net AMT in the PCLT category)

48%

Middle East-Africa & Asia Pacific

In 2022, our priorities were to create future growth businesses for sustained growth and boost sales through differentiated sales, product, distribution, and marketing strategies. To that end, we restructured our product lineup in the Asia-Pacific region to drive sales of SUVs and high-inch tires, which are growth segments. We also stepped up our EV product operations to target the EV tire market, the core area for future growth, and launched our specialized EV brand iON to lead the EV market from 2023.

Our core strategy for distribution centered around ASEAN countries to strengthen the competitiveness as a maker Franchise. In other countries such as Australia and Japan, we sought to achieve qualitative and quantitative growth by emphasizing on expanding our share in the independent retail and independent franchise market to create a sustainable distribution business.

In the Middle East & Africa region, we started building inventory to expand warehouse sales in Dubai, and the target level of inventory build-up was achieved in the second half of the year. From 2023 onwards, we plan to expand warehouse sales from the current African market to the entire Middle East region and our Almaty office, while maintaining the current adequate inventory level.

In 2023, we open a direct sales subsidiary in the United Arab Emirates, which will be our first subsidiary in the Middle East, with the aim of expanding distribution downstream operations. This is a transition from our existing sales approach of relying on trade partners to direct sales through our own distribution channels, which we expect to be an opportunity to strengthen our leading position in the market.

In Asia-Pacific & Middle East-Africa, we will work toward enhancing brand value and establishing ourselves as a leading EV tire manufacturer through strategic sports marketing activities such as Formula E, thus sustaining growth centered on our core values of "Leading the market" and "Proactive".

Middle East-Africa & Asia Pacific

Proactive Culture

Hankook & Company Group's unique 'Proactive Culture' serves as the fundamental driving force to build competency and strengthen corporate competitiveness.

Proactive Culture That Defines Our Unique Corporate DNA

Proactive Culture That Defines Our Unique Corporate DNA 'Proactive' combines the sounds of 'professional' and 'active', and defines our distinctive corporate culture where employees, through their professional drive to excel, take ownership and become their own agents of innovation. Proactive Culture is deeply woven into the fabric of both our systems and institutions to assist all employees in accessing the lead to innovate their practices.

'Proactive Concert' to Promote Free and Horizontal Communication

Proactive Concerts is a townhall meeting that occurs every quarter to gather employees together by department. Following the format of an in-house IR event held to share quarterly business outcomes, Proactive Concerts are autonomously organized by respective departments whenever issues arise that require employee communication. Operating in two ways, face-to-face and virtual, Proactive Concert functions as a venue for employee engagement to build trust and communication.



Proactive Culture

'Proactive Studio' as a Creative Idea Suggestion Platform and 'Proactive Lab' as an In-house Venture Incubator

We operate Proactive Studio as an in-house idea suggestion platform to create an engaging culture that encourages employees to propose and put their innovative ideas into action. Any employee can join this program and suggest their ideas within the boundary of their work scope and corporate life, and even new business ideas that are seemingly unrelated to their line of work are entertained.

Since 2018, Proactive Labs have been established to help bring innovations to life, allowing proposers of exceptional ideas to directly establish and run an execution unit to translate their innovative ideas into reality. A total of 20 Proactive Lab projects have been undertaken to execute on outstanding employee ideas, and the very first in-house venture 'Town Car', which originated from the idea of ride sharing with neighbors residing in a common apartment complex, was spun-off and officially launched in 2021. Proactive Lab projects not only concern new businesses but also touch on R&D for new technology development to help strengthen our competitive edge both on the individual and corporate level.



Sustainable Environment, Social, Governace

To fulfill our social responsibility as a global corporate citizen, Hankook & Company Group implements systematic ESG activities in the areas of product environment, SHE, climate change, employees, ethical management, social contribution, suppliers, and governance based on an integrated ESG management system. We are also committed to solving local problems and contributing to the continuous growth of the community through various social contribution activities at home and abroad.

1. Hankook & Company Co., Ltd.

Winning 'Happiness Award' in Donation Category at 9th Annual CCK Grand Prize

Hankook & Company Group has been sponsoring local communities in times of need. Since 2003, Hankook & Company has been continuously donating to the Community Chest of Korea (CCK), with the total amount of the company's donations to CCK reaching KRW 13.55 billion by the second half of 2022. In March 2022, we donated KRW 200 million to support the recovery and victims of the wildfires in Gangwon and Gyeongbuk provinces, and the newly donated funds were allocated to help underprivileged neighbors in the areas of Seoul, Daejeon, and Chungnam. In recognition of such efforts, we were honored with the Happiness Award in the donation category at the Annual CCK Grand Prize.



2. Hankook & Company ES Business Headquarters

At ES Business Headquarters, we continue to engage in corporate philanthropic activities to pursue mutually-beneficial relationships with local communities. Since 2014, we have been providing batteries for mobility aids to facilitate the mobility of people with disabilities, and in 2022, we supported additional high-specification batteries to keep up with the technological advancement of mobility aids. We also practice the value of sharing and mutual growth by making an annual donation to help low-income students and marginalized neighbors beginning in 2012.



Sustainable Environment, Social, Governace

3. Hankook Tire & Technology Co., Ltd.

Environment

Hankook Tire is engaged in a wide range of activities in diverse fields with the mission of building an eco-friendly value chain and developing sustainable products.

■ Climate Change Response

Hankook Tire recognizes climate change as one of the core challenges not only of the present time but also for future generations, and takes various measures to reduce greenhouse gas (GHG) emissions from across the supply chain including tire manufacturing plants.

1) Joining the Science Based Targets Initiative (SBTi)

Hankook Tire became the first Korean tire company to join the international initiative SBTi and submit its medium- and long-term greenhouse gas (GHG) reduction roadmap and targets based on scientific evidence to ensure the reliability of its carbon neutrality goal. Under the initiative, we target to reduce our carbon footprint from product manufacturing and major business operations by reducing both direct GHG emissions (Scope1) and indirect GHG emissions (Scope2) generated in the production stage by 46.2% by 2030 from the 2019 level, and value chain emissions (Scope3) by 27.5% by 2030 from the 2019 level.

2) Developing Carbon Management Guide for Suppliers

As part of our efforts to realign our value chain with the goal of carbon neutrality, we have prepared a carbon management guide for our suppliers. In applying the guide, we prioritized sectors with higher carbon intensity and potential for reduction, and shared our carbon neutrality goals and plans with our suppliers through partner exchange meetings. We also added a carbon survey to our supplier ESG assessment process to take stock of our suppliers' GHG emission status and whether they have reduction targets. Moving forward, we will continue to expand the scope of the survey and implement a systemic approach where we request carbon reduction efforts from our suppliers, monitor data, and provide support based on the results of the survey.

3) Participating in Waste Tire Management Initiative

End-of-life tires are 100% recyclable. More than 90% of collected tires are processed through reuse, material recycling and thermo-chemical treatment. In particular, more than 40% of waste tires are reused and recycled as materials, and we are working with tire industry associations in each country to identify processing technologies and companies to increase this percentage. In order to properly dispose of scrap tires, Hankook Tire participates in the Tire Industry Project (TIP) under the World Business Council for Sustainable Development (WBCSD) and undertakes various tasks with other global tire manufacturers from around the world. With the representation of various stakeholders such as tire manufacturers, recyclers and governments, the TIP continues to discuss ways to improve transparency of waste tires, recycling technologies and recycling policies.

■ Sustainable Product Development

E.Circle describes Hankook Tire's strategy to build a circular economy through the four key values - Recycle, Renewable, Reuse, and Reduce - throughout the entire product lifecycle. Based on this strategy, we minimize our environmental footprint across the whole life cycle of product, from raw material acquisition stage to end-of-life tires stage, and strive to offer eco-friendly solutions to our customers through sustainable products.

1) Developing Sustainable Raw Materials and Tire Application

At Hankook Tire, we develop and apply various sustainable raw materials to our products to minimize our carbon footprint at the raw material acquisition stage. For this reason, we have obtained the first international sustainable certification, ISCC PLUS, among the tire industry to actively use and transparently manage sustainable raw materials. Using the certification, we expect to lower carbon emissions at the raw material acquisition stage and prevent the depletion of natural resources by transparently managing our supply chain and manufacturing processes and increasing sustainable raw material usage.

* International Sustainability & Carbon Certification (ISCC) PLUS: A global certification scheme that verifies the use of sustainable raw materials throughout the production of goods.



Sustainable Environment, Social, Governance

3. Hankook Tire & Technology Co., Ltd.

2) Developing Sustainable Tires

We are continuing research and development to reduce the use of natural resources and carbon dioxide emissions in the product development stage. These efforts have resulted in the development of tires containing 45% sustainable raw materials, which satisfy both the legal requirements for passenger car tires and the strict requirements of automakers. Building on this, we have also successfully developed tires containing 55% sustainable raw materials, and are currently verifying their endurance performance under harsh conditions. These tires contain sustainable raw materials such as ISCC PLUS certified synthetic rubber, sustainable PET cord, recycled carbon black, bio-based silica, and natural oils and resins. Hankook Tire will continue to research to achieve the target of securing 100% sustainable material techniques.

3) Collaboration with Automakers for sustainable tires

Hankook Tire is conducting joint R&D projects with several automakers to lead sustainable mobility. Last year, we received technical approval for sustainable tires for EVs with a premium European automaker. The tires will be the world's first OE tires to be ISCC PLUS certified. In addition, they are estimated to emit about 7,000 kg CO₂e less carbon dioxide per 1,000 tires compared to regular tires, which is equivalent to the amount of CO₂ absorbed by about 1,400 trees every year*. Hankook Tire plans to continue to develop sustainable material technologies and collaborate globally for 100% sustainable tires.

* Reference: Jasmin Cooper et al. / Procedia CIRP 105 (2022) 357-361

Society

Hankook Tire endeavors to create a sound corporate culture through its programs and policies that practice human rights management and foster organizational diversity. We also work toward creating a positive impact on local communities through various Philanthropic activities at home and abroad.

■ Human Rights Management and Diversity Management

Hankook Tire strives to advance its human rights management system across its 54 global business sites and supply chain. Each year, we identify and manage human rights risks at all of our global sites and suppliers, and in 2022, we improved our supply chain human rights management system by revising the human rights questionnaire in our supplier ESG assessment. We also promote the employment of people with disabilities to create new possibilities and challenges for them, while securing female leaders by actively providing managerial experience and opportunities through the female talent development program. Through these initiatives, we seek to grow into a truly diverse company.

■ Social Contribution Activities in Korea

Hankook Tire is committed to social contribution programs that engage with various segments of the local community, as well as active volunteer activities with our employees.

1) Donggeurami Employee Volunteer Team

While some of our plants had been operating their own volunteer groups, we took it a step further in 2013 with our 'Donggeurami Volunteer Team', which is essentially a company-wide employee volunteer team. Employees in Daejeon, Geumsan, and Pangyo, where our business sites are located, actively participate in volunteer activities and share their warm hearts for the marginalized. In 2022, various types of employee volunteer activities were launched to rekindle employee volunteer activities that had been suspended due to the COVID-19 pandemic. They painted murals with their families,



Donggeurami Employee Volunteer Team

Social Contributions

KRW 4.4 billion

Sustainable Environment, Social, Governace

3. Hankook Tire & Technology Co., Ltd.

volunteered to build a forest at a special school for children with developmental disabilities, recorded audio books for children with reading difficulties, and delivered 600 solar lanterns and letters assembled with their families to energy-poor neighbors overseas, as well as activities to improve the living environment of elderly people living alone in Chungnam and to deliver food to the underprivileged.

2) Road safety for Children

Launched in 2013, Road safety for Children is one of our philanthropic programs that are closely linked to our business, and aims at preventing child traffic accidents. The campaign is designed to help children learn by experience and detect and share road safety risks in the vicinity of school, therefore effectively addressing and risks associated with road use and contributing to preventing road traffic injury risk. In 2022, the campaign was conducted in four elementary schools each in Seoul, Gyeonggi and Daejeon with 10 safety instructors in total, with 429 children participating in the campaign.

3) Community Engagement

The Hankooktire Foundation has in place wide-ranging programs aiming at helping resolve the current issues facing local communities and bring about positive change.

Dream With | Dream With, which started in 2014 as a college student volunteer corps, has been operating since 2018 as a business helping solve community issues with local resources. Diverse private-public partnerships are pursued and multifaceted

promotional activities are undertaken to identify business opportunities. In 2022, a total of 9 local organizations were provided with assistance.

Social Housing Fund | The Hankooktire Foundation initiated the Social Housing Program in 2016 to help vulnerable individuals resolve their residential disparities by constructing new homes or remodeling existing ones and then offering them below market prices (40%~80% of market prices). In 2022, a total of nine social houses were provided to 558 households, and we have provided 57 houses to 1,670 households for youth beneficiaries on a cumulative basis over the years. Our goal in 2023 is to provide a total of 10 social houses to 250 households and to supply a themed housing model that provides housing and employment at the same time. We also plan to support security deposits for social housing to continue to increase housing stability for vulnerable populations.

Support for Charitable Hospitals | Since 1991, we have helped charitable hospitals in Korea cover their operating costs to provide healthcare services to low-income people. In 2022, we donated KRW 25 million to two charity hospitals and KRW 10 million for free health check-ups in remote villages to contribute to the healthy lives of low-income people and uphold the standard of the dignity of each life.

4) Hankook Doggeurami Partners, a Standard Site to Hire People with Disabilities

Hankook Tire established a subsidiary as a standard site that hires mentally/

physically challenged people, who are often at a disadvantage in the job market, in order to provide them with professional and stable employment. The subsidiary, dubbed Hankook Donggeurami Partners, officially opened in June 2016, and its employees are responsible for supporting Hankook Tire's administrative work and for operating in-house cafeterias, cleaning centers (laundering company uniforms), bakeries (supplying bread for employee snacks) and Donggeurami Car Wash Centers. In alignment with our employee volunteer programs, these employees also volunteer to collect, clean, and deliver the blankets used at nearby social welfare centers.

Overseas Philanthropic Activities

Our overseas plants and regional headquarters implement various social contribution activities tailored to local conditions to contribute to the development of local communities and strengthen ties with local residents. For example, the China headquarters conducted epidemic relief activities, the Indonesia plant donated tires and school supplies for underprivileged children, and the Hungary plant ran employee volunteer programs, tire donations, and community sponsorships. The North America headquarters and the Tennessee plant provide relief efforts in conjunction with the Red Cross and support various local communities, including police departments, fire departments, and emergency medical services. Our Germany subsidiary ties donations to promotional offers, while the Serbia subsidiary donates to orphanages and hospitals. Our Austria subsidiary also makes a Christmas charity donation to Greenhof. In Japan, our subsidiary donates winter tires to a car-sharing association that uses donated used cars to support people affected by heavy rain.

Tuieum Bus Donated in 2022

156

Sustainable Environment, Social, Governace

4. Model Solution Co., Ltd.

Industry-Academia Cooperation Projects

Since 2016, Model Solution has sponsored Model One Award (MOA), an industry-academia cooperation design project as its social contribution initiative. MOA is an award program to support design majors at home and abroad by turning their creative and innovative designs into high-fidelity prototypes. In 2022, MOA was held with Industrial Design students from Hongik University and three creative and innovative designs were selected as winners among various design ideas. The winners are "The first layer," a display format optimized for a teleworking environment, a work style that became more prevalent during the COVID-19 pandemic; "A Piece of Collection (APOC)," a modular interior system idea that enables optimized spatial configuration by embodying various digital contents as cube-shaped devices that can be freely placed in a wireless charging cradle along with acoustics and lighting; and "René," an augmented reality product that offers a new viewing experience for visitors to famous domestic and international musicals, by providing theater guidance, check-in assistance and performance overview, as well as maximizing the audiovisual AR effects of the performance.



Risk Management & Emergency Response

The growing uncertainty in the business climate surrounding the company presents an increasing number of challenges that are beyond our predictions, including many variables and changes in the process of carrying out business activities, in achieving our ultimate goal of creating corporate value. Hankook Tire & Technology strives to minimize profit volatility through systematic and targeted risk management and contingency actions while at the same time seeking to improve growth and profitability. In doing so, we classify and systematically monitor various potential risks, both financial and non-financial, so as to detect and prevent potential risks in advance, thereby maximizing corporate value creation and promoting management stability.

Risk Management

Financial Risk

In 2022, we witnessed global issues such as global inflation at a much higher level than expected, the Russia-Ukraine war, and China's lockdown policy to manage COVID-19. As a result, raw material prices and logistics cost showed substantial increase, and austerity measures in various countries triggered significant fluctuations in exchange rates and interest rates. Amidst this uncertain business landscape, Hankook Tire has flexibly responded to external variables through continued risk management. We are consistently managing our financial expenses and F/X positions to minimize our risk exposure when the market abruptly fluctuates. We ensure financial stability by maintaining adequate levels of liquidity and borrowings and prevent financial accidents in advance through improved fund management systems for HQ and overseas subsidiaries. Furthermore, we instantly share market data to swiftly identify volatility in the financial market and assist top management to make efficient decisions.

FX Risk

In line with broadening global sales operations, Hankook Tire is now dealing in 31 foreign currencies, including USD and EUR. In order to minimize associated risks, we adhere to the Foreign Exchange Risk Management Regulations, which dictate conducting transactions in local currencies for commercial transactions such as exports and imports, as well as fund transactions including deposits and borrowings. We follow the fundamental principle of aligning foreign currency assets and liabilities, dispersing currency risk, and minimizing position exposure. Nevertheless, for F/X positions exceeding the preestablished limit in spite of such best efforts, we hedge them using external financial instruments within the approved scope. In addition, the Financial Risk Management Committee meets every quarter to establish and operate strategies to manage FX risk by region and currency.

Risk Management & Emergency Response

Risk Management

Liquidity Risk

Hankook Tire takes a global perspective in managing the borrowing, liquidity level, and short/ long-term cash flow of its global HQ and overseas subsidiaries. We periodically forecast our future cash flow to preemptively manage global liquidity, and take a more conservative stance in liquidity management when faced with turbulent and wavering financial market conditions in order to stabilize our financial structure. In addition, we adopt integrated liquidity management systems, such as cash pooling, to control liquidity among different geographic regions. Cash pooling allows for the real-time sharing of funds between companies facing fund shortages and those with fund surpluses, and helps minimize liquidity risks and reduce the burden of fund operations and financial costs. Hankook Tire is taking a step further to fully operate a Global Cash Management System, which consolidates the funds of local subsidiaries around the world, including regional headquarters, and secures credit lines from financial institutions linked to cash pooling to proactively prepare for additional liquidity needs.

Emerging Risks

Increased Focus on Roads and Tires as Autonomous Driving Expands

One of the key technologies that will drive the future automotive market is autonomous driving. Starting with Tesla, it is predicted that Level 5 autonomous vehicles will be produced in the next few years. As the number of autonomous vehicles increases, the proportion of driver error in vehicle accidents will decrease, and the proportion of accidents caused by roads and tires will increase. As a result, tire quality, especially braking force and safety, will emerge as a critical issue. Hankook Tire has defined market changes resulting from technological advances in autonomous driving as an emerging risk and is preparing for it. First of all, to develop tires that are safe in all road conditions, we opened Hankook Technoring in 2022, where tires can be tested under a variety of extreme conditions. As Asia's largest driving test center, Hankook Technoring offers the perfect environment to identify issues that may arise in different road conditions. In addition, through a joint project with SK Planet to develop a road hazard detection solution, we are learning about the risks that exist on the road and using them to develop safer tires for the future.

Industry Transformation Driven by Future Mobility Innovations

In the future, mobility will go beyond transportation and become a living space in its own right. Accordingly, the mobility industry will witness major changes. In particular, flat batteries replacing the internal combustion engines in EVs enable more efficient use of the interior of mobility, and rapidly evolving autonomous driving technologies guarantee more freedom in mobility and accelerate the transition of mobility into a living space. At Hankook Tire, we define this change in the mobility industry as a major risk that could shape the direction and future of the company. Currently, our main revenue comes from automobile tires. If we assume that future mobility will require different types of tires, there is a risk that the current demand for tires will shift to other types of tires. This could undermine the company's revenue and market dominance. Hankook Tire is working to build a scalable mobility ecosystem to prepare for new markets.

Risk Management & Emergency Response

The Design Innovation Project is an R&D program that presents a vision of the smart city and the innovative mobility industry of the future. In 2022, under the theme of urban reshaping, we highlighted how mobility innovations will restructure the spaces within future smart cities. In doing so, we proposed Space Shifting Mobility (SSM), a form of mobility optimized for future smart cities. SSM is the combination of a sphere-shaped tire with electromagnetic drive and a minivan-sized pod that can move in three dimensions, not only on the existing road surface, but also directly up and down the outer wall of a building. As the first step towards realizing SSM, the wheelbot system is a modular robotic wheel system that runs on sphere-shaped tires, breaking away from the typical tire shape, and demonstrates Hankook Tire's technological capabilities to respond to the future of mobility. The wheelbot can freely move 360 degrees regardless of the space where it is located, and swarm driving allows multiple wheelbots to navigate along the most optimal route. Starting with this, Hankook Tire signed a partnership with startups in the robotics and mobility fields to launch the Design Innovation Alliance, an open innovation platform to realize the future mobility to envision by expanding and systematizing its technology. By doing so, we hope to equip ourselves with the leading technology to adapt to future innovations where mobility becomes part of our living space.

Safety & Health

In 2022, Hankook Tire achieved Zero Major Accidents on the basis of SHE management principle. To effectively implement the safety & health first management principle, we formed the SHE organization as a separate organization under the CEO, and empowered the team to ensure safety & health in the field. To create a safety culture at production sites, we operated a dedicated line safety system, vitalized team safety and health committees and communication, and conducted awareness programs and training using various safety and health education contents. In addition, we checked for safety and health risks and implemented remediation measures through regular monitoring and reporting on the fulfillment of safety and health obligations and SHE compliance audit activities. To spearhead changes in the safety and health environment, we continue to expand the scope of facility safety systems and improve the work environment. We strive to manage the safety and health risks of employees and minimize the impact on our customers and stakeholders through annual internal reviews on whether the processes required for emergency response are properly established and executed through the certification and renewal process of the global standard ISO 45001 Safety and Health Management System.

Fire

Hankook Tire has obtained and maintained multiple certifications, including the Process Safety Management (PSM) certification, through annual assessments with an aim to advance sustainability management even in the event of such possible emergencies as fires, explosions, earthquakes, or blizzards. We have also received biannual legally-mandatory fire inspections performed by professionals as well as inspections conducted by the Korean Fire Protection Association and the Korea Occupational Safety and Health Agency in order to make necessary improvements and investments. The Risk Prevention Center is staffed by dedicated SHE personnel to ensure prompt response to emergencies, and we do our utmost in protecting the safety of our employees and company assets in so doing. To help the SHE staff improve their capacity, we provide them with training through external professional organizations to minimize fire risks by reinforcing our internal maintenance and repair capacity to address the failure of fire extinguishing equipment. Joint fire drills are conducted at least once a year and a range of inhouse fire response exercises are performed to build thorough preparedness against potential fire risk factors.



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Financial Report

Financial Statements of Hankook & Company Co., Ltd.

Consolidated Financial Statement of Hankook & Company Co., Ltd.(formerly Hankook Technology Group Co., Ltd.)

End of 69th Period as of Dec. 31, 2022
 End of 68th Period as of Dec. 31, 2021
 End of 67th Period as of Dec. 31, 2020
 (unit: KRW)

Item	67 th Period	68 th Period	69 th Period
Assets			
Current assets	598,850,092,546	630,341,081,664	531,357,795,700
Cash and cash equivalents	125,681,348,671	76,219,107,499	90,685,988,336
Short-term financial instruments	115,000,000,000		
Financial assets at fair value through profit or loss	116,985,288,968	240,065,304,432	61,350,739,342
Derivative assets	3,002,849,052	4,316,308	2,222,798,997
Trade receivables	125,109,439,034	155,539,765,216	197,710,484,086
Other receivables	3,814,371,139	1,783,375,292	2,902,216,722
Other current assets	5,094,878,424	10,283,785,053	11,459,936,052
Inventories	103,938,736,357	145,751,242,375	164,604,880,982
Current income tax assets	223,180,901	273,661,755	420,751,183
Non-current assets held for sale		420,523,734	
Non-current assets	3,193,601,014,621	3,450,888,672,984	3,770,460,880,089
Long-term financial instruments	22,023,498	5,865,053	9,194,225
Financial assets at fair value through profit or loss	5,881,524,400	10,169,037,550	30,784,655,464
Financial assets at fair value through other comprehensive income	10,470,925,008	10,021,861,638	11,346,859,768
Other non-current receivables	24,748,314,873	21,082,618,018	21,466,734,991
Property, plant and equipment	258,412,696,573	260,993,471,493	283,633,787,603
Investment properties	38,988,967,528	58,820,744,089	57,207,776,169
Intangible assets	14,682,783,119	14,531,066,016	13,746,663,923
Investment in associates	2,833,697,790,070	3,060,017,230,506	3,332,822,255,773
Net defined benefit assets	6,045,971,552	14,596,760,621	18,792,934,173
Other non-current assets	650,018,000	650,018,000	650,018,000
Total assets	3,792,451,107,167	4,081,229,754,648	4,301,818,675,789
Liabilities			
Current liabilities	202,893,862,814	242,029,427,910	285,271,955,522

Item	67 th Period	68 th Period	69 th Period
Trade payables	42,351,615,514	49,157,922,616	40,536,426,105
Other payables	44,563,850,267	49,548,818,519	50,242,554,551
Current tax liabilities	11,697,137,889	9,376,014,663	19,543,859,163
Derivative liabilities		747,059,684	
Current provisions	345,006,353	520,381,887	441,731,268
Other current liabilities	9,442,028,713	8,633,355,817	10,291,858,251
Short-term borrowings	94,494,224,078	123,323,750,490	164,215,526,184
Non-current liabilities held for sale		722,124,234	
Non-current liabilities	89,058,647,138	103,731,124,365	160,105,588,387
Long-term trade payable and other non-current payables	55,000,000	10,115,256,756	6,799,927,700
Derivative liabilities			1,571,305,500
Net defined benefit liabilities	2,277,294,202	976,879,194	745,774,791
Deferred tax liabilities	53,442,638,253	59,879,432,536	20,569,245,869
Other non-current liabilities	7,353,114,042	8,266,725,710	122,347,698,872
Non-current provisions	83,906,594	162,160,951	7,958,261,513
Long-term borrowings	25,846,694,047	24,330,669,218	113,374,142
Total liabilities	291,952,509,952	345,760,552,275	445,377,543,909
Equity			
Equity attributable to owners of the parent company	3,389,337,589,079	3,735,587,717,538	3,856,441,131,880
Capital stock	46,510,086,500	47,467,620,000	47,467,620,000
Other paid-in capital	1,277,951,758,721	1,390,269,157,208	1,399,208,642,274
Retained earnings	2,151,524,957,807	2,302,458,583,532	2,432,332,778,842
Other components of equity	(86,649,213,949)	(4,607,643,202)	(22,567,909,236)
Non-controlling interests	111,161,008,136	(118,515,165)	
Total equity	3,500,498,597,215	3,735,469,202,373	3,856,441,131,880
Total liabilities and equity	3,792,451,107,167	4,081,229,754,648	4,301,818,675,789

Consolidated Statement of Comprehensive Income

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.) and Subsidiaries

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

Item	67 th Period	68 th Period	69 th Period
Revenue(Sales)	819,176,121,644	963,300,354,498	1,095,895,770,449
Cost of sales	577,660,660,060	636,114,877,937	753,658,210,800
Gross profit	241,515,461,584	327,185,476,561	342,237,559,649
Selling and administrative expenses	83,757,819,614	98,880,276,077	96,988,663,823
Operating profit (loss)	157,757,641,970	228,305,200,484	245,248,895,826
Financial profit	19,692,852,883	13,429,006,175	25,010,329,746
Financial cost	12,020,937,781	17,738,998,885	42,774,006,687
Other gains	39,063,779,075	31,809,096,518	40,538,129,649
Other losses	32,601,075,920	28,064,544,738	20,747,984,222
Net income(loss) before income taxes	171,892,260,227	227,739,759,554	247,275,364,312
Income tax expenses	24,866,558,341	26,739,083,746	83,415,522,445
Net income on continuing operations	147,025,701,886	201,000,675,808	163,859,841,867
Net income on discontinued operation	(1,267,983,837)	(989,639,362)	2,168,575,853
Net income	145,757,718,049	200,011,036,446	166,028,417,720
Other comprehensive income	(7,903,979,553)	81,951,635,878	2,845,941,556
Items that will not be reclassified to profit or loss (other comprehensive income after tax)	4,447,163,170	2,742,939,778	20,988,284,075
Actuarial gains(losses) on post defined benefit plans (other comprehensive income after tax)	4,068,855,273	(2,357,143,455)	5,746,281,940
Remeasurement of the net defined benefit liability of associates	(799,995,850)	1,496,600,920	17,721,880,898
Revaluation gains(losses) on equity instruments at fair value through other comprehensive income	109,889,445	(347,237,635)	(1,279,754,723)
Share of other comprehensive profit (loss) of associates and joint ventures accounted for using equity method	1,068,414,302	3,950,719,948	(1,200,124,040)
Items that may be reclassified to profit or loss (other comprehensive income after tax)	(12,351,142,723)	79,208,696,100	(18,142,342,519)
Net change in fair value of cash flow hedge			1,464,236,375
Exchange differences on translation of foreign operations (other comprehensive income after tax)	(1,827,623,459)	2,161,491,068	1,646,208,057

Item	67 th Period	68 th Period	69 th Period
Share of other comprehensive profit (loss) of associates and joint ventures accounted for using equity method	(10,523,519,264)	77,047,205,032	(21,252,786,951)
Total comprehensive income(loss)	137,853,738,496	281,962,672,324	168,874,359,276
Net income(loss) attributable to continuing operations			
Net income(loss) attributable to controlling interests	136,650,378,617	197,973,228,042	163,859,841,867
Net income(loss) attributable to non-controlling interests	10,375,323,269	3,027,447,766	
Net income(loss) attributable to discontinued operations	(1,267,983,837)	(989,639,362)	2,168,575,853
Net income(loss) attributable to controlling interests	(1,039,981,323)	(811,687,360)	2,168,575,853
Net income(loss) attributable to non-controlling interests	(228,002,514)	(177,952,002)	
Total comprehensive income(loss) attributable to:			
Total comprehensive income attributable to controlling interests	127,223,052,849	278,822,737,972	168,874,359,276
Total comprehensive income attributable to non-controlling interests	10,630,685,647	3,139,934,352	
Earnings per share			
Basic/diluted earnings (losses) per share (unit: KRW)	1,490	2,103	1,726
Basic/diluted earnings (losses) per share from discontinued operation (unit: KRW)	(11)	(9)	23



Consolidated Statement of Changes in Equity

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.) and Subsidiaries

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

	Capital												Non-controlling interests	Total equity
	Equity attributable to owners of the parent company						Elements of other shareholders' equity					Total equity attributable to owners of the parent company		
	Capital surplus				Retained earnings	Profit or loss on valuation of financial instruments at fair value through other comprehensive income	Net change in fair value of cash flow hedge	Shares of other comprehensive income of associates	Exchange differences on translating foreign operations	Total elements of other shareholders' equity				
Capital stock	Share premium	Treasury shares	Others	Total capital surplus										
Opening balance (Jan 1, 2020)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(10,493,857,127)	1,281,041,833,498	2,042,485,692,177	92,488,821	(347,446,921)	(73,471,818,132)	(73,726,776,232)	3,296,310,835,943	97,822,330,912	3,394,133,166,855	
Dividend payout						(32,093,279,050)					(32,093,279,050)	(382,083,200)	(32,475,362,250)	
Non-controlling interest transactions				(3,090,074,777)	(3,090,074,777)						(3,090,074,777)	3,090,074,777		
Other changes in the capital of associates						987,054,113					987,054,113		987,054,113	
Business combination														
Acquisition of treasury shares														
Net comprehensive income														
Net income on continuing operations						135,610,397,294					135,610,397,294	10,147,320,755	147,025,701,886	
Remeasurements of net defined benefit liabilities						3,118,404,866					3,118,404,866	950,450,407	4,068,855,273	
Remeasurements of net defined benefit liabilities of associates						(799,995,850)					(799,995,850)		(799,995,850)	
Revaluation gains(losses) on equity instruments at fair value through other comprehensive income						1,229,937,184	(1,111,902,722)			(1,111,902,722)	118,034,462	(8,145,017)	109,889,445	
Net change in fair value of cash flow hedge														
Exchange differences on translating foreign operations								(1,368,682,960)		(1,368,682,960)	(1,368,682,960)	(458,940,498)	(1,827,623,458)	
Shares of other comprehensive income of associates						986,747,073			(10,441,852,038)	(10,441,852,038)	(9,455,104,965)		(9,455,104,965)	
Closing balance (Dec 31, 2020)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(13,583,931,904)	1,277,951,758,721	2,151,524,957,807	(1,019,413,901)	(1,716,129,881)	(83,913,670,167)	(86,649,213,949)	3,389,337,589,079	111,161,008,136	3,500,498,597,215	
Opening balance (Jan 1, 2021)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(13,583,931,904)	1,277,951,758,721	2,151,524,957,807	(1,019,413,901)	(1,716,129,881)	(83,913,670,167)	(86,649,213,949)	3,389,337,589,079	111,161,008,136	3,500,498,597,215	
Dividend payout						(45,847,541,500)					(45,847,541,500)	(382,083,200)	(46,229,624,700)	
Non-controlling interest transactions				1,234,487,660	1,234,487,660						1,234,487,660	1,974,487,660	740,000,000	
Other changes in the capital of associates														
Business combination														
Acquisition of treasury shares														
Net comprehensive income														
Net income on continuing operations						197,161,540,682					197,161,540,682	2,849,495,764	201,000,675,808	

Consolidated Statement of Changes in Equity

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.) and Subsidiaries

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

	Capital												Non-controlling interests	Total equity
	Equity attributable to owners of the parent company						Elements of other shareholders' equity					Total equity attributable to owners of the parent company		
	Capital surplus				Retained earnings	Profit or loss on valuation of financial instruments at fair value through other comprehensive income	Net change in fair value of cash flow hedge	Shares of other comprehensive income of associates	Exchange differences on translating foreign operations	Total elements of other shareholders' equity				
Capital stock	Share premium	Treasury shares	Others	Total capital surplus										
Remeasurements of net defined benefit liabilities						2,338,717,715						2,338,717,715	18,425,740	2,357,143,455
Remeasurements of net defined benefit liabilities of associates						1,496,600,920						1,496,600,920		1,496,600,920
Business combination														
Acquisition of treasury shares														
Net comprehensive income														
Net income on continuing operations						166,028,417,720						166,028,417,720		163,859,841,867
Remeasurements of net defined benefit liabilities						5,746,281,940						5,746,281,940		5,746,281,940
Remeasurements of net defined benefit liabilities of associates						17,721,880,898						17,721,880,898		17,721,880,898
Revaluation gains(losses) on equity instruments at fair value through other comprehensive income							1,279,754,723				1,279,754,723	1,279,754,723		1,279,754,723
Net change in fair value of cash flow hedge								1,464,236,375			1,464,236,375	1,464,236,375		1,464,236,375
Exchange differences on translating foreign operations									1,646,208,057		1,646,208,057	1,646,208,057		1,646,208,057
Shares of other comprehensive income of associates						2,661,955,248				19,790,955,743	19,790,955,743	22,452,910,991		22,452,910,991
Closing balance (Dec 31, 2022)	47,467,620,000	1,336,524,985,700	22,442,466	62,706,099,040	1,399,208,642,274	2,432,332,778,842	2,649,050,413	1,464,236,375	1,785,349,070	23,168,444,268	22,567,909,236	3,856,441,131,880		3,856,441,131,880

Consolidated Statement of Cash Flow

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.) and Subsidiaries

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

Item	67 th Period	68 th Period	69 th Period
Cash flow from operations	129,934,674,878	36,106,114,503	31,527,519,552
Net income(loss)	145,757,718,049	200,011,036,446	166,028,417,720
Revenue-expense adjustments	(41,782,347,120)	(85,215,202,001)	(52,615,318,585)
Net changes in assets and liabilities resulting from operations	26,278,278,250	(84,270,601,176)	(95,941,660,582)
Interest received	5,073,939,861	4,522,072,693	5,412,651,906
Interest paid	(2,798,250,610)	(2,506,976,662)	(4,915,684,779)
Dividends received	21,941,538,219	27,163,294,646	27,830,862,363
Income taxes paid (refund)	(24,536,201,771)	(23,597,509,443)	(14,271,748,491)
Cash flow from investment	(103,942,971,753)	(66,733,782,474)	(1,701,713,411)
Payments for short-term financial instruments	(115,000,000,000)	(20,000,000,000)	
Proceeds from disposal of short-term financial instruments	120,000,000,000	135,000,000,000	
Payments for long-term financial instruments	(4,125,800)	(4,076,625)	(3,329,172)
Proceeds from disposal of long-term financial instruments		20,235,070	
Increase in short-term loans			(89,718,796)
Recovery of short-term loans	118,430,998	21,299,144	308,570,375
Increase in long-term loans		1,300,000,000	
Payments for debt instruments at fair value through profit or loss	(110,000,000,000)	(165,739,548,567)	(372,355,598,429)
Proceeds from disposal of debt instruments at fair value through profit or loss	51,727,233,750	40,100,000,000	524,900,000,000
Payments for debt instruments at fair value through other comprehensive income	1,968,992,777		(2,969,257,530)
Increase in lease deposits	(23,425,336,014)	(8,388,589,958)	(273,246,735)
Decrease in lease deposits	1,814,966,773	84,677,076	795,092,118
Payments for tangible assets	(31,371,213,198)	(17,258,843,723)	(42,993,043,757)
Proceeds from disposal of tangible assets	737,828,320	402,031,653	312,944,550
Payments for intangible assets	(1,655,249,359)	(1,982,597,440)	(1,787,953,614)
Proceeds from disposal of intangible assets	178,000,000	549,527,020	
Acquisition of investment property		(26,474,196,124)	
Disposition of investment property	490,000,000		3,027,447,766

Item	67 th Period	68 th Period	69 th Period
Cash inflows from settlement of derivative financial instruments	764,500,000		
Cash outflows from settlement of derivative financial instruments	(287,000,000)	(623,700,000)	(5,674,250,000)
Acquisition of Investment stocks in Associates		(3,000,000,000)	(104,233,250,508)
Disposition of Investment stocks in Associates			520,000,000
Cash flow from losing control of subsidiaries			1,841,328,087
Acquisition of non-controlling interest		(740,000,000)	
Cash flow from financial operation	(3,085,867,466)	(18,962,415,420)	(12,964,233,019)
Proceeds from short term borrowings	58,288,461,613	37,677,789,811	108,291,958,042
Repayments of short term borrowings	(22,938,915,730)	(12,303,260,467)	(61,432,118,917)
Increase in long term borrowings	23,650,905		
Repayments of long term borrowings	(2,831,949)		
Payments of finance lease liabilities	(2,203,946,455)	(2,024,554,678)	(1,904,258,124)
Increase in leasehold deposits received		10,103,440,900	120,000,000
Decrease in leasehold deposits received	(3,776,923,600)	(6,160,354,600)	(1,080,000,000)
Dividends paid to shareholders	(32,093,279,050)	(45,850,950,720)	(56,959,814,020)
Acquisition of treasury shares		(22,442,466)	
Dividends in non-controlling interest	(382,083,200)	(382,083,200)	
Net increase (decrease) in cash and cash equivalents	22,905,835,659	(49,590,083,391)	16,861,573,122
Cash and cash equivalents at beginning of period	103,029,504,448	125,681,348,671	76,423,532,212
Effect of exchange rate changes on cash and cash equivalents	(253,991,436)	332,266,932	(2,599,116,998)
Cash and cash equivalents at end of period	125,681,348,671	76,423,532,212	90,685,988,336

Statement of Financial Position

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.)

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

Item	67 th Period	68 th Period	69 th Period
Assets			
Current asset	204,785,174,279	662,801,597,050	520,050,515,482
Cash and cash equivalents	3,764,713,505	63,981,542,776	79,334,590,290
Short-term financial instruments	65,000,000,000		
Financial assets at fair value through profit or loss	116,985,288,968	240,065,304,432	61,350,739,342
Derivative assets		4,316,308	2,222,798,997
Trade receivables	16,905,671,151	196,994,392,349	226,028,230,259
Other receivables	2,115,228,081	55,336,923,682	28,920,477,173
Inventory		100,401,731,974	114,556,669,928
Other current assets	14,272,574	6,017,385,529	7,637,009,493
Non-current assets	2,109,910,881,041	2,296,594,158,469	2,451,182,999,604
Long-term financial products		4,000,000	4,000,000
Financial assets at fair value through profit or loss	5,870,024,400	10,169,037,550	30,784,655,464
Financial assets at fair value through other comprehensive income	10,229,718,898	10,021,861,638	11,346,859,768
Other non-current receivables	11,778,050,313	17,765,190,882	18,426,618,561
Property, plant and equipment	22,765,925,388	143,702,491,063	165,583,197,373
Investment properties	38,072,124,528	58,820,744,089	57,207,776,169
Intangible assets	8,379,685,605	13,571,619,830	13,719,564,571
Investment in subsidiaries	29,934,978,531	42,062,079,418	44,406,755,418
Investment in associates	1,982,230,355,378	1,985,230,355,378	2,090,260,620,107
Other non-current assets	650,018,000	650,018,000	650,018,000
Net defined benefit assets		14,596,760,621	18,792,934,173
Total assets	2,314,696,055,320	2,959,395,755,519	2,971,233,515,086

Item	67 th Period	68 th Period	69 th Period
Liabilities			
Current liabilities	19,335,028,464	209,279,307,308	186,547,781,863
Short term borrowings	308,422,034	104,282,476,022	85,538,607,334
Trade and other current payables	14,544,222,624	87,692,747,842	72,479,853,491
Current tax liabilities	3,286,043,388	9,229,840,039	19,519,299,077
Financial derivative liabilities		747,059,684	
Current provisions		520,381,887	441,731,268
Other current liabilities	1,196,340,418	6,806,801,834	8,568,290,693
Non-current liabilities	39,786,973,163	61,148,758,985	87,768,645,129
Long term borrowings	6,752,132,035	15,594,994,600	15,009,599,065
Net defined benefit liabilities	1,142,324,834		
Long-term trade and other non-current payables		10,115,256,756	6,799,927,700
Deferred tax liabilities	31,786,515,854	30,795,663,406	60,304,275,262
Non-current provisions		162,160,951	113,374,142
Financial derivative liabilities			1,571,305,500
Other non-current provisions	106,000,440	4,480,683,272	3,970,163,460
Total liabilities	59,122,001,627	270,428,066,293	274,316,426,992
Equity			
Capital stock	46,510,086,500	47,467,620,000	47,467,620,000
Other paid-in capital	1,291,535,690,625	1,701,125,022,899	1,701,125,022,899
Retained earnings	917,657,409,316	940,861,946,437	948,626,863,653
Elements of other stockholder's equity	(129,132,748)	(486,900,110)	(302,418,458)
Total equity	2,255,574,053,693	2,688,967,689,226	2,696,917,088,094
Total liabilities and equity	2,314,696,055,320	2,959,395,755,519	2,971,233,515,086

Statement of Comprehensive Income

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.)

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

Item	67 th Period	68 th Period	69 th Period
Revenue(Sales)	64,144,786,904	604,888,693,377	829,262,236,010
Cost of sales		438,170,081,087	636,390,162,929
Gross profit	64,144,786,904	166,718,612,290	192,872,073,081
Selling general administrative expenses	25,368,898,899	75,712,821,748	81,928,885,259
Operating income(loss)	38,775,888,005	91,005,790,542	110,943,187,822
Finance income	5,167,590,567	13,060,500,116	27,816,400,734
Finance cost	677,799,713	10,926,762,506	41,253,678,076
Other gains	2,500,774,671	19,559,457,376	39,549,670,250
Other losses	30,470,731,446	21,134,381,578	25,976,804,815
Profit (loss) before tax	15,295,722,084	91,564,603,950	111,078,775,915
Income tax expense	6,718,165,309	20,082,085,562	51,934,108,019
Net income on continuing operations	8,577,556,775	71,482,518,388	59,144,667,896
Other comprehensive income	254,115,974	(2,788,207,129)	5,765,160,972
Other comprehensive income that will not be reclassified to profit or loss, net of tax	254,115,974	(2,788,207,129)	4,300,924,597
Remeasurements of net defined benefit liabilities	111,790,899	(2,430,439,767)	5,580,679,320
"Revaluation gains(losses) on financial instruments at fair value through other comprehensive income "	142,325,075	(357,767,362)	(1,279,754,723)
Other comprehensive income that will be reclassified to profit or loss, net of tax			1,464,236,375
Net change in fair value of cash flow hedge			1,464,236,375
Net comprehensive income	8,831,672,749	68,694,311,259	64,909,828,868
Earnings per share			
Basic/diluted earnings (losses) per share (unit: KRW)	94	759	623



Statement of Changes in Equity

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.)

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

Item	Equity capital	Capital surplus			Retained earnings	Accumulated other comprehensive income	Total equity	
		Paid-in capital in excess of par value	Treasury shares	Others				Total capital surplus
Opening balance (Jan 1, 2020)	46,510,086,500	1,302,628,299,800	(11,092,609,175)		1,291,535,690,625	939,831,403,508	958,479,361	2,278,835,659,994
Dividend payout						(32,093,279,050)		(32,093,279,050)
Acquisition of treasury shares								
Gain on disposition of treasury stock								
Merger with a subsidiary								
Net comprehensive income								
Net income on continuing operations						8,577,556,775		8,577,556,775
Remeasurements of net defined benefit liabilities						111,790,899		111,790,899
Revaluation gains(losses) on financial instruments at fair value through other comprehensive income						1,229,937,184	(1,087,612,109)	142,325,075
Net change in fair value of cash flow hedge								
Closing balance (Dec 31, 2020)	46,510,086,500	1,302,628,299,800	(11,092,609,175)		1,291,535,690,625	917,657,409,316	(129,132,748)	2,255,574,053,693
Opening balance (Jan 1, 2021)	46,510,086,500	1,302,628,299,800	(11,092,609,175)		1,291,535,690,625	917,657,409,316	(129,132,748)	2,255,574,053,693
Dividend payout						(45,847,541,500)		(45,847,541,500)
Acquisition of treasury shares			(22,442,466)					(22,442,466)
Gain on disposition of treasury stock				13,024,028,825				13,024,028,825
Merger with a subsidiary	957,533,500	33,896,685,900	11,092,609,175	351,598,450,840				397,545,279,415
Net comprehensive income								
Net income on continuing operations						71,482,518,388		71,482,518,388
Remeasurements of net defined benefit liabilities						(2,430,439,767)		(2,430,439,767)
Revaluation gains(losses) on financial instruments at fair value through other comprehensive income							(357,767,362)	(357,767,362)
Net change in fair value of cash flow hedge								
Closing balance (Dec 31, 2021)	47,467,620,000	1,336,524,985,700	(22,442,466)	364,622,479,665	1,701,125,022,899	940,861,946,437	(486,900,110)	2,688,967,689,226
Opening balance (Jan 1, 2022)	47,467,620,000	1,336,524,985,700	(22,442,466)	364,622,479,665	1,701,125,022,899	940,861,946,437	(486,900,110)	2,688,967,689,226

Item	Equity capital	Capital surplus				Retained earnings	Accumulated other comprehensive income	Total equity
		Paid-in capital in excess of par value	Treasury shares	Others	Total capital surplus			
Dividend payout						(56,960,430,000)		(56,960,430,000)
Acquisition of treasury shares								
Gain on disposition of treasury stock								
Merger with a subsidiary								
Net comprehensive income								
Net income on continuing operations						59,144,667,896		59,144,667,896
Remeasurements of net defined benefit liabilities						5,580,679,320		5,580,679,320
Revaluation gains(losses) on financial instruments at fair value through other comprehensive income							(1,279,754,723)	(1,279,754,723)
Net change in fair value of cash flow hedge							1,464,236,375	1,464,236,375
Closing balance (Dec 31, 2022)	47,467,620,000	1,336,524,985,700	(22,442,466)	364,622,479,665	1,701,125,022,899	948,626,863,653	(302,418,458)	2,696,917,088,094

Statement of Cash Flows

Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.)

69th Period: Jan. 1, 2022 ~ Dec. 31, 2022

68th Period: Jan. 1, 2021 ~ Dec. 31, 2021

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020

(unit: KRW)

Item	67 th Period	68 th Period	69 th Period
Cash flow from operations	33,854,450,005	49,771,061,580	66,972,604,877
Net income(loss)	8,577,556,775	71,482,518,388	59,144,667,896
Revenue-expense adjustments	11,077,162,438	18,829,386,707	63,477,912,789
Net changes in assets and liabilities resulting from operations	(3,828,592,692)	(51,877,566,456)	(74,238,641,852)
Interest received	3,662,704,187	5,145,332,611	7,264,314,815
Interest paid	(156,895,159)	(875,390,193)	(2,510,962,829)
Dividends received	23,073,117,819	27,163,294,646	27,830,862,363
Income taxes paid (refund)	(8,550,603,363)	(20,096,514,123)	(13,995,548,305)
Cash flow from investment activities	(31,880,516,308)	51,309,138,343	21,300,915,298
Acquisition of short term financial products	(65,000,000,000)	(20,000,000,000)	
Disposition of short term financial products	95,000,000,000	135,000,000,000	
Acquisition of financial assets at fair value through profit or loss	(110,000,000,000)	(165,739,548,567)	(372,355,598,429)
Disposition of financial assets at fair value through profit or loss	51,727,233,750	40,100,000,000	524,900,000,000
Acquisition of financial assets at fair value through other comprehensive income			(2,969,257,530)
Disposition of financial assets at fair value through other comprehensive income	1,968,992,777		
Settlement of derivatives		(623,700,000)	(5,674,250,000)
Cash inflows from merger with a subsidiary		112,905,555,751	
Acquisition of subsidiary investment stocks			(136,676,000)
Increase in leasehold deposits paid	(9,270,000,000)	(6,821,129,958)	(155,765,000)
Decrease in leasehold deposits paid		1,500,000	
Withdrawals of short term loans	4,200,000,000		21,539,000,000
Purchase of property, plant and equipment	(84,000,000)	(12,818,118,343)	(38,547,392,489)
Proceeds from sales of property, plant and equipment		90,255,872	202,058,868
Acquisition of associate investment stocks		(3,000,000,000)	(104,233,250,508)
Decrease in associate investment stocks			520,000,000

Item	67 th Period	68 th Period	69 th Period
Purchase of intangible assets	(600,742,835)	(1,860,163,014)	(1,787,953,614)
Disposition of intangible assets	178,000,000	548,682,726	
Acquisition of investment property		(26,474,196,124)	
Cash flow from financial activities	(35,844,141,695)	(40,824,470,942)	(72,870,136,271)
Proceeds from short term borrowings		2,224,038,418	
Repayments of short term borrowings			(14,173,802,341)
Increase in leasehold deposits received		10,103,440,900	120,000,000
Decrease in leasehold deposits received	(3,570,244,600)	(6,160,354,600)	(1,080,000,000)
Payments of finance lease liabilities	(180,618,045)	(736,119,274)	(776,519,910)
Acquisition of treasury shares		(22,442,466)	
Dividends payout	(32,093,279,050)	(46,233,033,920)	(56,959,814,020)
Net increase (decrease) in cash and cash equivalents	(33,870,207,998)	60,255,728,981	15,403,383,904
Cash and cash equivalents at beginning of period	37,634,921,503	3,764,713,505	63,981,542,776
Effect of exchange rate changes on cash and cash equivalents		(38,899,710)	(50,336,390)
Cash and cash equivalents at end of period	3,764,713,505	63,981,542,776	79,334,590,290

Financial Statements of Hankook & Company Co., Ltd.

Consolidated Statement of Financial Position Hankook & Company Co., Ltd. (formerly Hankook Technology Group Co., Ltd.) and Subsidiaries

End of 11th Period as of Dec. 31, 2022End of 10th Period as of Dec. 31, 2021

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
End of the (Current) 11th Period		
Current assets	5,509,241,836,761	6,436,304,422,676
Cash and cash equivalents	1,062,042,415,822	1,139,442,351,244
Short-term financial instruments	480,020,611,895	594,766,221,730
Financial assets (current) at fair value through profit or loss	458,986,404,900	252,793,629,034
Trade receivables and other receivables	1,507,331,360,493	1,710,111,271,804
Inventories	1,896,588,732,234	2,449,545,168,458
Other financial assets	10,800,198,366	126,156,619,090
Other current assets	28,887,595,290	131,214,208,950
Current tax assetd	26,849,797,761	32,274,952,366
Assets held for sale	37,734,720,000	-
Non-current assets	6,185,054,751,260	6,145,059,736,329
Long-term financial instruments	114,001,639,372	114,904,678,620
Long-term trade and other receivables	43,767,767,724	56,040,676,275
Other financial assets	181,228,516,103	109,758,282,782
Financial assets (current) at fair value through other comprehensive income	87,229,257,385	166,538,583,245
Financial assets at fair value through profit or loss	89,231,325,445	110,501,621,196
Investments in associates and joint ventures	1,186,644,598,081	1,177,113,111,526
Tangible assets	3,821,452,959,263	3,687,477,399,217
Investment property	120,028,846,702	113,388,864,934
Intangible assets	263,637,548,690	254,483,011,433
Other non current assets	35,561,816,160	32,425,865,962
Net defined benefit assets	46,706,577,508	89,706,924,388
Deferred tax assets	195,563,898,827	232,720,716,751
자산총계	11,694,296,588,021	12,581,364,159,005

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Liabilities		
Current liabilities	1,869,177,489,179	2,887,075,507,092
Trade and other payables	1,152,501,042,126	1,210,829,036,305
Borrowings	457,294,467,407	1,351,443,155,131
Current tax liabilities	20,035,168,789	120,391,661,756
Provisions	10,017,416,591	16,857,757,209
Other financial liabilities	24,744,990,831	5,856,851,152
Other current liabilities	204,584,403,435	181,697,045,539
Non-current liabilities	1,629,604,808,651	818,579,403,934
Borrowings	1,363,090,829,239	585,073,027,887
Net defined benefit liability	7,507,521,237	7,326,855,120
Provisions	71,691,730,603	29,366,721,848
Other financial liabilities	23,142,640,366	22,685,509,692
Other non-current liabilities	116,538,948,931	117,049,810,402
Deferred tax liability	47,633,138,275	57,077,478,985
Total liabilities	3,498,782,297,830	3,705,654,911,026
Equity		
Equity attributable to owners of the parent company	8,158,148,201,234	8,807,110,452,160
Capital stock	61,937,534,500	61,937,534,500
Other paid-in capital	2,927,985,079,797	2,962,186,308,460
Elements of other stockholder's equity	(12,766,416,324)	(61,811,586,273)
Retained earnings	5,180,992,003,261	5,844,798,195,473
Non-controlling interest	37,366,088,957	68,598,795,819
Total equity	8,195,514,290,191	8,875,709,247,979
Total liabilities and equity	11,694,296,588,021	12,581,364,159,005

Consolidated Statement of Comprehensive Income

Hankook Tire & Technology Co., Ltd. and its subsidiaries

For the period from January 1, 2022 to December 31, 2022

For the period from January 1, 2021 to December 31, 2021

(unit: KRW)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Sales	7,141,136,827,775	8,394,203,036,511
Cost of sales	(5,193,837,389,553)	(6,291,656,293,699)
Gross profit	1,947,299,438,222	2,102,546,742,812
Selling and administrative expenses	(1,125,821,549,545)	(1,208,466,113,277)
R&D expenses	(179,284,982,235)	(188,262,540,496)
Operating profit	642,192,906,442	705,818,089,039
Financial income	82,946,535,252	144,685,378,544
Financial cost	(87,378,111,518)	(146,434,463,635)
Other non-operating income	206,470,409,736	483,081,997,419
Other non-operating expenses	(174,842,971,893)	(314,180,626,003)
Share of profit(loss) of associates	43,464,338,640	(11,553,141,303)
Loss on net monetary position	-	(3,063,407,727)
Profit before income tax	712,853,106,659	858,353,826,334
Income tax expense	(118,139,105,520)	(152,579,300,356)
Net income	594,714,001,139	705,774,525,978
Other comprehensive income(loss) for the period, net of tax	272,899,643,774	9,576,235,981
Items that will not be reclassified subsequently to profit or loss	18,308,319,277	63,969,428,773
Financial assets at fair value through other comprehensive income	12,999,921,873	(3,906,897,655)
Remeasurements of net defined benefit liabilities	4,048,107,099	61,225,140,023
Remeasurements of net defined benefit liabilities of associates	1,260,290,305	6,651,186,405
Items that might be reclassified subsequently to profit or loss	254,591,324,497	(54,393,192,792)
Cash flow hedge	(488,535,033)	(4,920,557,066)
Changes in capital of associates due to equity method	16,190,169,416	4,138,988,223
Gains and losses on overseas operations translation	238,889,690,114	(53,611,623,949)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Total comprehensive income for the period	867,613,644,913	715,350,761,959
Profit attributable to:		
Owner of the parent company	588,191,994,161	690,248,871,529
Non-controlling interests	6,522,006,978	15,525,654,449
Total comprehensive income for the year attributable to:		
Owner of the parent company	859,945,986,716	700,153,149,363
Non-controlling interests	7,667,658,197	15,197,612,596
Earnings per share		
Basic and diluted earnings per share	4,822	5,658

Consolidated Statement of Changes in Stockholders' Equity

Hankook Tire & Technology Co., Ltd. and its subsidiaries

For the period from January 1, 2022 to December 31, 2022

For the period from January 1, 2021 to December 31, 2021

(unit: KRW)

Item	Equity capital	Other paid-in capital	Elements of other stockholder's equity	Retained earnings	Attributable to owners of the parent company	Non-controlling interests	Total
I. Balance at January 1, 2020	61,937,534,500	2,927,985,079,797	(277,692,786,109)	4,665,265,075,780	7,377,494,903,968	34,652,618,260	7,412,147,522,228
Total comprehensive income:							
Net income	-	-	-	588,191,994,161	588,191,994,161	6,522,006,978	594,714,001,139
Cash flow hedge	-	-	(488,535,033)	-	(488,535,033)	-	(488,535,033)
Gains(losses) on revaluation and disposition of equity instruments at fair value through other comprehensive income	-	-	11,479,411,443	1,519,225,366	12,998,636,809	1,285,064	12,999,921,873
Remeasurements of net defined benefit liabilities	-	-	-	4,048,107,099	4,048,107,099	-	4,048,107,099
Remeasurements of net defined benefit liabilities of associates	-	-	-	1,260,290,305	1,260,290,305	-	1,260,290,305
Changes in capital due to equity method	-	-	16,190,169,416	-	16,190,169,416	-	16,190,169,416
Gains and losses on overseas operations translation	-	-	237,745,323,959	-	237,745,323,959	1,144,366,155	238,889,690,114
Transactions with the owner:							
Annual dividend payout	-	-	-	(79,292,689,450)	(79,292,689,450)	(4,954,187,500)	(84,246,876,950)
II. Balance at December 31, 2021	61,937,534,500	2,927,985,079,797	(12,766,416,324)	5,180,992,003,261	8,158,148,201,234	37,366,088,957	8,195,514,290,191
III. Balance at January 1, 2022	61,937,534,500	2,927,985,079,797	(12,766,416,324)	5,180,992,003,261	8,158,148,201,234	37,366,088,957	8,195,514,290,191
Total comprehensive income:							
Net income	-	-	-	690,248,871,529	690,248,871,529	15,525,654,449	705,774,525,978
Cash flow hedge	-	-	(4,920,557,066)	-	(4,920,557,066)	-	(4,920,557,066)
Revaluation gains(losses) on equity instruments at fair value through other comprehensive income	-	-	5,021,714,285	(8,926,878,645)	(3,905,164,360)	(1,733,295)	(3,906,897,655)
Remeasurements of net defined benefit liabilities	-	-	-	61,225,140,023	61,225,140,023	-	61,225,140,023
Remeasurements of net defined benefit liabilities of associates	-	-	-	6,651,186,405	6,651,186,405	-	6,651,186,405
Changes in capital due to equity method	-	-	4,138,988,223	-	4,138,988,223	-	4,138,988,223
Gains and losses on overseas operations translation	-	-	(53,285,315,391)	-	(53,285,315,391)	(326,308,558)	(53,611,623,949)
Transactions with the owner:							
Annual dividend payout	-	-	-	(85,392,127,100)	(85,392,127,100)	-	(85,392,127,100)
Capital surplus directly reflected to equity	-	22,875,135,616	-	-	22,875,135,616	-	22,875,135,616
Transactions with non-controlling interests	-	11,326,093,047	-	-	11,326,093,047	16,035,094,266	27,361,187,313
IV. Balance at December 31, 2022	61,937,534,500	2,962,186,308,460	(61,811,586,273)	5,844,798,195,473	8,807,110,452,160	68,598,795,819	8,875,709,247,979

Consolidated Statement of Cash Flows

Hankook & Company Co., Ltd. and Subsidiaries

For the period from January 1, 2022 to December 31, 2022
For the period from January 1, 2021 to December 31, 2021
(unit: KRW)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
I. Cash flow from operations	841,528,140,376	504,570,700,349
1. Cash generated from business operation	982,925,245,123	621,701,038,838
(1) Net income	594,714,001,139	705,774,525,978
(2) Adjustments of profits and expenses	808,562,633,956	708,217,881,745
(3) Change in assets and liabilities from business operation	(420,351,389,972)	(792,291,368,885)
2. Interest income received	14,746,984,625	30,033,447,925
3. Interest income paid	(46,050,670,329)	(62,275,449,254)
4. Dividends received	41,825,430,526	40,095,139,590
5. Income tax paid	(151,918,849,569)	(124,983,476,750)
II. Cash flow from investment activities	(766,568,630,129)	(332,001,472,784)
Net change in short-term financial instruments	(214,886,865,679)	(88,152,906,831)
Net change in f long term financial products	(114,621,023,135)	(160,000,000)
Acquisition of financial assets at fair value through profit or loss	(741,409,706,019)	(545,822,311,022)
Disposition of financial assets at fair value through profit or loss	750,349,291,802	727,019,618,461
Acquisition of equity instruments at fair value through other comprehensive income	(56,862,952,638)	(73,977,588,331)
Disposition of equity instruments at fair value through other comprehensive income	23,191,364,836	1,751,813,996
Purchase of property, plant and equipment	(327,532,065,388)	(294,810,753,901)
Proceeds from sales of property, plant and equipment	23,780,254,091	45,509,421,348
Purchase of intangible assets	(11,334,051,836)	(12,902,411,147)
Disposition of intangible assets	142,875,566	123,826,630
Disposition of investment property	-	4,587,532,523
Settlement of derivative instruments	1,404,449,657	(33,313,914,258)
Net change in other financial assets	1,184,331,243	(42,832,885,641)
Withdrawal of financial lease receivables	4,383,911,138	2,315,892,347
Acquisition of investment stocks in associates and joint ventures	(90,100,000,000)	(68,150,291,571)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Disposition of investment stocks in associates and joint ventures	-	50,101,919,974
Payment of leasehold deposits	(15,978,844,166)	(3,408,910,079)
Withdrawal of leasehold deposits	1,720,400,399	120,474,718
III. Cash flow from financial activities	(79,087,922,902)	(90,399,172,410)
Net increase/decrease of short term borrowings	(23,245,627,797)	26,553,596,386
Net increase/decrease of long term borrowings	127,388,956,000	2,865,376,000
Return (payment) of debenture issuance costs	34,023,860	-
Redemption of lease liabilities	(57,839,742,293)	(62,537,727,326)
Redemption of current long term liabilities	(45,776,800,000)	-
Withdrawal of leasehold deposits	4,103,304,802	750,687,350
Payment of leasehold deposits	(313,366,000)	(141,658,000)
Dividends paid to owners of parent company	(79,289,480,530)	(85,388,677,290)
Increase/decrease in financial liabilities attributable to non-controlling interests	804,996,556	452,727,137
Dividends for non-controlling interests	(4,954,187,500)	-
Paid-in capital increase	-	27,106,503,333
IV. Net increase (decrease) in cash and cash equivalents	(4,128,412,655)	82,230,055,155
V. Effects of financial reporting in hyperinflationary economies	-	2,635,070,326
VI. Cash and cash equivalents at beginning of period	1,060,864,709,315	1,062,042,415,822
VII. Effect of exchange rate changes on cash and cash equivalents	5,306,119,162	(7,465,190,059)
VIII. Cash and cash equivalents at end of period	1,062,042,415,822	1,139,442,351,244

Separate Statement of Financial Position

Hankook Tire & Technology Co., Ltd

For the period from January 1, 2022 to December 31, 2022

For the period from January 1, 2021 to December 31, 2021

(unit: KRW)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Assets		
Assets	1,812,204,359,412	1,930,659,450,654
Cash and cash equivalents	48,370,697,760	204,462,825,015
Financial assets at fair value through profit or loss	273,880,863,819	89,336,580,464
Trade and other receivables	938,827,772,240	995,812,890,056
Inventory	346,148,741,033	505,645,389,929
Other financial assets	132,896,991,321	71,360,787,734
Other current assets	24,882,118,443	64,040,977,456
Current tax assets	9,462,454,796	-
Assets held for sale	37,734,720,000	-
Non-current assets	4,798,790,265,549	4,838,448,437,706
Long-term financial instruments	12,000,000	12,000,000
Long-term trade and other receivables	19,317,091,414	31,819,655,014
Other financial assets	129,967,325,583	95,501,801,797
Financial assets at fair value through other comprehensive income	46,381,721,150	111,458,815,590
Financial assets at fair value through profit or loss	89,231,325,445	105,583,271,324
Investments in associates and joint ventures	1,132,481,213,000	1,151,508,486,880
Investments in subsidiaries	1,524,434,868,079	1,525,422,226,254
Property, plant and equipment	1,542,259,217,659	1,530,420,785,087
Investment property	145,052,860,939	138,059,866,788
Intangible assets other than goodwill	27,314,797,312	28,905,248,846
Other non-current assets	37,862,882,345	106,268,949
Net defined benefit assets	46,662,055,379	85,054,551,835
Deferred tax assets	57,812,907,244	34,595,459,342
Total assets	6,610,994,624,961	6,769,107,888,360

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Liabilities		
Current liabilities	939,690,262,209	1,528,490,500,980
Trade and other payables	358,303,486,638	472,753,310,375
Borrowings	394,739,579,255	922,052,493,145
Current tax liabilities	-	70,192,315,801
Provisions	9,092,145,847	15,822,668,067
Other financial liabilities	7,228,311,803	5,761,373,311
Other current liabilities	170,326,738,666	41,908,340,281
Non-current liabilities	971,139,998,049	302,558,729,777
Borrowings	853,746,851,336	227,800,112,071
Provisions	51,594,716,864	12,403,914,122
Other financial liabilities	23,766,403,825	22,009,049,755
Other non-current liabilities	42,032,026,024	40,345,653,829
Total liabilities	1,910,830,260,258	1,831,049,230,757
Equity		
Capital stock	61,937,534,500	61,937,534,500
Other paid-in capital	2,413,347,290,572	2,413,347,290,572
Elements of other stockholder's equity	7,526,561,253	8,134,536,173
Retained earnings	2,217,352,978,378	2,454,639,296,358
Total equity	4,700,164,364,703	4,938,058,657,603
Total equity and liabilities	6,610,994,624,961	6,769,107,888,360

Separate Statement of Comprehensive Income

Hankook Tire & Technology Co., Ltd.

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Sales	2,915,221,705,245	3,471,707,381,551
Cost of sales	(2,377,256,583,280)	(2,806,578,103,084)
Gross profit	537,965,121,965	665,129,278,467
Selling and administrative expenses	(503,791,597,978)	(516,592,117,533)
R&D expenses	(164,227,319,444)	(173,599,558,732)
Operating profit	(130,053,795,457)	(25,062,397,798)
Financial income	52,412,650,642	81,278,886,146
Financial cost	(54,136,334,108)	(95,674,829,241)
Other non-operating income	308,836,995,507	491,494,043,597
Other non-operating expenses	(67,051,538,697)	(114,575,261,105)
Profit before income tax	110,007,977,887	337,460,441,599
Income tax expense	(12,228,548,177)	(74,047,399,320)
Net income	97,779,429,710	263,413,042,279
Other comprehensive income(loss) for the period, net of tax	10,385,931,895	59,873,377,721
Items that will not be reclassified subsequently to profit or loss	10,874,466,928	64,793,934,787
Financial assets at fair value through other comprehensive income	10,653,939,494	5,528,531,986
Remeasurements of net defined benefit liabilities	220,527,434	59,265,402,801
Items that might be reclassified subsequently to profit or loss	(488,535,033)	(4,920,557,066)
Cash flow hedge	(488,535,033)	(4,920,557,066)
Total comprehensive income for the period	108,165,361,605	323,286,420,000
Earnings per share		
Basic and diluted earnings per share	802	2,159

Separate Statement of Changes in Equity

Hankook Tire & Technology Co., Ltd.

For the period from January 1, 2022 to December 31, 2022

For the period from January 1, 2021 to December 31, 2021

(unit: KRW)

Item	Equity capital	Other paid-in capital	Elements of other stockholder's equity	Retained earnings	Total
I. Opening balance (Jan 1, 2021)	61,937,534,500	2,413,347,290,572	(2,638,843,208)	2,198,645,710,684	4,671,291,692,548
Net comprehensive income:					
Net income	-	-	-	97,779,429,710	97,779,429,710
Cash flow hedge	-	-	(488,535,033)	-	(488,535,033)
Financial assets at fair value through other comprehensive income	-	-	10,653,939,494	-	10,653,939,494
Remeasurements of net defined benefit liabilities	-	-	-	220,527,434	220,527,434
Transactions with owners:					
Cash dividends	-	-	-	(79,292,689,450)	(79,292,689,450)
II. Closing balance (Dec 31, 2021)	61,937,534,500	2,413,347,290,572	7,526,561,253	2,217,352,978,378	4,700,164,364,703
III. Opening balance (Jan 1, 2022)	61,937,534,500	2,413,347,290,572	7,526,561,253	2,217,352,978,378	4,700,164,364,703
Net comprehensive income:					
Net income	-	-	-	263,413,042,279	263,413,042,279
Cash flow hedge	-	-	(4,920,557,066)	-	(4,920,557,066)
Financial assets at fair value through other comprehensive income	-	-	5,528,531,986	-	5,528,531,986
Remeasurements of net defined benefit liabilities	-	-	-	59,265,402,801	59,265,402,801
Transactions with owners:					
Cash dividends	-	-	-	(85,392,127,100)	(85,392,127,100)
IV. Closing balance (Dec 31, 2022)	61,937,534,500	2,413,347,290,572	8,134,536,173	2,454,639,296,358	4,938,058,657,603

Separate Statement of Cash Flows

Hankook Tire & Technology Co., Ltd.

For the period from January 1, 2022 to December 31, 2022

For the period from January 1, 2021 to December 31, 2021

(unit: KRW)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
I. Cash flow from operations	113,498,538,668	269,990,438,054
1. Cash generated from business operation	143,287,996,868	257,409,666,547
(1) Net income	97,779,429,710	263,413,042,279
(2) Adjustments of profits and expenses	235,683,940,613	191,346,253,329
(3) Change in assets and liabilities from business operation	(190,175,373,455)	(197,349,629,061)
2. Interest income received	5,054,863,234	6,147,483,036
3. Interest income paid	(24,281,609,621)	(33,331,153,468)
4. Dividends received	48,390,490,576	39,966,444,990
5. Income tax paid	(58,953,202,389)	(202,003,051)
II. Cash flow from investment activities	(214,664,111,591)	124,287,996,860
Acquisition of financial assets at fair value through profit or loss	(690,221,051,503)	(549,596,597,920)
Disposition of financial assets at fair value through profit or loss	750,349,291,802	713,211,345,735
Acquisition of equity instruments at fair value through other comprehensive income	(32,087,214,660)	(57,876,671,080)
Disposition of equity instruments at fair value through other comprehensive income	33,209,837,645	-
Acquisition of investments in subsidiaries	(111,700,000,000)	(1,246,724,040)
Acquisition of investments in associates or joint ventures	(90,100,000,000)	(68,150,291,571)
Disposition of investments in associates or joint ventures	24,531,492,611	50,101,919,974
Disposition of investment property	-	4,587,532,523
Purchase of property, plant and equipment	(204,277,025,986)	(147,412,853,689)
Proceeds from sales of property, plant and equipment	15,644,734,675	10,612,870,819
Purchase of intangible assets	(8,511,037,577)	(7,340,863,022)
Withdrawal of financial lease receivables	1,075,200,000	1,172,700,000
Settlement of derivative instruments	(2,506,166,611)	462,242,534
Acquisition of other financial assets	(865,642,418)	(2,731,709,121)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
Disposition of other financial assets	114,345,272,868	147,689,678,750
Payment of leasehold deposits	(15,403,132,709)	(155,057,750)
Withdrawal of leasehold deposits	1,851,330,272	120,474,718
Assets held for sale	-	30,840,000,000
III. Cash flow from financial activities	79,256,800,739	(236,515,282,309)
Net increase/decrease of short term borrowings	160,425,603,398	(144,477,163,353)
Issuance of debentures	34,023,860	-
Return (payment) of debenture issuance costs	(313,366,000)	(141,658,000)
Redemption of debendures	5,605,973,000	1,022,695,000
Payment of leasehold deposits	(7,205,952,989)	(7,530,478,666)
Withdrawal of leasehold deposits	(79,289,480,530)	(85,388,677,290)
Redemption of lease liabilities	(8,690,110,396)	(7,205,952,989)
Acquisition of treasury shares	(43,760,700,900)	-
Dividend payout	(68,116,259,340)	(79,289,480,530)
IV. Net increase (decrease) in cash and cash equivalents	(21,908,772,184)	157,763,152,605
V. Cash and cash equivalents at beginning of period	72,692,061,597	48,370,697,760
VI. Effect of exchange rate changes on cash and cash equivalents	(2,412,591,653)	(1,671,025,350)
VII. Cash and cash equivalents at end of period	48,370,697,760	204,462,825,015

Statement of Appropriation of Retained Earnings

Hankook Tire & Technology Co., Ltd.

For the period from January 1, 2022 to December 31, 2022

For the period from January 1, 2021 to December 31, 2021

(unit: KRW)

Item	End of the (Preceding) 10 th Period	End of the (Current) 11 th Period
1. Unappropriated retained earnings	1,993,054,964,293	2,230,341,282,273
Unappropriated retained earnings carried over from prior years	1,895,055,007,149	1,907,662,837,193
Net income	97,779,429,710	263,413,042,279
Re-measurement component of defined benefit plans	220,527,434	59,265,402,801
2. Appropriations of retained earning	85,392,127,100	97,591,002,400
Cash dividends	85,392,127,100	97,591,002,400
(Dividends per common share (yield ratio): KRW 800 (160%) for the current period) KRW 700 (140%) for the previous period))		
3. Unappropriated retained earnings to be carried over to subsequent period	1,907,662,837,193	2,132,750,279,873

Appropriation date: 29 March, 2023 (planned)

Appropriation date: 30 March, 2022 (confirmed)

Global Network

Hankook & Company Co., Ltd.

R&D Center

Yuseng-daero 935 beon-gil 50, Yuseong-gu, Daejeon, 34127 Korea
Tel: 82-42-724-1000

Daejeon Plant

185, Daejeon-ro 1331beon-gil, Daedeok-gu, Daejeon, 34365 Korea
Tel: 82-42-620-4242 Fax: 82-42-623-9380

Jeonju Plant

40, Wanjusandan 2-ro, Bongdong-eup, Wanju_Gun, Jeollabuk-do, 55323 Korea
Tel: 063-260-7281 Fax: 82-63-262-8822

Hankook&Company ES America Corp

1325 International Blvd. Clarksville, TN 37040
Tel: 931-999-8249 Fax: 931-999-1624

Hankook&Company ES Deutschland GmbH

Siemensstraße 14, 63263, Neu-Isenburg, Germany
Tel: 49-6102-8149-250

Dubai Office

5EA 602, Dubai Airport Freezone (DAFZA) Dubai, UAE. PO Box 371035
Tel: 971-4-609-1655

Hankook Tire & Technology Co., Ltd.

Global Headquarters

286, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 13494 Korea
Tel: 82-31-5178-7000 Fax: 82-31-5178-7000

Hankook Tire Europe Headquarters

Siemensstraße 14, 63263, Neu-Isenburg, Germany
Tel: 49-6102-8149-000 Fax: 49-06102-8149-100

Hankook Tire America Headquarters

333 Commerce st. Suite 600. Nashville, TN 37201, U.S.A.
Tel: 1-615-432-0700 Fax: 1-615-242-8709

Hankook Tire China Headquarters

8F Jinghe Center, No.68 Hongcao Road, Xuhui District, Shanghai 200233, China
Tel: 86-21-2422-5888 Fax: 86-21-3363-7180

Plant

Daejeon Plant

Daedukdae-ro 1447-gil 40, Daedeok-gu, Daejeon, Korea Tel: 82-42-930-1114
Fax: 82-42-931-0597

Geumsan Plant

Kumgang-ro 1 Hankooktire, Jewon-myeon, Geumsan-gun, Chungcheongnam-do, Korea
Tel: 82-41-750-5000 Fax: 82-41-750-5481

Tennessee Plant

2950 International Blvd, Clarksville, TN 37043, U.S.A.
Tel: 1-931-472-3479

Jiangsu Plant

No. 1 South Hantai Road, Huaian Economic Development Zone, Jiangsu, China
Tel: 86-517-8318-5000 Fax: 86-517-8318-5100

Jiaxing Plant

Dongfang Road, Jiaxing E.D.Z, Zhejiang, China
Tel: 86-573-8216-1114 Fax: 86-573-8220-5086

Chongqing Plant

No.108 Changan Avenue, Yuzui town, Jiangbei district, Chongqing, China
Tel: 86-023-6035-9427 Fax: 86-021-6035-9418

Indonesia Plant

Jl. Kenari Raya G3-01 Delta Silcon5 Industrial Park, Desa Cicau, Cikarang Pusat, Bekasi 17550, Java Barat, Indonesia Tel: 62-21-8988-0063

Hungary Plant

2459 Hankook tér 1, Rácalmás, Hungary
Tel: 36-25-556-097 Fax: 36-25-556-359

Subsidiaries

Hankook Reifen Deutschland GmbH

Siemensstraße 14, 63263, Neu-Isenburg, Germany
Tel: 49-6102-4318-000 Fax: 49-06102-4318-499

Hankook Tyre U.K. Ltd.

Fawsley Drive, Heartlands Business Park, Daventry, Northamptonshire, NN11 8UG, U.K.
Tel: 44-1327-304-100 Fax: 44-1327-304-110

Hankook France S.A.R.L.

Le Patio, 35-37 rue Louis Guerin, 69100 Villeurbanne, France
Tel: 33-4-7269-7640 Fax: 33-4-7894-1572

Hankook Tire Italia S.R.L.

Edison Park Center, Edificio A Viale T.Edison n.110 20099 Sesto San Giovanni (MI), Italy
Tel: 39-02-243-416-1 Fax: 39-02-243-416-89

Hankook España, S.A

Calle Teide nº 3, Planta 3ª, Oficina 3. 28703 San Sebastián de los Reyes Madrid
Tel: 34-914-905-088 Fax: 34-916-629-802

Hankook Tire Netherlands B.V.

Siriusdreef 35, 2132 WT, Hoofddorp, The Netherands
Tel: 31(0)23-5-54-15-50 Fax: 31(0)23-5-54-15-60

Hankook Tire Polska SP. Z O.O.

Komitetu Obrony Robotników 48 street, 02-146 Warszawa Poland
Tel: 48-22-395-5735

Hankook Tire Sweden AB

Kanalvägen 12, 194 61 Upplands Väsby, Sweden
Tel: 46(0)10-130-2100 Fax: 46(0)10-130-2121

Hankook Tire Rus LLC

Business Center "Alcon", 1st floor, Bld.4, Leningradsky Prospect 72, Moscow, Russia, 125315
Tel: 7-495-268-01-00

Hankook Lastikleri A.S.

Business İstanbul Merdivenköy Mah. Yumurtacı Abdi Bey Cad. Dikyol Sok. No:2A B BlokKat :14 Kadıköy / İstanbul Türkiye
Tel: 90-216-606-3616 Fax: 90-216-606-36-41

Hankook Tire Budapest Kereskedelmi Kft.

IP West Building, Budafoki ut 91-93 H-1117 Budapest, Hungary
Tel: 36-1-464-3660 Fax: 36-1-464-3669

Hankook Tire Ceska Republika s.r.o.

Jihlavská 1558/21 140 00 Praha 4 - Michle Czech Republic
Tel: 420-244-914-901 Fax: 420-241-403-563

Hankook Tire Ukraine LLC

Business Center "Horizon Park" Mykola Hrinchenko, Bld. 4V, Kiev, 03038, Ukraine
Tel: 38-044-359-14-20

Hankook Tire Austria GmbH

Concorde Business Park 2 / F / 9 2320 Schwechat, Austria
Tel: 43 (0)1 706 25 26 Fax: 43 (0)1 706 25 26 - 99

Hankook Tire d.o.o Beograd-Novi Beograd

Milentija Popovica 5v, 7th floor, app.24 11070 New Belgrade Republic of Serbia
Tel: 381-11-745-5291

Hankook Tire Canada Corp.

30 Resolution Drive, Brampton, ON, L6W 0A3, Canada
Tel: 1-905-463-9802 Fax: 1-905-463-9792

Hankook Tire DE Mexico, S.A. DE C.V.

Periferico. Boulevard Manuel Ávila Camacho 118, Office 1101, Piso 11, Col. Lomas de Chapultepec, Miguel Hidalgo, 11000 Ciudad de México, CDMX
Tel: 52-55-5535-1104/1106/1058/1072

Hankook Tire Colombia Ltda.

Calle 100 No 19 -54 Oficina 301, Bogotá, Colombia
Tel: 571-743-4545

Global Network

Hankook Tire Co., Ltd. Agencia En Chile

Av. Vitacura 2771 Oficina 1304, Las Condes, Santiago, Chile
Tel: 56-2-2596-8460

Hankook Tire Do Brasil

Rua George Ohm 230 - CJ 82 Brooklin - Sao Paulo/SP - CEP 04576-020 Brasil
Tel: 55-11-3045-0544 Fax: 55-11-3045-2119

Hankook Tire Panama Ltda.

Oceania Business Plaza, Torre 1000, Oficina 18A,
Punta pacifica, Panama city, Panama
Tel: 507-263-3008 Fax: 507-263-3006

Asia Pacific Division

Jl. Sultan Iskandar Muda, Gandaria 8 Office tower, 22nd Floor, Kebayoran Lama, Jakarta Selatan, 12240 Jakarta, Indonesia
Tel: 62-21-2930-3860 Fax: 62-21-2930-3855

PT. Hankook Tire Sales Indonesia

Jl. Sultan Iskandar Muda, Gandaria 8 Office tower, 22nd Floor, Kebayoran Lama, Jakarta Selatan, 12240 Jakarta, Indonesia
Tel: 62-21-2930-3860 Fax: 62-21-2930-3855

Hankook Tire Japan Corp.

9th Fl, Naniwasuji Honmachi Mid Bldg.2-3-2,
Utsubo-Honmachi, Nishi-ku, Osaka, Japan
Tel: 81-6-4803-8871 Fax: 81-6-4803-8882

Hankook Tyre Australia Pty., Ltd.

Building A, Level 3, 11 Talavera Road, Macquarie Park, NSW 2113, Australia
Tel: 61-2-9870-1200 Fax: 61-2-9870-1201

Hankook Tire Malaysia SDN. BHD.

32-01(a), Premier Suite, Menara 1MK, Kompleks 1 Mont' Kiara,
No.1, Jalan Kiara, Mont' Kiara, 50480 Kuala Lumpur, Malaysia
Tel: 60-3-6206-1875 Fax: 60-3-6206-2877

Hankook Tire Thailand Co., Ltd.

#140 One Pacific Place Bldg, 15 floor, Rm 1505-1506 Sukhumvit Rd.,
Klongtoey, Bangkok 10110, Thailand
Tel: 66-2-653-3790 Fax: 66-2-653-4185

Hankook Tire Vietnam Co., Ltd.

Unit 605, 6th Floor, Centre Point Building,
106 Nguyen Van Troi, Ward 8, Phu Nhuan District, Ho Chi Minh City, Vietnam
Tel: 84-28-6273-0103

Hankook Tire Co., Ltd. Taiwan Representative Office

Office 2407, 24F, No.333, Keelung Rd, Sec.1, Taipei City, Taiwan
Tel: 886-2-2757-7327

Hankook Tire Almaty Rep. Office

Business Center "BNC Plaza" Office 732,
Tumiryazeva street 26, Almaty, Kazakhstan
Tel: +7-771-789-0404/7-771789-0405

Hankook Tire Middle East and Africa FZE

Office 1607 & 1608, Tower A, JAFZA One,
Jebel Ali Freezone, Dubai, UAE
Tel: 00971-4-332-1330 Fax: 00971-4-332-1314

Hankook Tire Co., Ltd. Jeddah Office

P.O. Box 5922, Jeddah 21432, Kingdom of Saudi Arabia
Tel: 966-12-680-6160 Fax: 966-12-680-6468

Hankook Tire Co., Ltd. Cairo Office

Blg #3A Tower, Maadi Star Towers, Cornich Nile Maadi,
Fl# 22 Flat left Elevator, Cairo, Egypt.
Tel: 20-2-2526-0010

R&D Centers

Hankook Technodome

Yuseng-daero 935 beon-gil 50, Yuseong-gu, Daejeon, Korea
Tel: 82-42-724-1000

Japan Technical Liaison Office

8F GrandSquare Meiekiminami, 1-12-9, Meiekiminami, Nakamura-ku,
Nagoya, Aichi 450-0003, Japan
Tel: 81-52-589-0761 Fax: 81-52-589-0763

Europe Technical Center

Reinhold-Schleese Str. 14, 30179 Hannover, Germany
Tel: 49-511-6460-9734

America Technical Center

3535 Forest Lake Drive, Uniontown, Ohio 44685, USA
Tel: 1-330-896-6199

China Technical Center

No.1677, Dongfang Road, Jiaxing E.D.Z, Zhejiang, China
Tel: 86-573-8216-1644 Fax: 86-573-8216-1382

Hankook Precision Works Co., Ltd.

Headquarters

45, Munpyeongseo-ro, Daedeok-gu, Daejeon, 34303 Korea
Tel: 82-42-930-9000 Fax: 82-42-930-9201

Jiaxing Plant

No.676 Changsheng East Rd, Jiaxing, China
Tel: 86-573-8222-9710 Fax: 86-573-8222-9708

Chongqing Mold Repair Shop

No.108 Chang'an Rd, Jiangbei, Chongqing, China
Tel: 86-185-2316-7204

Hankook Engineering Works Co., Ltd.

Headquarters

112, Gajeongbuk-ro, Yuseong-gu, Daejeon, 34111 Korea
Tel: 82-42-715-3262 Fax: 82-42-715-3290

Daejeon Plant

30, Daehwa-ro 52beon-gil, Daedeok-gu, Daejeon, 34364 Korea
Tel: 82-42-670-5857 Fax: 82-42-634-5886

China Plant

125 Tiandaiqiao Road, Jiaxing Economic Development Zone,
Jiaxing, Zhejiang, China
Tel: 86-573-8393-9802 Fax: 86-573-8393-9812

Okcheon Plant

79, Okcheonnonggong-gil, Okcheon-eup, Okcheon-gun, Chungcheongbuk-do
Tel: 82-43-730-8524 Fax: 82-43-730-8510

Hankook Networks Co., Ltd

Headquarters

4th Fl, 286, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do,
13494 Korea
Tel: 82-31-5178-8200

Hankook Networks America, Inc

2950 International Blvd, Clarksville, TN 37043, USA

Hankook Car & Life Co., Ltd

Headquarters

286, Pangyo-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, 13494 Korea
Tel: 82-31-5178-7000 Fax: 82-31-5178-7000

Hankook Donggeurami Partners Co., Ltd.

Headquarters

40, Daedeok-daero 1447beon-gil, Daedeok-gu, Daejeon, 34300 Korea
Tel: 82-42-930-1244 Fax: 82-42-930-1260

Model Solution Co., Ltd.

Headquarters

24, Beotkkot-ro 20-gil, Geumcheon-gu, 08582, Korea
Tel: 82-2-896-0311 Fax: 82-2-896-0318

MSUS Office

4677 Old Ironsides Drive, Suite 400, Santa Clara, CA 95054, USA
Tel: 1-408-320-2220

Milestones

1940

- 1941 · Founded the Company
- 1979 · Completed the Daejeon Plant in Korea
- 1981 · Established the Hankook Tire America Corporation
- 1982 · Established the Main R&D Center in Korea

1990

- 1992 · Established the America Technical Center (ATC) in the U.S.
- 1994 · Established the Beijing Sales Office in China
- 1996 · Established the Europe Technical Center (ETC)
- 1997 · Completed the Geumsan Plant in Korea
- 1998 · Established the China Technical Center (CTC) in China
- 1999 · Completed the Jiangsu and Jiaying Plants in China

2000

- 2000 · Introduced the ERP system
- 2001 · Completed the Europe Distribution Center (EDC) in the Netherlands
- 2004 · Unveiled a new corporate identity
- 2005 · Launched T'Station as a premium automobile service franchise
 - Selected as a strategic partner by Ford
 - Completed the Geumsan Test Track (G'Trac)
- 2006 · Became the sole tire maker to receive the FAW-Volkswagen '10 Best Suppliers' Award
 - Signed a technical agreement with Audi
 - Ranked 7th in the global tire industry based on sales volume
 - Started the construction of the Hungary Plant
- 2007 · Completed the Hungary Plant
 - Opened T'Station in China as a total automobile service franchise

2008

- 2008 · Expanded the Geumsan Plant in Korea
 - Launched Kontrol Technology
 - Launched 'enfren' as a eco-friendly tire line-up

- 2009 · Received a top score in the winter tire test performed by the prestigious German automobile trade magazine
 - Selected as the official OE tire supplier to Audi
 - Received the Product Design Award for the 'enfren Optimo 4S' at the iF Design Award

- 2010 · Awarded at the Red Dot Design Award for the 'Winter i*cept evo'

2011

- 2011 · Selected as the official tire supplier to the Deutsche Tourenwagen Masters (DTM)
 - Started the construction of the Chongqing Plant in China and the Indonesia Plant
 - Selected as the official OE tire supplier to BMW
 - Selected as the official OE tire supplier to Toyota
 - Produced the 100 millionth tire in China

- 2012 · Performed a spin-off and newly listed on the stock market
 - Became the official sponsor for the 'UEFA Europa League'
 - Chairman Yang Rai Cho received the Distinguished Service Cross in Hungary
 - Launched the 'enfren eco' as an eco-friendly tire line-up

- 2013 · Listed on the Dow Jones Sustainability Index Asia Pacific
 - Completed the Chongqing Plant in China and the Indonesia Plant
 - Gained OE fitments on the New S-Class and E-Class of Mercedes-Benz
 - Gained OE fitments on the 5 Series and X5 of BMW
 - Selected as the official OE tire supplier to Honda

2014

- 2014 · Launched the 'Laufenn' as a global strategic brand
 - Started the construction of the Tennessee Plant in the U.S.
 - Gained OE run-flat fitments on the New C-Class of Mercedes-Benz and the New Mini of BMW
 - Started the construction of 'Hankook Technodome' as a new main R&D center
 - Selected as the official tire supplier to the World Rally Championship (WRC), one of the top three motorsports competitions

- 2015 · Gained OE fitments on the Macan of Porsche
 - Supplied self-sealing tires as OE fitments on the Touran of Volkswagen
 - Received the Red Dot Design Award for Design Concept

2016

- 2016 · Gained OE run-flat fitments on the New 7 Series of BMW
 - Completed Hankook Technodome
 - Established Hankook Donggeurami Partners as a standard site subsidiary that hires disabled individuals
 - Signed the marketing partnership agreement with Real Madrid
 - Listed on the Dow Jones Sustainability Index World

- 2017 · Completed the European winter tire test center 'Technotrac'
 - Expanded OE fitments with Japanese automakers
 - Completed the Tennessee Plant in the U.S.
 - Acquired JAX TYRES · Listed on the Dow Jones Sustainability Index World for two consecutive years
 - Opened the digital workplace 'Arena'

- 2018 · Acquired Model Solution Ltd., a high-tech digital prototype solution provider
 - Acquired Reifen-Müller, a leading German premium tire retailer
 - Launched Kinergy AS ev, a 2nd-generation EV tire model
 - Listed on the Dow Jones Sustainability Index World for three consecutive years

2019

- 2019 · Gained OE fitments on the Porsche Cayenne and the Audi SQ8
 - Launched Ventus S1 evo3, a ultra-high-performance tire model, in Korea
 - Listed on the Dow Jones Sustainability Index World for four consecutive years

- 2020 · Moved the headquarters of Hankook & Company to Technoplex in Pangyo
 - Signed an exclusive tire supply partnership for the 2022-23 Formula E
 - Gained OE fitments on Porsche's EV model Taycan and Audi's RS7 and RS 6 Avant
 - Listed on the Dow Jones Sustainability Index World for five consecutive years

- 2021 · Marked the 80th anniversary of the company's founding
 - Ranked as the 6th in the global leading tire manufacturers
 - Gained OE fitments on Audi's sports EV 'e-Tron GT'
 - Gained OE fitments on Volkswagen ID.4
 - Listed on the Dow Jones Sustainability Index World for six consecutive years (representing the auto components sector)
 - Named 'Manufacturer of the Year 2021' by Auto Bild, Europe's automotive magazine

2022

- 2022 · Opened Hankook Technoring, Asia's largest tire test track
 - Launched iON, an exclusive EV tire brand
 - Supplied OE tires for Audi's first compact electric SUV, Q4 e-tron
 - Supplied OE tires for BMW's first all-electric grand coupe, i4.
 - Announced the Corporate Governance Charter
 - Included in the Dow Jones Sustainability Indices (DJSI) World for the seventh consecutive year
 - Selected as Gold Class in S&P Global's 2022 Sustainability Annual Report

Corporate Information

Headquarters

Hankook & Company Co., Ltd.
286, Pangyo-ro, Bundang-gu, Seongnam City,
Gyeonggi Province, Korea
Phone: +82-31-5178-7000

Investor Relations (IR):

Hyunsil Choe, Senior Manager, Finance Team
Yongwoo Lee, Manager, Finance Team
Kihong Jeon, Senior Manager, ES)Finance Team
Website: **Hankook & Company** www.hankookandcompany.com
Hankook Tire & Technology www.hankooktire.com

* Investor Relations information and public disclosures are available in the financial information section of the Hankook & Company and Hankook Tire & Technology websites.

Prepared By

Hyun Jang, Team Manager, Communications Team
Hyeyoung Yoon, Senior Manager, Communications Team
Seungkoo Kang, Team Manager, Visual Marketing Team
Yunho Chang, Senior Manager, Visual Marketing Team

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Hankook & Company Group website



Hankook Tire & Technology website



Social Media



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