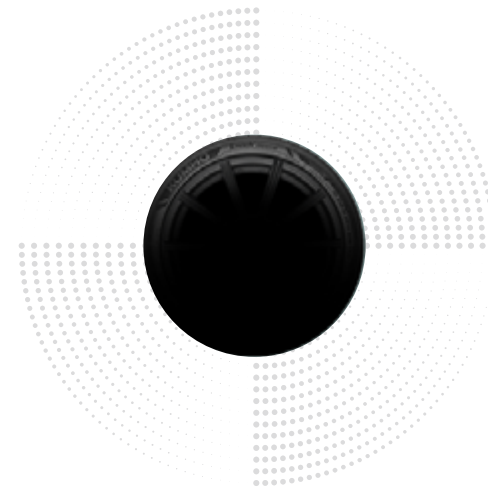
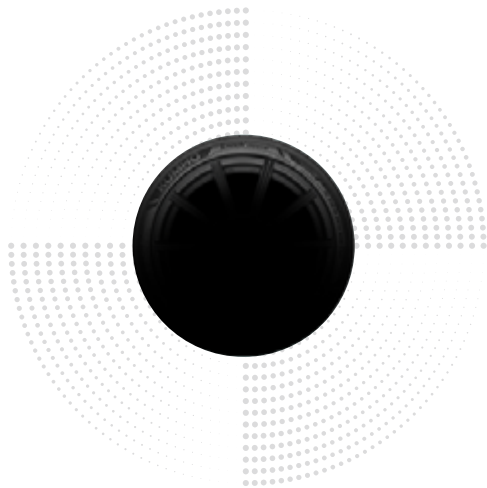


# GEAR UP FOR THE FUTURE

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KUMHO TIRE ANNUAL REPORT 2023

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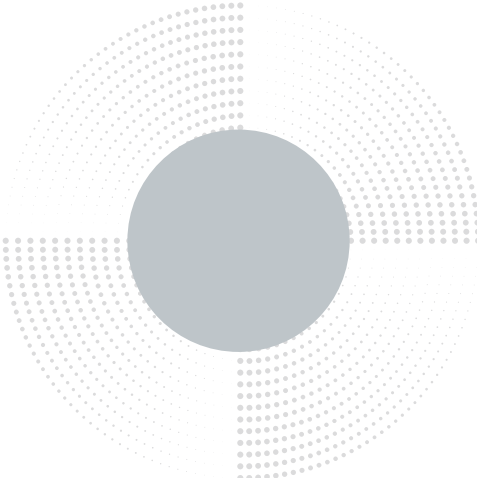
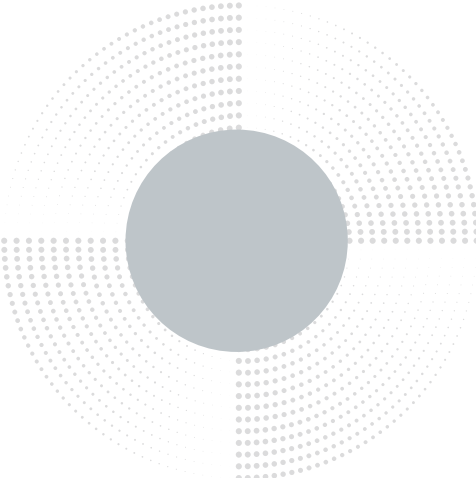



**KUMHO**  
TIRE

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# GENERATING REMARKABLE OUTCOMES

In 2023, Kumho Tire marked an extraordinary milestone, achieving record-breaking sales and operating profits, thus executing a complete turnaround in our business performance. This remarkable success, realized amidst an unpredictable global landscape, serves as a testament to our advanced tire technology developed over the years, the relentless dedication of our team, and the unwavering support of our valued customers. In the months and years ahead, we remain committed to surpassing these accomplishments by striving for excellence and paving the way for an even brighter future.

# TURNING VISION INTO TANGIBLE RESULTS

With sales revenue reaching the KRW 4 trillion mark in 2023, Kumho Tire has now posted a sustained double-digit growth rate for three consecutive years. This journey began from the early sales figures in the KRW 2 trillion range in 2020, and through persistent improvements across all departments and an expansion of our global sales network, we have doubled our growth in just three years. We anticipate this growth trajectory to continue into 2024 as we stay on course towards our long-term objectives.

Sales Revenue (Unit: KRW trillion)

2.17  
—  
2020

+19.8%

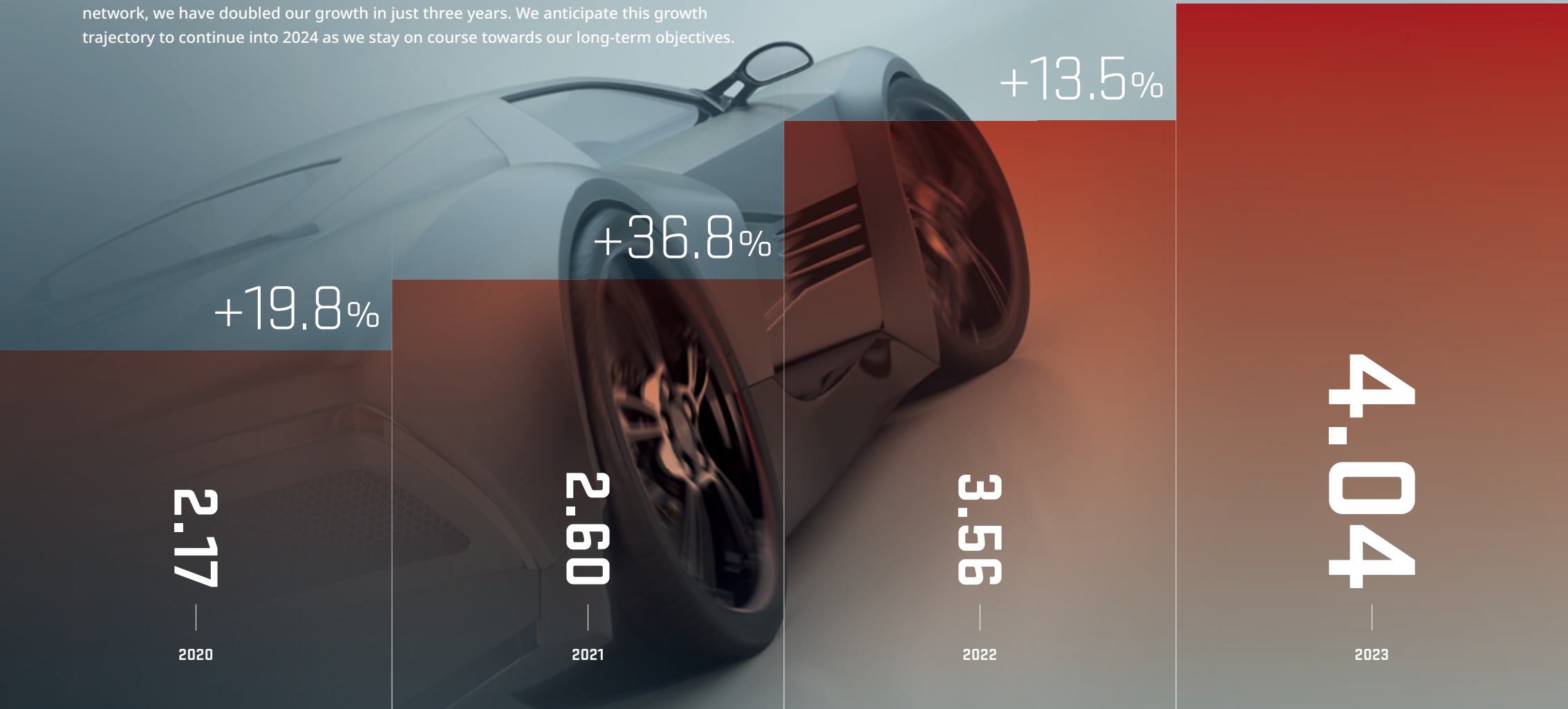
2.60  
—  
2021

+36.8%

3.56  
—  
2022

+13.5%

4.04  
—  
2023



2020

-4.5

2021

-41.5

2022

23.1

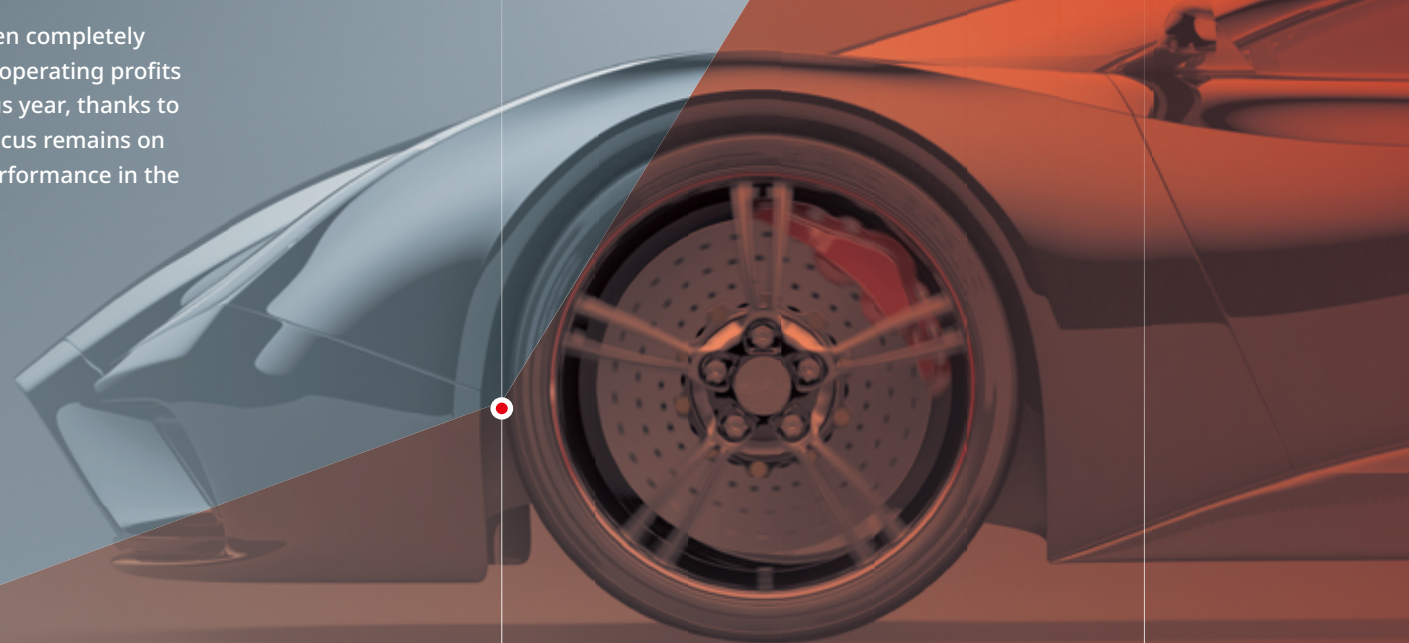
2023

411.0

Operating Profit (Unit: KRW billion)

# SECURING OUTSTANDING REWARDS

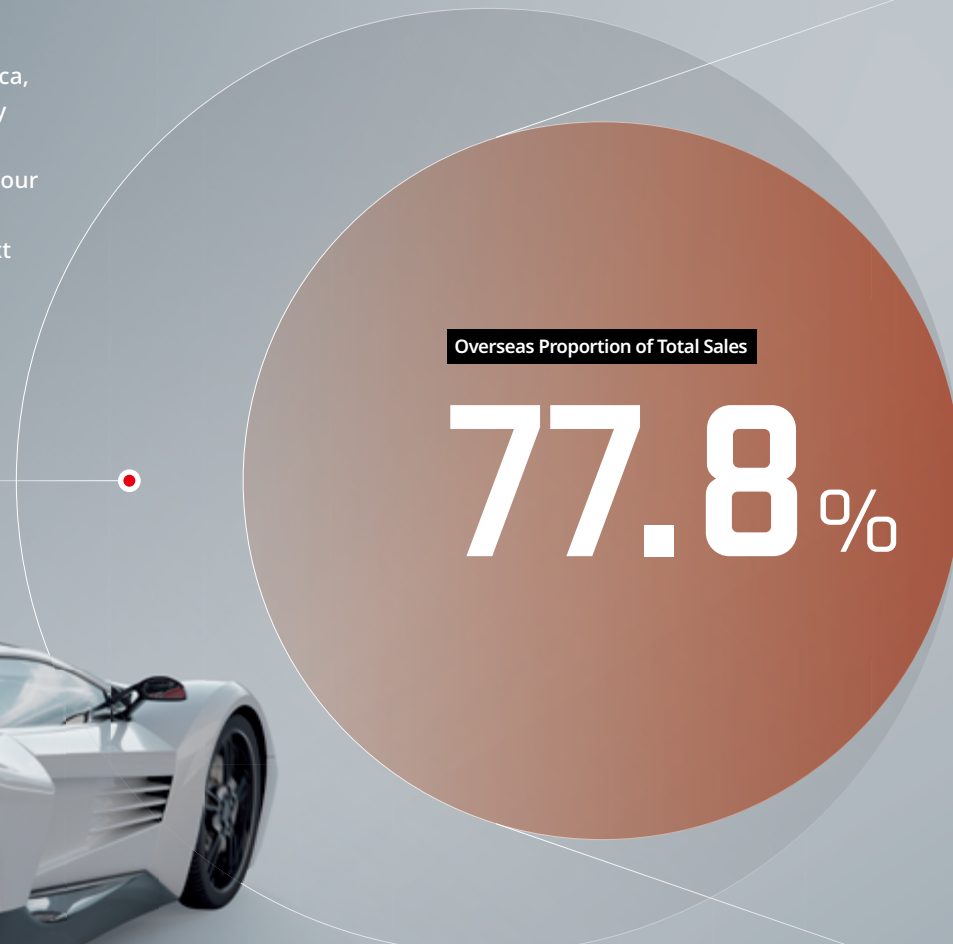
The financial losses incurred due to the COVID-19 pandemic have been completely overcome, starting with a return to profitability in 2022. In 2023, our operating profits soared to KRW 411 billion, a seventeen-fold increase over the previous year, thanks to our strategic cost and expense management. Moving forward, our focus remains on enhancing our profit structure to ensure continued and improved performance in the years to come.



# DIVERSIFYING INTO BROADER MARKETS

Kumho Tire sells products in countries around the world, from North America, Europe and Asia to the Middle East and Africa. Our forward-looking strategy involves tailoring our marketing efforts and product offerings to meet the unique needs and preferences of each regional market, thereby expanding our global market share. Currently, we are taking full advantage of our existing production system to support efficient global sales expansion. With our next steps forward, we are poised to achieve further sales growth and market expansion, as we have in place a number of investment plans in future-oriented production facilities.

Korea  
**22.2%**



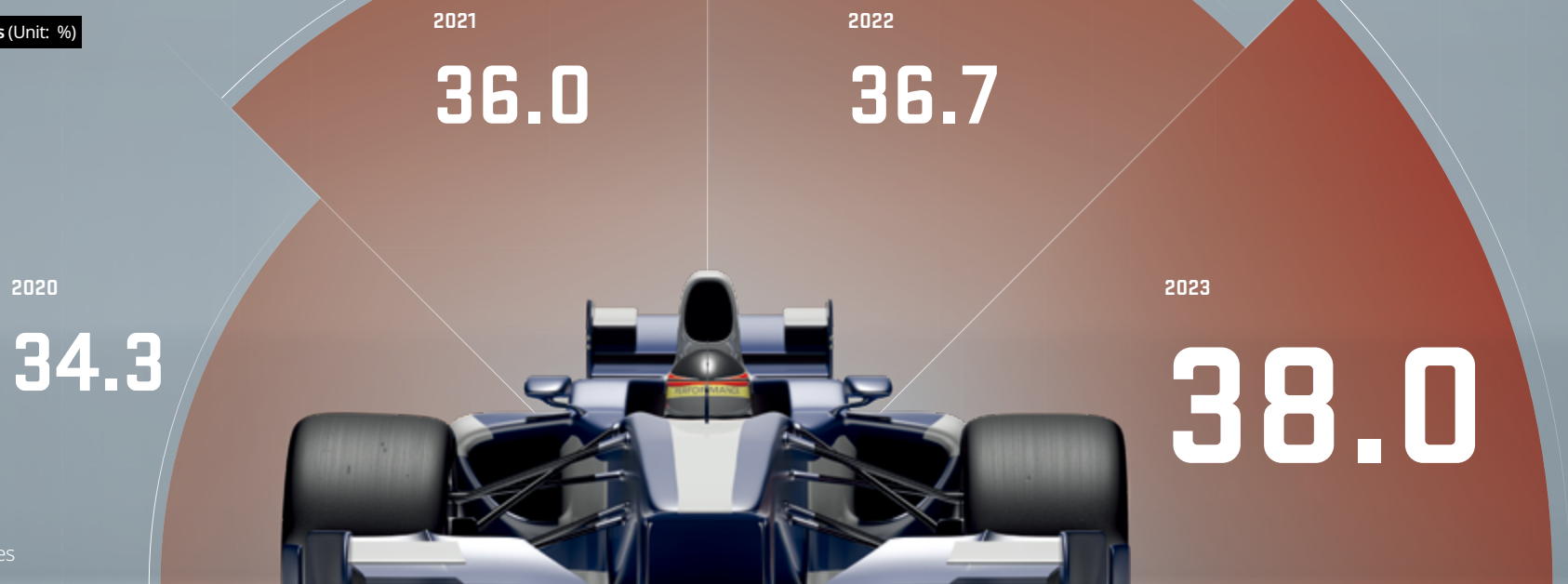
(Unit: %)

|                  |      |
|------------------|------|
| North America    | 31.1 |
| Europe           | 23.8 |
| China            | 7.5  |
| Emerging Markets | 15.4 |

# OPTIMIZING TIRE PERFORMANCE

Kumho Tire's portfolio boasts an extensive range of premium products. One prime example of this is EnnoV, which is designed to cater to the diverse preferences of our customers. Today, we are proactively addressing the demands of new markets with high-performance, large-diameter tires that are optimized for various vehicle types, including SUVs, electric, and hybrid vehicles. Powered by ongoing innovation and technological advancements, Kumho Tire aims to lead the paradigm shift of the tire industry.

Sales Proportion of Large-Diameter Tires (Unit: %)



\* 18 inches and above, based on sales

# LAYING THE GROUNDWORK FOR FUTURE GROWTH

In a rapidly evolving business environment, only those who are well-prepared can seize on opportunities and forge their own path forward. In the face of numerous challenges, Kumho Tire has consistently focused on technological innovation while also building up our production capabilities. These efforts have helped strengthen our brand value as we take accountability for all the decisions we make. Looking ahead, we are ready to leverage our accumulated achievements and capabilities to usher in an even better tomorrow.





Kumho Tire takes pride in our legacy of innovation, having developed the world's first ultra-large-diameter (26-28 inches) tire, the ECSTA STX, in 2002. Our identity is deeply rooted in our technological prowess, which is evidenced by a series of industry firsts—from Korea's first electric vehicle-specific tire to the pioneering K-Silent Ring noise reduction technology. We are more determined than ever before to continue leading the tire industry into the future, and remain driven by our relentless pursuit of innovation and excellence.

# ARCHITECTING EXCELLENCE

# FUTURE MOBILITY

- **SMART TIRE SYSTEM**  
A system for sensing tire and road surface conditions
- **AIRLESS TIRE**  
A non-pneumatic tire
- **AIRBORNE TIRE**  
A tire for urban air mobility (UAM) systems



Kumho Tire's focus on developing tires for electric vehicles has garnered recognition and partnerships with industry giants like Hyundai, Kia, and Volkswagen as a result of our products' superior durability, wear resistance, low rolling resistance, and low noise levels. Our groundbreaking non-pneumatic tires, designed for renewable materials and capable of high-speed travel, have successfully undergone speed endurance tests at speeds of up to 140 km/h, while our airborne tires for urban air mobility (UAM) have won the highly prestigious Red Dot Design Award (2022) and iF Design Award (2023).

- **MAJESTY 9 SOLUS TA91 EV**  
Hyundai Motors KONA EV
- **CRUGEN HP71 EV**  
Kia EV6-EV9 / Volkswagen ID.4



# ELECTRIC VEHICLE

At the heart of our strategy lies the expansion of our global production footprint and capacity, both of which have set the stage for unparalleled growth. Proximity to markets and geographical advantages not only allow us to seamlessly adapt to shifting demands and the rise of protectionist trade policies but also to increase profitability through stable logistics costs. With continuous facility investments and the strategic expansion of operational bases, Kumho Tire is preparing for the future by making far-sighted management decisions.

Kumho Tire operates a total of eight production bases in Korea, China, the United States, and Vietnam, and is increasing its production capacity through steady investments. After completing the expansion of our Vietnam plant in 2023, we secured a production capacity of over 62 million units, thereby enhancing our responsiveness to the world's largest tire market, the United States. Looking ahead to 2024, we are actively exploring further expansion measures and new projects internationally, along with the strategic relocation of our Gwangju plant and investment in facilities in Korea.



- PLANT
- R&D CENTER

8 PLANTS 5 R&D CENTERS

# BOOSTING OUR POTENTIAL

Kumho Tire's Annual Global Production Capacity (Unit: 1,000 tires)

62,000+



Kumho Tire is increasing its supply of OE tires to global automobile brands and validating our technological capabilities through tire tests conducted by leading European automotive magazines. Our superior design competitiveness is recognized every time we receive awards from global design competitions, while customer evaluations reaffirm the results of our efforts in quality and service. As such, we are continually verifying our capabilities, expanding our communication, and enhancing the value of our brand through numerous accolades and acknowledgments.

# THRIVING ON TRUST



## GLOBAL OE PARTNERS

**30+**

Hyundai Motor Group (Hyundai, Kia)  
Volkswagen Group (Volkswagen, Audi, Škoda, SEAT),  
Mercedes-Benz, Renault-Nissan (Renault, Renault Korea  
Motors, Nissan), GM, KG Mobility, VINFAST,  
BYD, SAIC, Geely Auto

## DESIGN AWARDS

**4**

Red Dot Design Award,  
iF Design Award,  
Good Design Award 2023 (G-Mark),  
2023 CGD Award

## MAGAZINE TEST

**10**

ADAC Motorwelt, Auto Zeltung, Auto Bild,  
Auto Bild Sportscars, Technical World, Za Rulem,  
4X4 Magazine, Auto Bild Allrad,  
ACE Lenkrad, Tire Rack

## CUSTOMER SATISFACTION SURVEYS

**2**

No. 1 in the Durable Goods Manufacturing  
Passenger Car Tires category  
Korean Customer Satisfaction Index (KCSI)  
(19th consecutive year) & Korean Net Promoter Score  
(KNPS) (16th consecutive year)  
(Korea Management Association Consulting)

Kumho Tire's OE partnerships extend to electric vehicles like the Hyundai KONA EV, Kia EV9, EV6, and Volkswagen ID.4. From corporate customers to individual clients, the high level of trust we have worked tirelessly to build has been validated by our winning first place for 19 consecutive years in the Korean Customer Satisfaction Index (KCSI) and for 16 years in the Korean Net Promoter Score (KNPS) as the most recommended tire company by customers. Furthermore, by achieving excellent ratings in automobile magazine tests, including those carried out by ADAC Motorwelt and Auto Bild, and winning awards from Red Dot and the iF Design Award, among others, we have clearly shown and been recognized for our quality expertise, which has enhanced our brand value.



Guided by a company-wide ESG management roadmap, Kumho Tire is diligently enhancing its performance metrics while broadening its involvement in global sustainability initiatives. In 2023, we became the first Korean tire maker to declare support for the Task Force on Climate Related Financial Disclosures (TCFD). Later, we established an ESG Committee under our Board of Directors, underscoring our deep-rooted commitment to sustainable management practices. As a company that is pioneering the development of eco-friendly products, we take great responsibility in our supply chain and are always working hard to improve the work environment, respect for human rights, and the quality of life for our employees—efforts that have been recognized by global evaluation bodies.

# DRIVING POSITIVE CHANGE

Corporate sustainability thrives in a healthy and constructive society. Our aim is not to flaunt our achievements but to seek sustainable growth for the welfare of humanity and the planet. Through responsible ESG management practices, Kumho Tire is organizing systems, setting goals, reviewing progress, and continually making improvements to bring about a better world for everyone.

## MSCI ESG EVALUATION

**AA**

AA grade: industry-leading level

## ESG EVALUATION BY KCGS\*

**A**

Environmental: A, Social: A+, Governance: B+

\*Korea Institute of Corporate Governance and Sustainability

## PROPORTION OF SUSTAINABLE MATERIALS

**80%**

Developed tires with 80% sustainable materials, including carbon black, recycled PET, and recycled steel code

## GOVERNANCE

**ESG COMMITTEE**

Established an ESG Committee under the Board of Directors, with a majority of members being outside directors

# ROLLING INTO A SUSTAINABLE FUTURE

The essence of sustained growth in an ever-evolving business landscape lies in our resilient core, a vision that unifies our collective strengths, and the foresight to anticipate and navigate the winds of change. Kumho Tire has emerged stronger from adversity, proof of our commitment to the growth we have long promised. With the lessons learned and the strength gained from overcoming past challenges, we are dedicated to unlocking a sustainable future for all.

# CEO Message



## Esteemed shareholders of Kumho Tire,

As dawn breaks on 2024, the auspicious Year of the Wood Dragon, I extend my heartfelt gratitude to each of you for your steadfast support and trust in Kumho Tire's journey. It is with sincerity when I say that I hope this year brings unparalleled prosperity and joy to you and your loved ones.

In retrospect, 2023 was a testament to Kumho Tire's resilience in the face of adversity: navigating through the tempest of global unrest, inflationary pressures, and economic challenges. However, while remaining united in purpose, the Kumho Tire family charted a course towards remarkable achievements, culminating in historic performance results. This journey was marked by significant milestones, including our ascendancy as a leading supplier to the global EV market, securing top-tier ESG ratings, expanding our Vietnam factory, and strengthening our financial infrastructure.

With an ambitious vision for 2024, we have set forth a target of KRW 4.56 trillion in sales, a pinnacle never before reached in Kumho's history. Despite the shadows cast by geopolitical tensions, namely those stemming from the conflicts in Russia-Ukraine and the Middle East, unstable export logistics, and the specter of a global economic slowdown, as well as mixed forecasts for EV market growth, we stand resolute in our mission to forge a path of steadfast growth amidst these uncertainties.

As we step into this new chapter of our ever-evolving story, I am eager to share some key strategic initiatives that will illuminate Kumho Tire's path to an even brighter future together with our valued shareholders:

### First, we aspire to elevate Kumho Tire to the echelons of premium branding.

Traditionally, Kumho has appealed to international customers by offering value-for-money or budget brands, an approach grounded in our consistent quality. However, it is now time for a strategic pivot, as this positioning no longer serves us well in the face of aggressive price competition from new entrants from China and Southeast Asia. We are now setting our sights on the premium tire market, including for EVs, where we can fully leverage our technological strengths. Our goal is to elevate product quality and supply chain stability to secure a distinctive position in the market.

Against this backdrop, 2024 will see us harnessing digital twin technology to introduce superior products, starting with the PS72.

This move is aimed at not only establishing new industry benchmarks but also at meeting the rigorous expectations of our consumers. Furthermore, we plan to strengthen our business partnerships with global automobile brands, enhancing our supply chain reliability in international markets, and thereby elevating our brand value to a whole new level.

### Second, we are committed to achieving profit-driven qualitative growth.

Over the past three years, our sales volume has increased by 15% annually, marking the fastest growth in both quality and quantity

within the tire industry. Determined to carry on with this growth rate, we have set a sales target of 61 million units for 2024.

We aim to focus on growth in high-profit markets and improvements in existing markets, leveraging AI and big data across the board to eliminate inefficiencies and loss factors, and thus transforming ourselves into the industry's leading company based on a highly profitable structure.

### Third, we are committed to nurturing a culture of harmony and mutual respect between labor and management.

Our collective resilience has steered us through tumultuous times that posed a very real existential threat to the company. Now, however, it is our shared vision to cultivate a workplace where everyone can work with a sense of pride and satisfaction in their work. Advancing our dedication to ESG principles in the practice of social responsibility, environmental improvement, and transparent governance, labor and management will work hand in hand to foster a workplace that champions safety, health, and the well-being of our employees.

The Year of the Wood Dragon symbolizes the meeting of the blue "Wood (甲)" and the "Chen (辰)" dragon, which, when taken together, represents the Azure Dragon. The Azure Dragon signifies positive energy towards new opportunities and challenges, promising new beginnings and prosperity. Like the proverbial carp leaping through the dragon's gate along the Yellow River, everyone at Kumho Tire—united in a One Team Spirit—is committed to soaring as high in the skies above like the Azure Dragon, overcoming the challenges and uncertainties that 2024 may pose.

I wish all of you health, happiness, and prosperity in the coming year. Thank you for your continued partnership and trust in Kumho Tire.

Jeong Il-taek  
President & CEO  
Kumho Tire Co., Ltd.

# Financial Highlights

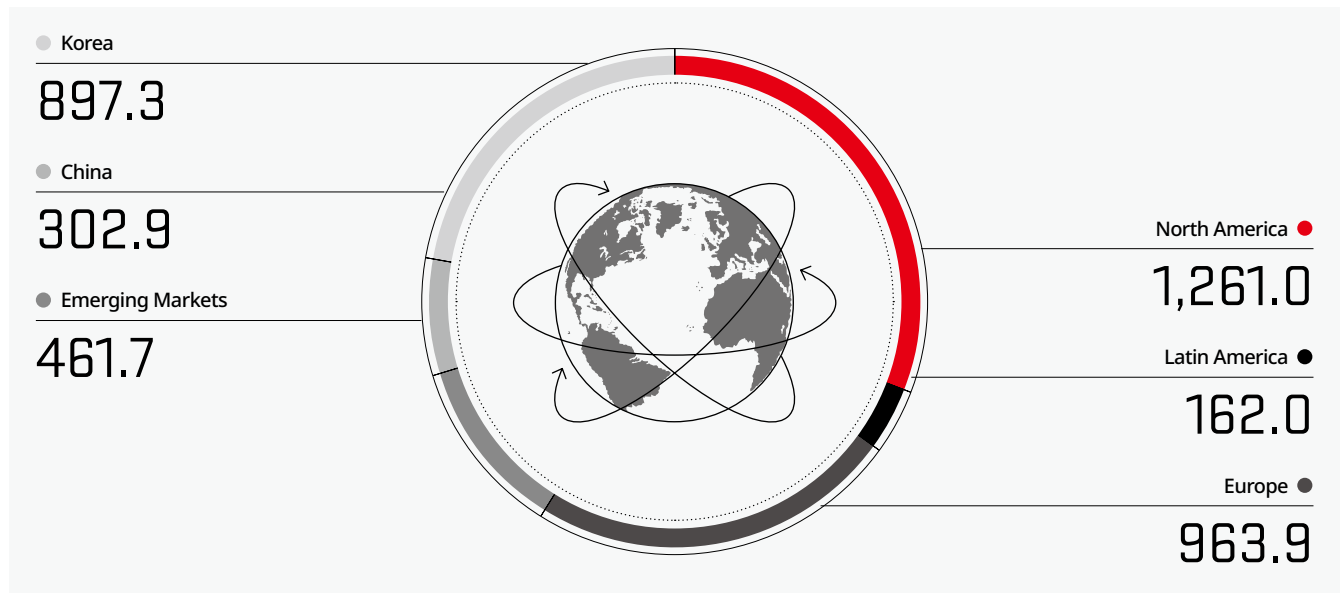
## Key Figures

(Unit: KRW billion, on a consolidated basis)

|   | 2021    | 2022    | 2023    |
|---|---------|---------|---------|
| <b>Sales</b><br>KRW <b>4,041.0</b> billion          | 2,601.2 | 3,559.2 | 4,041.0 |
| <b>Operating Profit</b><br>KRW <b>411.0</b> billion | -41.5   | 23.1    | 411.0   |
| Operating Profit Margin                             | -1.60%  | 0.65%   | 10.2%   |
| Net Profit  | -71.9   | -77.5   | 171.8   |
| Total Assets  | 4,342.2 | 4,695.0 | 4,831.0 |
| Total Liabilities                                   | 3,060.6 | 3,450.4 | 3,431.9 |
| Total Equity  | 1,281.6 | 1,244.6 | 1,399.1 |

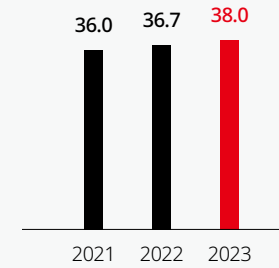
## Sales by Region

(unit: KRW billion)



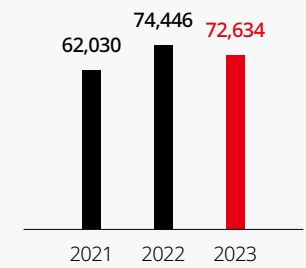
## Proportion of Large-Diameter Tire Sales

(Unit: %, 18 inches and above)



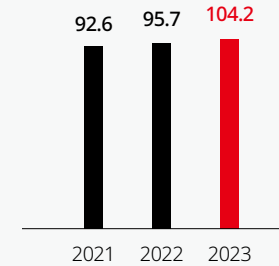
## Tire Price

(Unit: KRW/unit)



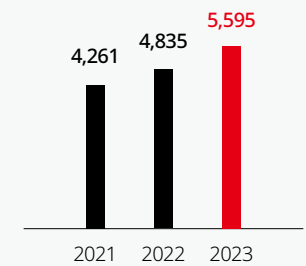
## R&D Expenses

(Unit: KRW billion)



## Tire Production

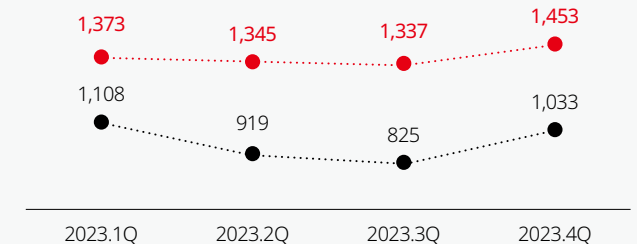
(Unit: ten thousand/units)



## Rubber Price Trend

(Unit: USD/ton)

● Natural rubber ● Synthetic rubber



# News Highlights

Feb. 2023

## Establishment of an ESG Committee

In February 2023, Kumho Tire inaugurated its ESG Committee as a dedicated body within its board of directors. Created to supervise comprehensive ESG management—from strategy-building to performance review—the committee aims to embed ESG principles throughout the organization. It consists of three members, including two outside directors, to ensure a blend of professional insight and independence.

Governance >



## Kumho TCR World Tour Title Sponsorship Agreement

Kumho Tire has entered into a title sponsorship agreement with the WSC Group, exclusively providing tires for the Kumho TCR World Tour (KTWT), which is staged across seven countries around the world. After initiating major TCR European event sponsorships in 2022, the company broadened its engagement in 2023 with the World Tour and several other regional and national series, reinforcing the brand reputation of its high-performance tires. With this agreement signed, our commitment as the title sponsor for the TCR World Tour series is set to continue through 2024.

Sports Marketing >



Mar. 2023

## Declaration of Support for the TCFD

Kumho Tire was the first tire company in Korea to endorse the Task Force on Climate-related Financial Disclosures (TCFD). With over 3,400 companies and institutions participating worldwide, the TCFD recommends that companies disclose climate change-related information and reflect it in their decision-making process. Kumho Tire has been disclosing information according to TCFD recommendations in its sustainability reports since 2022.

Environmental >



## Praise from European Car Magazines in Tire Tests

Kumho Tire received top marks for the ECSTA HS52 in ADAC Motorwelt's tire performance test, giving it the highest evaluation among all Korean tires. Additionally, the ECSTA PS71 earned a "Good" grade from Auto Bild, securing fifth place among 50 competing brands.

Enhancing Brand Value >



Apr. 2023

## KATC Named a "Best Place to Work"

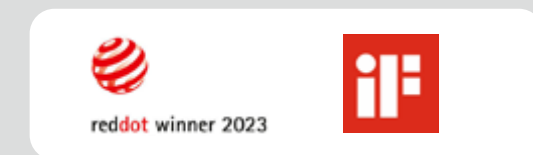
In 2023, the Kumho America Technical Center (KATC) was recognized as a "Best Place to Work Top 9" by Rubber News, a noted rubber industry news publication, highlighting Kumho's commitment to fostering a balanced work-life environment for its employees. This accolade reflected the company's efforts as compared to more than 1,000 rubber-related entities in the U.S. and Canada.



## Red Dot and iF Design Award Wins

Kumho Tire's advanced technologies have been honored with awards for both mass-produced and conceptual tires. The Road Venture AT52, an on/off-road tire, won in the Product category at the Red Dot Award Ceremony 2023. Following this, Kumho's Airborne Tire, designed for urban air mobility (UAM), brought home a main prize at the iF Design Award Night.

Enhancing Brand Value >





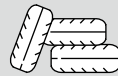
# News Highlights

May 2023

## Selected as a Partner for the Kia EV9

The global automotive industry's trust in Kumho Tire underscores its reliable technological prowess, which spans high-inch, high-performance, and electric vehicle tires. In April 2023, Kumho Tire was chosen to supply OE tires for Hyundai's KONA EV and Volkswagen's SUV model TAOS. This was followed by a selection in May for Kia's flagship large SUV, the EV9, and Volkswagen's Atlas successor model in June. Especially noteworthy is Kumho Tire's ongoing partnership with electric vehicle models, such as the Kia EV6 and Volkswagen ID.4, both of which have been rolling on Kumho tires since 2022. This continuous collaboration highlights Kumho Tire's distinctive technological prowess in the realm of electric vehicle tires.

Enhancing Brand Value >



Nov. 2023

## Kumho Tire ECSTA Racing Team Wins 2023 CJ Super Race Championship

The ECSTA Racing Team clinched the driver and team championship titles at the 2023 CJ Logistics Super Race Championships. At 21, racer Lee Chan-joon set a new record as the youngest champion in the Super 6000 class, earning the top driver's honor. Dominating the season from the opening round with double podium finishes, the ECSTA Racing Team then solidified its status as Korea's top racing team by winning the team championship.

Sports Marketing >



## Development of Products with 80% Sustainable Materials

Guided by the goal of making tires from 100% sustainable materials by 2045, Kumho Tire is channeling its R&D resources towards this objective in a highly conscientious manner. In 2023, we achieved a milestone by developing a tire comprised of an 80% sustainable material mix. To further enhance the incorporation of eco-friendly synthetic rubber and carbon black in our manufacturing processes, we have entered into MOUs with Orion Korea and Synthos. These agreements facilitate a collaborative effort for the joint development of sustainable tire raw materials, which is why Kumho has partnered with the Korean branch of Orion, an American specialty chemical producer, and Synthos, a leading European chemical company.

Technology Leadership >

Environmental >



Jan. 2024

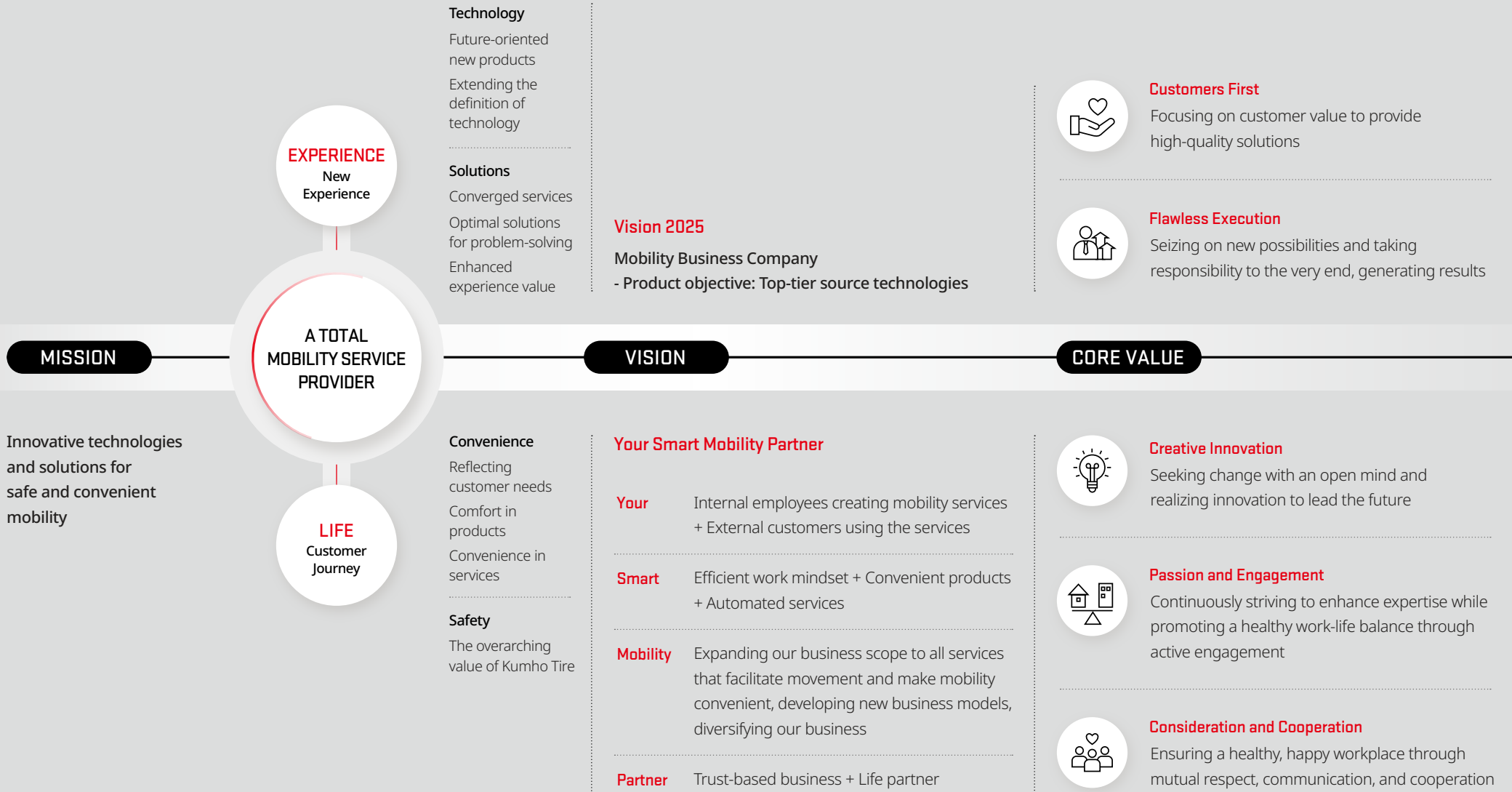
## ISO 37301 and ISO 37001 Integrated Certification

To enhance employees' awareness of legal compliance and ethical management, and to internalize such culture within the organization, Kumho Tire has obtained the integrated certification for ISO 37301 (Compliance Management Systems) and ISO 37001 (Anti-Bribery Management Systems). With the goal of achieving thorough internal controls, Kumho Tire conducts its operations based on internal accounting control systems and compliance monitoring systems as mandated by law, as well as its own internal diagnostic systems. By obtaining international standard certifications, Kumho Tire plans to further enhance the operational efficiency of its compliance and ethical management practices.

Governance >



# Vision 2025



# BUSINESS OVERVIEW

Aspiring to be recognized as a smart mobility partner to customers through our innovative and reliable technology, we are committed to continuously enhancing our brand value by engaging with the public through external evaluations and proactive marketing strategies. Kumho Tire made 2023 a banner year, achieving remarkable business performance results thanks to proactive and flexible management strategies, while also further solidifying the foundation for a brighter future.

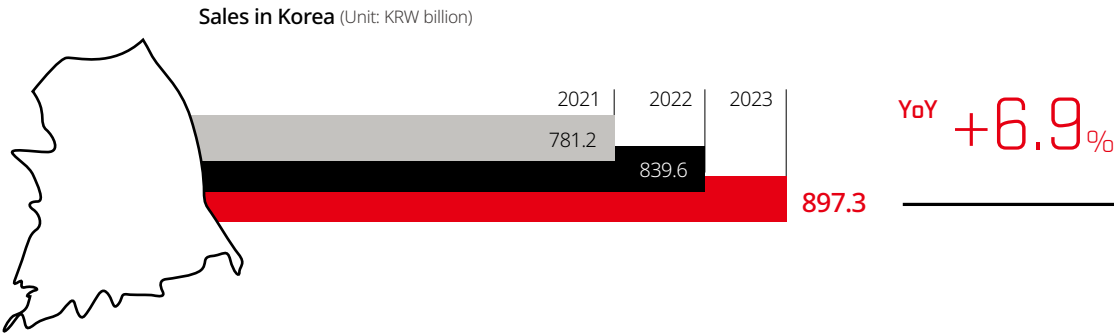


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- **Our Specialties**
- 25 — Technology Leadership
- 27 — Enhancing Brand Value
- 29 — Sports Marketing

# Operations Review

## Korea

In 2023, Korea's car production surged to 4.32 million units, a 15.2% increase from the previous year. This growth that emerged in the wake of the pandemic coincided with a global recovery in car sales, which reached 90 million units for the first time since 2019. Furthermore, stabilization in the supply of raw materials and semiconductors propelled Korea's car exports to an all-time high of USD 70.87 billion. However, the automotive sector faces challenges in 2024, with a global economic downturn and policy uncertainties in the U.S. and Europe expected to curtail car market growth to about 1% compared to 2023. Nevertheless, the tire industry is poised for resilience, as EVs, which have proliferated in number since 2021, approach their tire replacement cycle.



### Sales Growth & High Profit

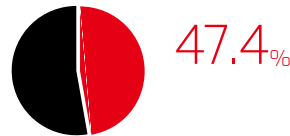
Kumho Tire's record-breaking sales, which surpassed KRW 4 trillion in 2023, featured growth across all regions. In Korea, sales increased by 6.9% year on year to KRW 897.3 billion, with the profitable segment of large-diameter tires expanding its share to account for 50.1% of fourth quarter sales—the first time in our history these tires had accounted for more than half our total sales. In fact, strategic restructuring of the product lineup to emphasize large-diameter and EV tires, coupled with pricing adjustments, elevated the global operating profit margin to 10.2%.

Revenue Share



Large-Diameter Sales Proportion

\* 18 inches and above, based on sales



### Product Portfolio Enhancement

Kumho Tire has adeptly responded to the growing demand for large-diameter tires and the expanding EV market by enhancing its product portfolio. The introduction of new models and the expanded supply of larger OE tires to Hyundai Motor's Grandeur and Santa Fe HEV are indicative of this strategic shift. Our focus on premium products—including the launch of EV-specific tires like the Majesty 9 SOLUS TA91 EV and the Crugen HP71 EV for Hyundai's Kona EV and Kia's EV9 and EV6, as well as Volkswagen's ID.4 Crozz—demonstrates how successful the execution of this strategy has been. With the upcoming launch of the EV-exclusive brand EnnoV in 2024, Kumho Tire is set to further expand its market footprint further.

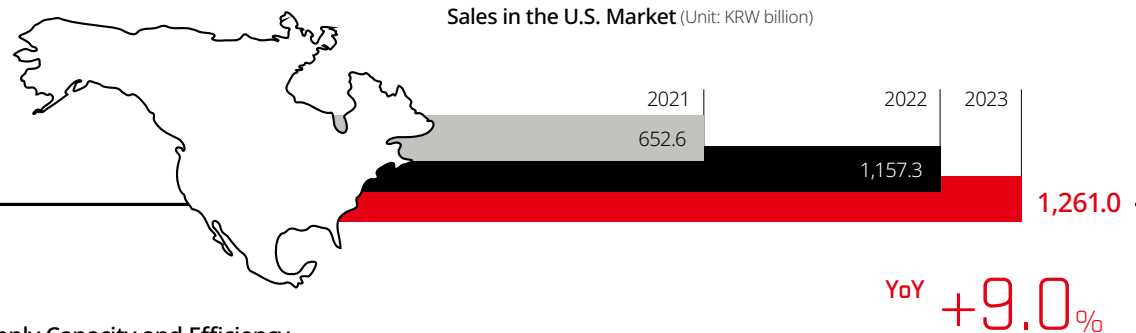


# Operations Review



## North America

In 2023, U.S. car sales reached 16.3 million units, achieving a 15.1% increase from the previous year and reversing the 8% decline witnessed in 2022 compared to 2021. By segment, the sales momentum was led by perennial favorites, SUVs and pickup trucks, even as the rapid growth of EVs seen in recent years began to decelerate. Hybrid vehicles, on the other hand, showcased a significant uptick, with a 65% sales increase over 2022. Looking ahead to 2024, the U.S. automotive market is poised for steady growth in line with global patterns. The tire industry, in particular, is optimistic about enhanced sales and profit margins following the U.S. Department of Commerce's decision to lower tariffs on imported Korean passenger and light truck tires in late January 2024.



### Crossing the KRW 1 Trillion Threshold and Ensuring Stable Profits

In the North American Market, Kumho Tire's largest regional segment, 2023 saw a remarkable sales achievement of KRW 1,261 billion, marking a 9% year-on-year increase and maintaining a 30% market share. The company strengthened its presence by not only expanding supply to key models for Nissan, Volkswagen, and the Hyundai Motor Group but also by increasing the supply of high-margin products. This strategic approach yielded strong growth in both revenue and profits. Additionally, Kumho Tire adeptly met the consumer demand for SUVs and pickup trucks, keeping the sales ratio of large-diameter tires at an impressive 44%.

### Enhancing Supply Capacity and Efficiency

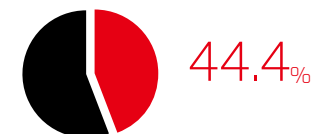
Kumho Tire completed its Vietnam factory expansion in 2023, boosting production capacity from 5.9 million to 12.5 million units—a remarkable 112% increase. This expansion prepares the company to meet surging local demand in the country and to bolster its exports to the U.S. market. Including the expansion of its Georgia plant, Kumho Tire's global manufacturing capacity now stands at 62 million units, reinforcing its role as a catalyst for sustained growth. Moreover, in April 2023, the establishment of a Texas logistics center capable of warehousing 540,000 tires created a strategic link between the southern and central U.S. regions. For 2024, Kumho Tire is set to adapt promptly and flexibly to shifts in market demand as it strives to elevate efficiency and customer satisfaction.

#### Revenue Share



#### Large-Diameter Sales Proportion

\* 18 inches and above, based on sales

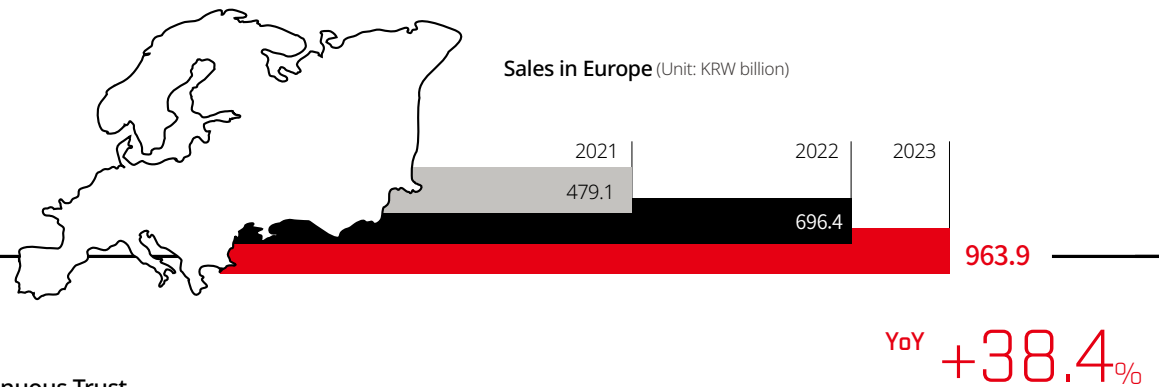


# Operations Review



## Europe

In 2023, European car sales surged to 14.38 million units, marking a year-on-year growth of 13.6%. EV sales also soared, reaching 2.17 million units—a 38% boost from the previous year and in line with the EU's aggressive push towards carbon neutrality. Indeed, Europe is now well on its way to meeting this goal with stringent regulations, one of which is that the sale of new internal combustion engine vehicles will be banned as of 2035, thereby catalyzing the shift towards EVs as a sustainable alternative. Amidst rising geopolitical tensions, such as the Russia-Ukraine war and the Israel-Palestine conflict, as well as escalating national interests leading to heightened global uncertainty, there is a noticeable trend towards the reinforcement of regulations aimed at safeguarding domestic industries, something that is particularly evident in the U.S. and Europe.



### Achieving Balanced Growth Through Localization

In the European market, Kumho Tire nearly reached the 1 trillion KRW milestone in 2023, with sales hitting KRW 963.9 billion, a 38.4% increase from the previous year. The company enhanced its presence in the OE segment by fortifying partnerships with Mercedes-Benz and Volkswagen and expanding its market share. In the RE segment, strategic diversification of distribution channels and the development of new business avenues led to a broad increase in orders that spanned summer, winter, and all-season tires.



### Building Continuous Trust

In 2023, Kumho Tire strengthened its relationship with Volkswagen by securing a contract to supply Crugen HP71 tires for the premium SUV TAOS, following the electric SUV ID.4 in 2022. In addition, the company's Road Venture AT52 tire, designed for both on- and off-road use, clinched a Red Dot Design Award, while the Airborne Tire, tailored for urban air mobility (UAM) purposes, was honored with an iF Design Award. Continuing its streak of excellence, Kumho Tire received higher ratings compared to all other Korean tire companies in 2023 tire performance tests carried out by the German automotive magazines *ADAC Motorwelt* and *Auto Bild*. Furthermore, the ECSTA HS52 was ranked third in the 2024 summer tire performance test conducted by *ADAC Motorwelt*.

Revenue Share



Large-Diameter Sales Proportion

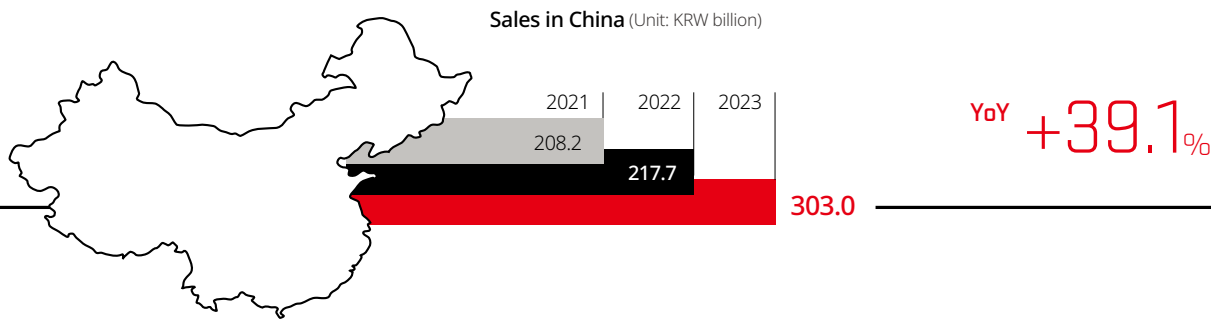
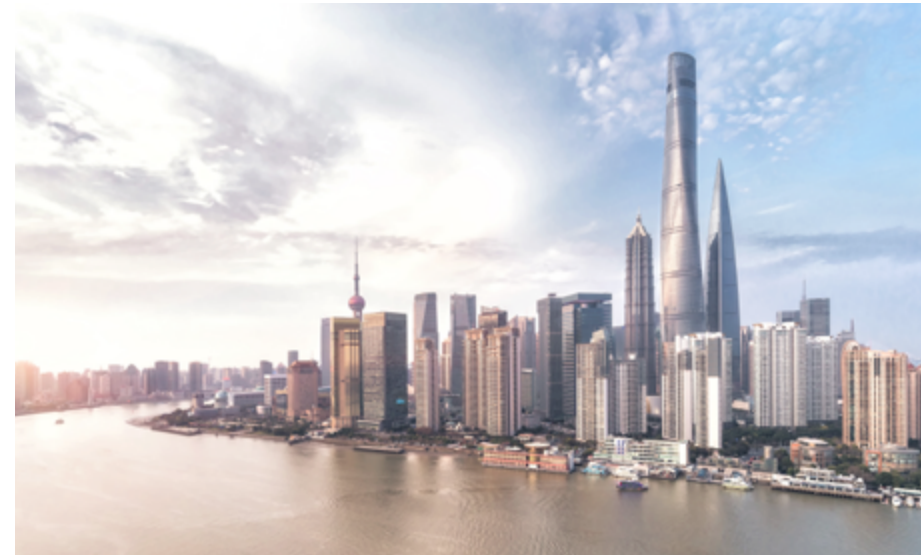
\* 18 inches and above, based on sales



# Operations Review

## China

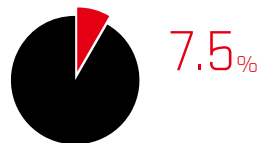
In 2023, China's automotive market, the largest globally for both conventional and electric vehicles (EVs), recorded a notable 12% increase in car sales, reaching 30.09 million units. Specifically, the combined sales of plug-in hybrid (PHEVs) and battery electric vehicles (BEVs)—collectively referred to as new energy vehicles (NEVs)—surged 37.9% year on year to 9.49 million vehicles. Data from the China Association of Automobile Manufacturers highlighted that NEVs now represent 31.6% of China's new car market share, contributing to 65.5% of worldwide annual EV sales. Amidst the automotive industry's ongoing shift towards software integration, Chinese tech giants Huawei and Xiaomi have announced their foray into the EV market, joining BYD, which continued to dominate China's domestic auto market share in 2023.



### Aggressive Growth Strategies

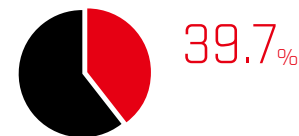
Kumho Tire witnessed a substantial growth of 39.2% in the Chinese market in 2023, achieving sales of KRW 303 billion, with large-diameter tires significantly contributing to this increase by accounting for 41.7% of fourth quarter sales. We also successfully broadened our supply to OE partners and premium segments, including collaborations with Nissan, Volkswagen, BYD, SAIC Motor, Geely Auto, and Chang'an Automobile. Kumho Tire is set to continue this momentum into 2024 with plans to expand its Chinese manufacturing capabilities.

Revenue Share



Large-Diameter Sales Proportion

\* 18 inches and above, based on sales



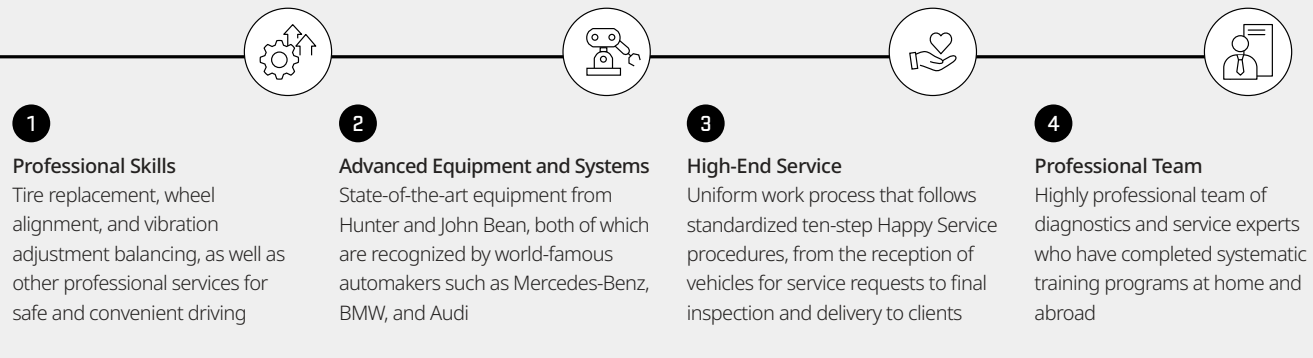
### Localized Product Launch

The ECSTA PS71 EV, designed specifically for EVs, clinched a 2023 CGD Award at China's Contemporary Good Design Awards. This accolade, a partnership between Germany's Red Dot and China's Wenguang Media Group, singles out the excellent quality of the ECSTA PS71 EV, a tire engineered for the burgeoning Chinese EV market. Aligned with its strategy to meet the unique demands of Chinese roads and consumers, Kumho Tire is driving expansion right across the high-performance, premium, and NEV sectors. At a dealer conference in January 2024, Kumho Tire showcased four new products exclusive to the Chinese market, including the ECSTA PS71 EV, the Majesty9 TA91-93, and the EnnoV VS73, reinforcing its commitment to innovation and local market needs.

# Brand Portfolio -Tire Pro

Launched in 2001 as Korea's first tire-specialized distribution brand, Tire Pro offers a unique customer experience based on Kumho Tire's advanced technology and over 20 years of accumulated expertise. With 536 sales outlets in Korea and 46 stores in major regions, including Shanghai and flagship hubs in Vietnam, the U.S., and Italy, Tire Pro is continuously evolving its services through specialized equipment, customized consulting, and standardized processes.

## Core Competencies



## Continuous Improvements and Distinctive Capabilities

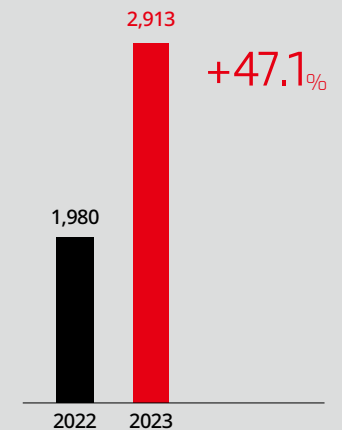
Kumho Tire is raising customer trust and satisfaction in quality and service through systematic and consistent services at Tire Pro stores in Korea and abroad. We have established a uniform system with advanced equipment and a standardized work process, while also running educational programs to enhance the expertise of on-site personnel. Comprehensive training programs are in place for Tire Pro franchise owners and staff, ranging from tire inspections to basic maintenance, luxury car specialist courses, and business consulting. Additionally, automotive-related academic programs collaborate with universities to facilitate employment through industry-academic cooperation MOUs.

## Network



|       |         |       |
|-------|---------|-------|
| Korea | China   |       |
| 536   | 46      |       |
| USA   | Vietnam | Italy |
| 1     | 1       | 1     |

No. of Tire Pro Competency-Building Program Trainees





# Brand Portfolio -Tire Pro

## Tire Pro Franchises

\* As of the end of 2023

**536** stores



## Far-Sighted Service Expansion

In 2023, Kumho Tire signed an agreement with GS Energy to provide an electric vehicle (EV) charging service and to conduct joint marketing initiatives at Tire Pro stores. As of 2023, Korea's EV market saw 158,000 new sales, similar in number to 2022. GS Energy, the leading charging operator in Korea with almost 40,000 chargers nationwide, offers a comprehensive service that spans the entire value chain of EV charging stations, from energy supply to charging services. With this agreement, Kumho Tire aims not only to build a charging infrastructure but also to enhance its EV expertise across all Tire Pro stores through workforce training and equipment development. This effort will enhance customer convenience with reliable services and contribute to the growth and expansion of the EV ecosystem.



## Subscriptions

\* As of March 2023

**176,000** subscribers



## Active Communication on Social Media

Kumho Tire is strengthening its mass communication drive and increasing intimacy with the MZ generation by introducing an Instagram cartoon series featuring its official mascot, Torororo. Interacting with global users in fun and playful ways, the Torororo Instatoon series was launched in 2023 as a global content piece that engagingly communicates the value of Kumho Tire's technology in safeguarding the world. Furthermore, as of March 2023, Kumho Tire's official YouTube channel, EcstaTV, boasted the highest number of subscribers among Korean tiremakers, exceeding 176,000. The channel is enhancing communication by diversifying content through initiatives like the "Torororo Challenge" (an entertainment clip featuring the Torororo mascot), the "3-Minute Tire" series (a three-minute video clip about useful tire tips), and other collaboration efforts with influencers and athletes.

# Brand Portfolio - Products

Kumho Tire's products ensure safe and comfortable driving in any environment, from the heavy traffic of urban roads—where stop-and-go driving can be the norm—and off-road trails covered with rocks and mud, to sweltering summer pavement and icy roads in the severe winter months. Kumho tires are tested in extreme motorsports, where their performance is validated and improved upon with data collected from these events, leading to greater innovation and enhancement of our products. As we explore the sustainability of mobility, we are actively releasing eco-friendly tires using green technologies.



## EnnoV

World's first tire with HLC technology applied across all sizes to withstand high loads while delivering optimal performance, reducing noise, enhancing wear resistance, and maximizing traction for premium EV-specific tires

**EnnoV Premium, EnnoV Winter, EnnoV Supermile**



## ECSTA

Ultra-high-performance sports tire featuring formula technology that maintains stable handling at high speeds and delivers outstanding braking performance regardless of road conditions

**ECSTA Sport S / Sport PS91, PS71(EV), HS52, V730**



## Majesty SOLUS

Premium comfort tires that offer high silence and comfort, maximizing braking performance with its original noise attenuation technology to provide a comfortable driving environment

**Majesty X, TA91(EV), TA51, TA21, HA32, HS63**



## SuperMile

Taxi tires designed for commercial vehicles with long mileage, offering high durability and endurance

**TX31(EV)**



## PorTran

LCV tires delivering stable driving and braking performance in all seasons and road conditions, with outstanding durability and stiffness

**KC53, KC55, CX11, CW11, CW51**



## ecowing

Eco-friendly tires incorporating advanced green technology and new compound materials to minimize energy loss while balancing driving performance

**ES31**



## WinterCRAFT

Premium winter tires that ensure safe driving, with excellent stability and braking performance on snowy and icy roads

**WP72, WP52(EV), WS71, Wi32, Wi51, Wi61**



## ROADVENTURE

Authentic SUV tires optimized for off-road conditions, with robust durability and superior performance for both on- and off-road environments

**AT52, MT51, MT71**



## CRUGEN

Premium SUV tires providing a smooth driving performance and enhanced quietness for SUV drivers seeking stable urban driving

**HP71(EV), HP51, HT51**

## OUR SPECIALTIES

## TECHNOLOGY LEADERSHIP

The automotive ecosystem is a technology-intensive industry where numerous innovations are both attempted and realized. At this juncture, preparing for an upheaval toward future mobility that is departing from the past century's internal combustion engine mechanism calls for evolution and innovation to an unprecedented extent. Kumho Tire is fully prepared for future innovations based on its world-class technology, which has earned itself a solid reputation for being the first and the best, covering everything from EVs to aerial mobility, self-driving and connected vehicles, all the way to eco-friendly features in response to environmental regulations.

## EV Tire Technology

EVs, which carry batteries and various electronic devices, are heavier than their combustion engine counterparts and have higher instant acceleration, with almost no inherent noise, making the noise generated during driving more pronounced. As a result, tires for electric vehicles need to be stronger and more flexible to withstand heavy loads, all without straining a vehicle's movement. The Majesty 9 SOLUS TA91 EV and CRUGEN HP71 EV were developed by applying EV technologies to existing bestsellers and optimized for EVs with low rolling resistance, high load support, instant response to high output, and high wear resistance. K-Silent Ring, Kumho Tire's unique sound-absorbing material design technology, boasts excellent performance in reducing noise due to resonance generated while driving. Kumho Tire continues to partner with global automotive brands for EV tires that perfectly meet the requirements demanded by electric vehicles in terms of maximized braking performance, ride comfort, quietness, and wear resistance. EnnoV, our EV-exclusive brand slated for launch in early 2024, is following in the success of the current four dedicated tire models, further accelerating technological development and commercialization.

## Our Quest to Realize Eco-Friendly Tires

Sustainability encompasses the entire life cycle of tires, from raw materials, production processes, and performance on the roads to recycling at the disposal stage. Kumho Tire has established definitions and goals from an ESG perspective for the entire life cycle of tires and is expanding the adoption of a life cycle assessment (LCA) to evaluate the environmental impact throughout a product's lifespan. We focus on research and development to eliminate environmental hazards right from the design stage and to reduce carbon emissions. As the replacement cycle approaches for the tires of 25 million vehicles in use domestically, Kumho Tire is actively involved in addressing the significant environmental impact of tire disposal. Indeed, we are a member of the Tire Industry Project (TIP) under the World Business Council for Sustainable Development (WBCSD), advancing joint research on the environmental impact of tire production and disposal, as well as technologies for reusing end-of-life tires. In fact, Kumho Tire is also involved in an R&D project to apply the recycled carbon black from discarded tires using pyrolysis oil.

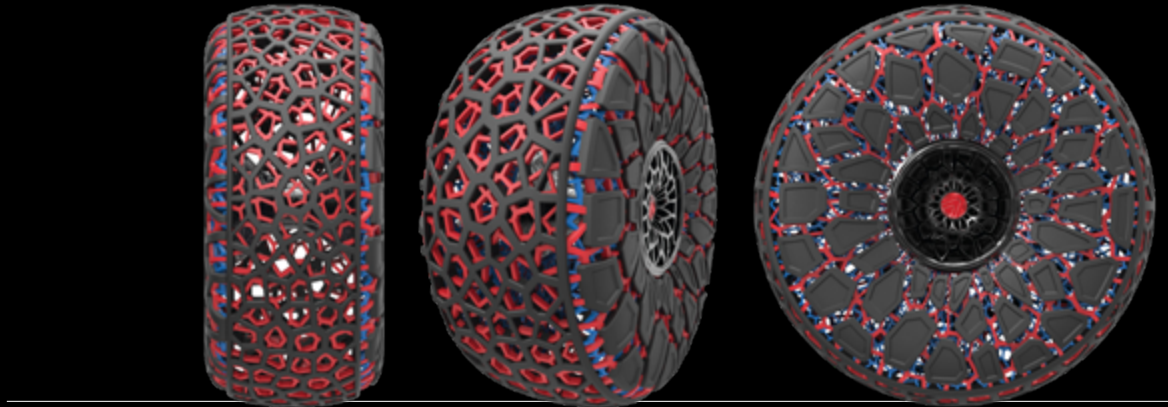
In 2023, Kumho Tire signed an MOU with the European petrochemical group Synthos to conduct joint research using bio-butadiene for NdBR and has also partnered with the American specialty chemical manufacturer Orion to co-develop tire technology using bio-oils (including vegetable oil) and recycled carbon black. Through these collaborative efforts, Kumho Tire plans to expand the use of environmentally friendly carbon black and synthetic rubber in tire manufacturing processes. In addition, following the development of tires in 2023 that incorporate 80% sustainable materials, we are intensively researching ways to achieve the ultimate goal of using 100% sustainable materials.



### Leading the Future of Mobility

The future of mobility, marked by autonomous driving and connected technologies, reduces human intervention and replaces it with advanced technology, thus significantly enhancing convenience on the move. However, this evolution necessitates innovative attempts that also consider safety. Kumho Tire is actively part of this pan-industrial paradigm shift towards a safer, more convenient future of mobility.

Our Smart Tire system has been constantly improving performance since being commercialized in 2021. Designed specifically for autonomous vehicles, it features sensor technologies that use high-performance accelerometers to detect road conditions, estimate wear and dynamic loads, and relay tire condition data to a vehicle's onboard computer. Often cited as one crucial feature of autonomous vehicle tires, the airless tire focuses on durability and stable ride quality even at high speeds. Over the years, Kumho Tire has improved the spoke structure, which replaces the air pressure in airless tires, and developed a sustainable airless tire capable of stable driving at speeds of up to 140 km/h as we continue to enhance both performance and safety.



In 2022 and 2023, Kumho Tire continuously introduced concept tires that encapsulate our technological prowess, including the Airborne Tire for urban air mobility (UAM), which has won awards at both the Red Dot and iF Design award competitions. The BON airless tire, inspired by the natural structure of bones and featuring a Voronoi pattern that mimics natural irregular patterns, enhances structural stability and fuel efficiency, while the Fin-Sread and Smasher tires, both winners of major awards at the IDEA and iF award competitions, represent not only futuristic technology but also aesthetic excellence in their design. The Fin-Sread tire, developed for autonomous mobility, is designed with a new airless structure and can seamlessly communicate with the vehicle by collecting and utilizing road and traffic data. The Smasher is an off-road tire specialized for extreme road conditions, equipped with suction plates and a grinder block design that crushes bumps on rough surfaces, enabling safe driving even in challenging environments.



## OUR SPECIALTIES

## ENHANCING BRAND VALUE

Brands are reliable and effective mediators that build trust with customers and form bonds with the public. Kumho Tire shares enjoyable stories through its official mascot, Torororo, participates in the dynamic world of sports, and constantly expands its communication with others, all without losing its focus on innovation and validation—the true essence and core competencies of any reliable tire brand. Kumho Tire maintains OE partnerships with leading global automotive brands, rigorously testing tire performance and design, and embracing third-party assessments of its product quality and services. By incorporating feedback into our relentless drive for innovation, we continuously make progress in our diligent efforts for ever-greater tires.

## Global OE Partnerships

Kumho Tire maintains OE partnerships with numerous global carmakers, including Hyundai Motor (Hyundai and Kia Motors), Volkswagen (Volkswagen, Audi, Skoda, SEAT), Mercedes-Benz, Renault-Nissan (Renault, Renault Korea Motors, Nissan), Chevrolet, KG Mobility, VINFAST, BYD, SAIC, and Geely Auto. Today, we are increasing our share of high-performance tires in the world's largest premium tire markets—the U.S. and Europe—while accelerating growth in China, both the largest auto market and largest market for electric vehicles, as we continually heighten trust with the public in local markets.



## Expanded OE Tire Supply

After having its tires recognized for their advanced technology, and as the right high-performance, large-diameter tires necessary for SUVs and electric vehicles, Kumho Tire began supplying OE tires in 2023 for Volkswagen's premium SUV models, the TAOS and the successor to the Atlas, as well as Hyundai Motor's KONA EV and Kia Motors' EV9. The CRUGEN HP71, chosen for the TAOS, is a high-performance tire that enhances smooth driving performance and quietness. Using high-end materials and next-generation compounds, the CRUGEN HP71 has improved wear performance and snow performance by more than 20% compared to conventional products, while its wide groove design improves drainage on wet roads, thereby strengthening driving stability and braking performance. Its EV spinoff, the CRUGEN HP71 EV, has been the OE supply to Kia's EV9 for quite some time now and has been mounted on the Volkswagen ID.4 and Kia EV6 since 2022. The Majesty9 SOLUS TA91 EV is the OE supply tire for the export model of the KONA EV. These two EV-specific tire models were developed in consideration of both energy efficiency as well as driving performance and comfort. They use an EV-optimal compound containing highly dispersed precision silica and are equipped with tire noise reduction technology that disperses noise generated in the tire grooves through a dimple design, providing optimal comfort at the same time.



## Performance and Design Evaluation

Tire design is more than aesthetics—it encompasses a technical design that realizes tire performance and ensures safety. Kumho Tire's advanced design and technological prowess have been widely recognized, as evidenced by its consecutive winning of international design awards.

The verification of performance continues through tire tests conducted by traditional and authoritative European automotive magazines. In 2023 alone, Kumho Tire received positive reviews in performance comparison tests conducted by a total of 10 automotive magazines worldwide. Notably, we were awarded a "Good" grade for the ECSTA HS52 by *ADAC Motorwelt* and for the ECSTA PS71 by *Auto Bild* in 2023. In 2024, the ECSTA HS52 ranked third in tire performance tests carried out by *ADAC Motorwelt* and second by *Auto Bild*.

## Proven Customer Satisfaction

While brand recognition is built on extensive marketing campaigns, it significantly depends on the customer experience at various touchpoints. As such, Kumho Tire constantly strives to understand and improve the customer experience with our products and services at all touchpoints. These efforts have paid off, as we have been ranked first for 19 consecutive years in the KCSI\*, a survey of customer satisfaction in domestic industries, and for 16 straight years in the KNPS\*\*, a metric that investigates companies recommended by customers. Both of these evaluations serve as a testament to our philosophy of prioritizing customer value. As we move forward, we will continue our relentless efforts to create greater satisfaction and customer value.

### Global Design Awards

#### Red Dot Design Award

Award History  
2012-2018, 2020-2023

2023 Award Winner  
Roadventure AT52 (product)

#### iF Design Award

Award History  
2011-2014, 2016-2018,  
2020-2023

2023 Award Winner  
Airborne (concept)

#### Good Design Award 2023 (G-Mark)

Award History  
2014-2023

2023 Award Winner  
Fortran 4S CX11 (product design)

#### 2023 CGD Award (Contemporary Good Design Award)

Award History  
2020-2021, 2023

2023 Award Winner  
ECSTA PS71 EV (product)

### Customer Satisfaction Evaluations

No. 1 in the Durable Goods  
Manufacturing  
Passenger Car Tires category

#### \*Korea Customer Satisfaction Index (KCSI)

Award History  
19 consecutive years

#### \*\*Korean Net Promoter Score (KNPS)

Award History  
16 consecutive years



**OUR SPECIALTIES**

# SPORTS MARKETING

Kumho Tire's advanced technologies and tire performance capabilities are tested in the extreme conditions of motorsports, where bold challenges and tireless dedication prevail. At the same time, these events help build our brand reputation through official sponsorships at thrilling professional sports venues worldwide, captivating fans and bystanders alike. The technology honed through motorsports is then applied across the board, from ultra-high-performance tires to standard tires, leading to better quality products and broadening communication with the public through sports marketing to continually expand brand value.



## Proof of Technology and Quality through Motorsports

In 2023, Kumho Tire exclusively supplied tires to all competing vehicles as the title sponsor of the Kumho TCR World Tour, a premier global touring car race. Supporting the success of the event with dynamic yet stable performance tires as the official tires of the World Tour, the ECSTA S700 and W701 have showcased Kumho Tire's technology by enabling racers to perform at their best in the TCR Regional Series and National Series, which have been held in different parts of the world since 2022. Kumho Tire is continuing its sponsorship in 2024 with the Kumho FIA TCR World Tour, contributing to the development of motorsports and the promotion of motorsports culture.



## Motorsports

### Kumho FIA TCR World Tour

Title Sponsor – Exclusive paid tire sponsor

### TCR Regional Series

Official Partner – Tires exclusively supplied for 5 Races (Europe, Eastern Europe, South America, Middle East, Ibérico)

### TCR National Series

Official Partner – Tires supplied for 5 Races (Australia, Denmark, Spain, Finland, Brazil)

### ECSTA Racing Team

Founded in 2014 – Competed in the CJ Logistics Super Race Championship from 2014 to 2023

In addition, at the CJ Logistics Super Race Championship, Korea's largest motorsports event, Kumho's ECSTA Racing Team dominated the top Super 6000 class, achieving double championships in both the driver and team categories. Lee Chan-joon, the driver champion winner, was honored as the youngest champion in the Super 6000 class, while the ECSTA Racing Team was the team champion winner, demonstrating their exceptional capabilities and Kumho Tire's high-performance tire technology. This was their record third double championship finishing, after double championships in 2016 and 2020.



### Sports Marketing to Raise Brand Recognition

When Son Heung-min, the winner of the English Premier League (EPL) Golden Boot award for the 2021-22 season, nets a goal, the spotlight often catches the Kumho Tire LED billboard advertisement behind him. In the United States, the world's largest tire market, Kumho Tire strengthens its bond with North American consumers as an official NBA sponsor. Kumho Tire is bolstering its brand image through a wide range of global sports marketing strategies tailored to regional preferences.

On top of our longstanding partnership with Tottenham Hotspur, home to Korean top forward Son Heung-min since 2016, Kumho Tire also became the official tire partner of AC Milan, the championship team of the 2021-22 Serie A league, in 2023. Additionally, the company is a partner of Bayer Leverkusen in Germany, FK Mladá Boleslav in the Czech Republic, and BSC Young Boys in Switzerland.

As an official NBA sponsor in North America since 2014, Kumho Tire actively promotes our brand through customer invitations and promotional activities during the regular season, playoffs, and All-Star events, branding our image as an NBA partner among fans across all regions. In Korea, Kumho Tire connects with customers through a team uniform sponsorship deal with the Kia Tigers, the professional baseball team with the largest fan base in the country. Today, we are continuously expanding the scope of our communication efforts through various channels, both online and offline.



#### Sports Marketing

**AC Milan**  
Premium Partner

**Tottenham Hotspur**  
Official Partner

**Bayer 04 Leverkusen**  
Official Partner

**BSC Young Boys**  
Silver Partner

**FK Mlada Boleslav**  
Official Partner

**KIA TIGERS**  
Uniform Sponsor

**NBA**  
Official Partner





# ESG OVERVIEW

As we navigate towards a sustainable future, Kumho Tire's focus remains on its dedication to sustainability. In 2023, we seamlessly weaved stringent ESG principles into our core business strategies. Furthermore, we engaged in global sustainability initiatives, pursued internal improvements and innovation, and fostered co-prosperity with society at large.

32 — ESG at a Glance in 2023

33 — Environmental

34 — Social

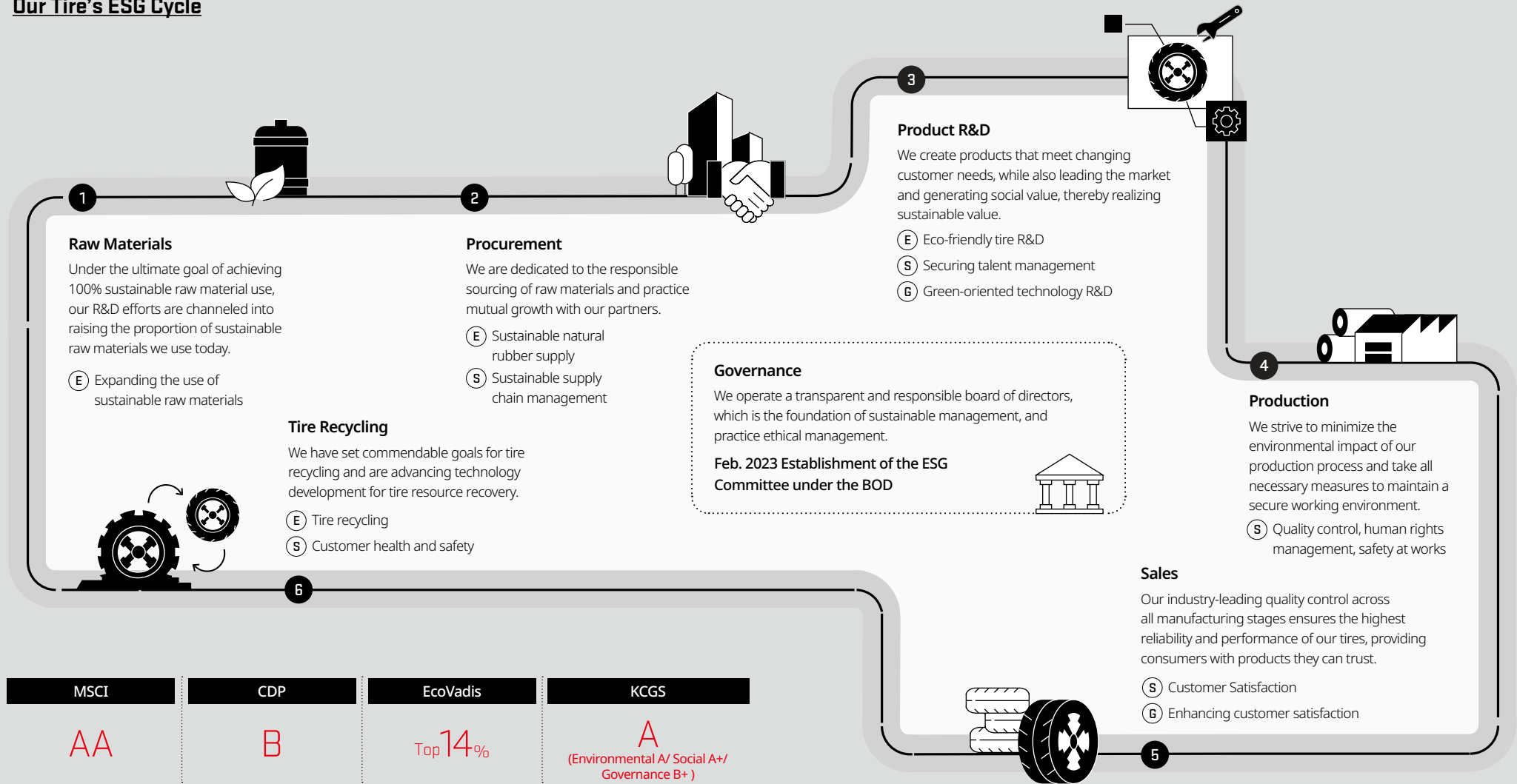
36 — Governance



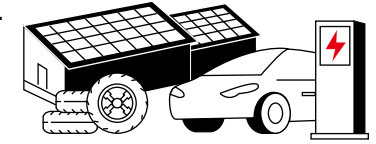
# ESG at a Glance in 2023

Kumho Tire is committed to enhancing mobility safety and convenience through innovative solutions, underpinned by a strong belief in sustainability for all of humankind and the planet. As such, we have implemented a rigorous ESG management system, promoting company-wide adoption and action without delay. As a tire company, we establish sustainability-based principles and goals on a regular basis, review progress annually, and work tirelessly to forge a better future for everyone.

## Our Tire's ESG Cycle



# ENVIRONMENTAL



## Kumho's Commitment to Mitigating Climate Change

Kumho Tire is committed to leading the industry's transition towards a carbon-neutral future, a pledge underscored by our strategic "2045 Carbon Neutral Roadmap." We are actively expanding solar power installations across both domestic and international business premises to significantly reduce our reliance on electricity, which presently constitutes over 70% of our greenhouse gas emissions. By 2024, we anticipate that renewable energy will supply approximately 10% of the electricity demand at four of our key plants.

In a pioneering move within the Korean tire industry, Kumho Tire endorsed the Task Force on Climate-related Financial Disclosures (TCFD) in March 2023. This endorsement reflects our proactive approach to integrating TCFD guidelines into our management strategies. These guidelines now help us thoroughly evaluate both transitional and physical risks, as well as opportunities related to climate change. We are also dedicated to maintaining transparency by regularly reporting these assessments and their impact in our sustainability reports, ensuring that our stakeholders are well-informed of our progress and strategies in addressing climate change.

### Renewable Energy Use at the Tianjin Plant

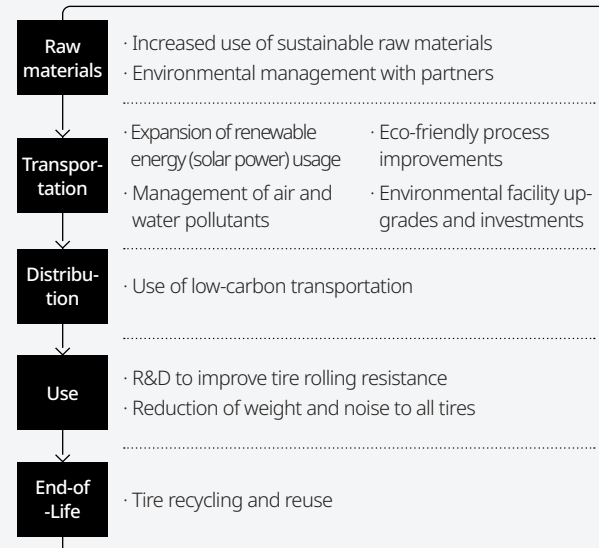


An aerial view of the solar panels at the Tianjin Plant, China

## Low-Carbon Tire Development Based on a Life Cycle Assessment (LCA)

Kumho Tire quantifies its greenhouse gas emissions and environmental impact—from raw material sourcing to disposal—through a formal life cycle assessment (LCA), all in an effort to reduce our impact on the world around us. Since 2021, we have conducted annual LCA evaluations. As of 2024, we completed the in-house development of a K-LCA Tool that allows us to implement reduction plans more efficiently and respond promptly to customer demands. At the same time, we are actively working on developing low-carbon tires based on LCA data.

### Greenhouse Gas Reduction Strategies in the Life Cycle of Products

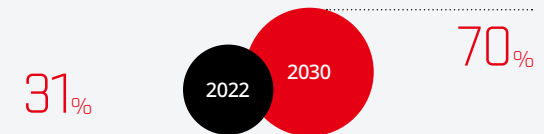


## Expansion and Technological Development of Eco-Friendly Products

Kumho Tire is actively expanding its eco-friendly product offerings in response to the increasing demand from environmentally conscious consumers—or "greensumers" as they are sometimes now called—and concerns about greenwashing. We have set six stringent criteria for green products and are adapting to evolving legal and regulatory standards, aiming for 70% of our sales to be eco-friendly by 2030.

Our commitment extends across the entire product lifecycle. By focusing on research and development to expand sustainable tires, Kumho Tire is reducing the environmental impact of our product's life cycle, which encompasses everything from R&D and production to the use and disposal of tires. In particular, our R&D concentrates on producing fuel-efficient, wear-resistant, and quieter tires. Additionally, we are addressing environmental challenges by reducing tire dust and microplastics. Through these efforts, Kumho Tire aims to minimize our environmental footprint and lead the industry in sustainable practices, strengthen our ecological contributions, and maintain transparency with our stakeholders.

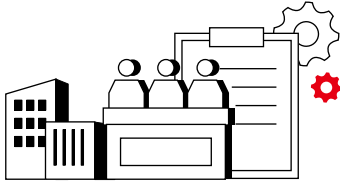
### Sales Proportion of Eco-Friendly Products



### Eco-Friendly Product Criteria

- Energy-efficient products
- Enhanced wear performance products
- Eco-friendly concept products
- Korean Eco-Labeled products
- Carbon emission reduction products

# SOCIAL

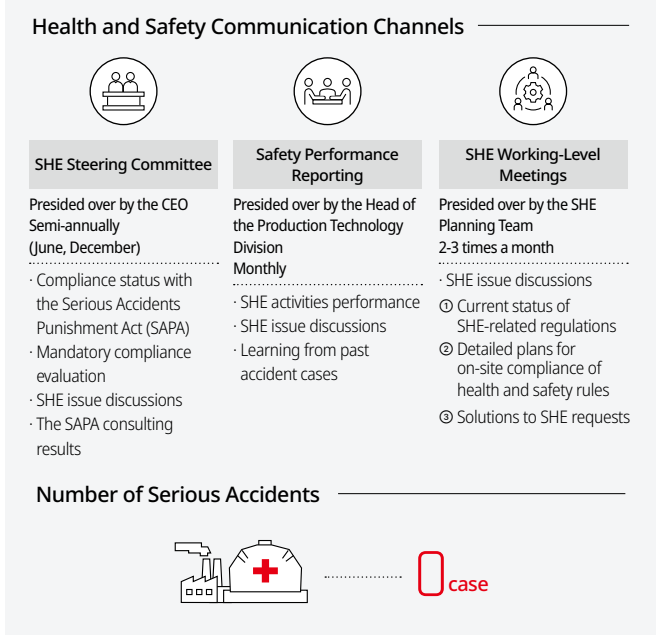
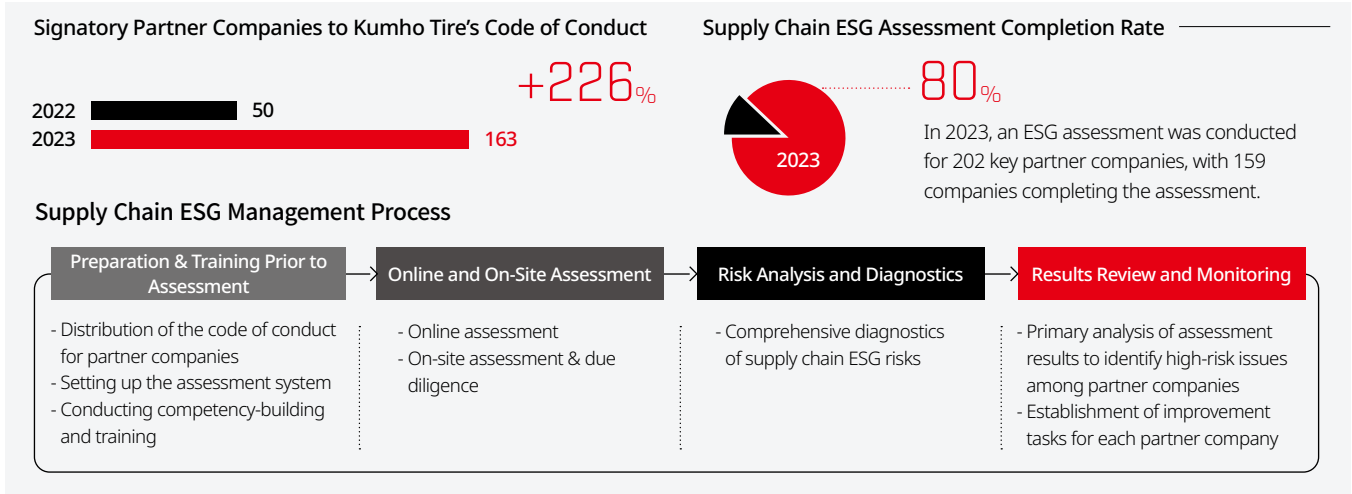


## Supply Chain Management

In response to stringent global legislation such as Germany's Supply Chain Due Diligence Act and the EU Corporate Sustainability Due Diligence Directive, Kumho Tire has proactively refined its approach to ESG management within our supply chain. As such, we have implemented guidelines to propagate ESG standards throughout the value chain and introduced a partner code of conduct. In 2023, we further strengthened our ESG framework by addressing critical issues like discrimination, women's rights, responses to the climate crisis, grievance procedures, and conflict minerals, securing consent signatures from 163 partner companies. Furthermore, we have established a supply chain ESG assessment process to systematically identify and manage ESG risks. To enhance awareness and adherence to these standards, we launched a new "ESG Pick" system, in which we share information about key ESG issues and materials with partner companies on a weekly basis. Additionally, we provide extensive ESG-focused training that encompasses areas such as ESG management, supply chain oversight, conflict minerals, and life cycle assessment (LCA), ensuring comprehensive support and compliance among our partners.

## Health and Safety Management

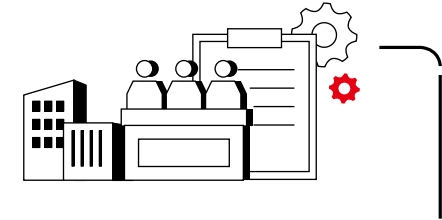
As a multinational manufacturing company, Kumho Tire is committed to ensuring a safe and healthy working environment across all our business premises. We have established a dedicated organization to implement our health and safety management policies and have achieved ISO 45001 certification for our health and safety management system. In 2023, we conducted a third-party risk assessment to identify and address risk factors, while also enhancing health and safety training and other management activities to ensure a safe workplace. We also reviewed and improved our company-wide health and safety system to minimize industrial accident risks. Moreover, we expanded the scope of monthly health and safety training from site workers to the entire workforce in order to prevent accidents and raise safety awareness across the board.



## Responsible Management of Conflict Minerals

Committed to ethical sourcing practices, Kumho Tire takes responsibility for managing conflict mineral risks through rigorous policies and collaboration with relevant departments. To that end, we address social and environmental issues associated with conflict minerals, including human rights abuses, environmental harm, and the inadvertent funding of conflict groups. Our strategy includes keeping our conflict mineral policies up to date, assessing and managing related risks on our supply chain, and partnering with our research institute to develop alternative materials and evaluate the inclusion of conflict minerals in our products. In addition to operating a robust risk management system, we share information with suppliers and conduct annual reviews to prevent their unintended use of conflict minerals.

# SOCIAL



## Human Rights Management

Kumho Tire has developed a human rights policy aligned with international standards, including the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the ILO Declaration. In 2023, we further refined the basic principles within the policy and articulated our execution framework, thereby strengthening our human rights management system.

### Human Rights Impact Assessment (HRIA)

In 2023, we conducted a Human Rights Impact Assessment involving 334 employees to proactively identify potential human rights issues within our operations. This assessment helped pinpoint areas requiring targeted management and improvements. Following the assessment, we have been intensifying our human rights education programs to enhance employee awareness. In addition, we plan on expanding these assessments to our overseas facilities and supply chain partners, aiming to identify and address human rights risks across our global operations and supply chain.

#### Completion of the HRIA at Kumho's Korean Operations



100%

Plants in Gwangju, Gokseong, and Pyeongtaek, as well as the Seoul Head Office

## Talent Management

### Employee Competency-Building

Individuals' capabilities constitute the core competencies of any company. Kumho Tire delivers targeted training programs tailored to various ranks and roles, empowering employees to define their own growth trajectories and set personal objectives. We also provide strategic executive seminars on critical themes such as future mobility, big data, and artificial intelligence, all of which are aimed at bolstering the decision-making and organizational skills of our leadership.

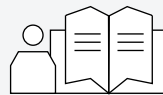
#### Training Hours



155,510 hours

#### Training Satisfaction

(on a scale of 5)



4.52 points

## A Positive Work Environment

Recognizing the pivotal role of employee satisfaction and engagement in driving performance, Kumho Tire is dedicated to fostering a supportive work environment conducive to a healthy work-life balance. Innovative measures such as flexible working arrangements and "PC-Off" mandates optimize operational efficiencies and promote healthful work habits. At the same time, we champion a progressive vacation policy, granting employees more discretion in taking paid leave.

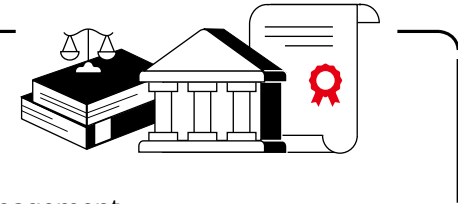
Additionally, our family-friendly policies include reduced working hours for pregnant employees and comprehensive parental leave options. Also, participation in the Ministry of Employment and Labor's 2023 Work-Life Balance Campaign was a strategic move to elevate organizational culture and productivity. These efforts are continuously being refined through feedback, with action plans scheduled for 2024 to sustain and enhance our commitment to employee well-being and organizational excellence.

#### Work-Life Balance Initiatives



|                                |  |
|--------------------------------|--|
| <b>Flexible Commuting</b>      | Adjustable commuting hours around the worksite's core hours                  |
| <b>PC-Off Mandate</b>          | Preset mandatory power-off alerts to ensure breaks and on-time work stoppage |
| <b>Self-Administered Leave</b> | Fostering an autonomous and advanced vacation culture                        |
| <b>Leaders' Day Off</b>        | Mandatory leave for managers in the second week of each month                |
| <b>Refresh Leave</b>           | Guaranteed time off for personal rejuvenation                                |

# GOVERNANCE

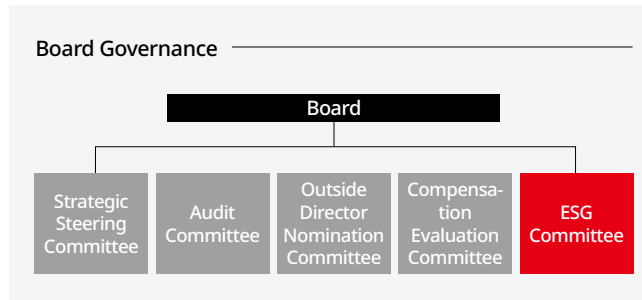


## Establishing a Robust Governance Structure

Kumho Tire is dedicated to enhancing dialogue with shareholders and stakeholders, actively sharing information and our strategic vision. We uphold the voting rights of all shareholders and facilitate their exercising of these rights through a proxy if necessary. To that extent, an electronic voting system is being adopted starting at our March 2024 annual general shareholders' meeting. This will broaden shareholders' options for exercising their voting rights and encourage active participation, thereby reinforcing shareholder rights.

## Establishing a Board-Level ESG Committee

In 2023, Kumho Tire established an ESG Committee under the board of directors, marking a significant step towards integrating non-financial factors, including environmental, social, and governance (ESG) elements, into our management strategy. The committee consists predominantly of outside directors to ensure impartiality and serves as a crucial forum for absorbing and integrating expert opinions along with professional experiences. The board deliberates and resolves decisions related to key ESG management issues to ensure transparent and equitable decision-making processes. In alignment with international standards, our board is diversely composed and highly qualified, further supported by our commitment to directors' and officers' liability insurance, thus underscoring our dedication to rigorous and responsible governance.



## Ethical Management

Committed to upholding a solid ethical framework, Kumho Tire has established a robust code of ethics that guides employee conduct in all aspects of their day-to-day duty performance. Office workers of all ranks periodically receive extensive training on the code's principles, the importance of compliance, and countermeasures to violations with case studies. Furthermore, we collect compliance pledges and self-assessments from the entire workforce to continuously refine our ethical management across the board.

## Compliance Management

At Kumho Tire, we maintain stringent legal and ethical compliance standards within our operational framework. Our enhanced management systems are designed to ensure strict adherence to business laws and ethical regulations, a fact backed up by our having already obtained the integrated ISO 37301 (Compliance Management Systems) and ISO 37001 (Anti-bribery Management Systems) certifications, which aid in boosting employees' legal awareness and operational efficiency. We also establish and enforce fair trade policies and anti-corruption guidelines, provide regular legal training for employees, and implement robust internal controls and compliance monitoring to solidify our compliance framework.

## Information Security Control

As stewards of valuable corporate information, all Kumho Tire employees are entrusted with maintaining rigid information security protocols. This includes regular oversight of documents, facilities, personnel, and computing resources. To safeguard our corporate assets and uphold our value, we perform regular and special information security audits, applying all necessary corrective and preventive actions based on audit findings to ensure the integrity of our information security controls.

## TISAX Certification

Recognizing the critical need for robust information due to the rise of smart connected vehicles, Kumho Tire has vigorously pursued TISAX certification, which confirms the security of our information systems against technology leaks, intellectual property threats, and breaches in personal data management. As of March 2024, we have successfully certified several key facilities, including our plants in Gwangju, Gokseong, Nanjing, Changchun, Georgia, and our Yongin Central R&D Center (KRDC). Further certifications for our European Technical Center (KETC) and China Technical Center (KCTC) are expected within the first half of 2024.





# BUSINESS REPORT

- 38 — Company Overview
- 39 — Business Operations and Performance
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- 44 — Assignment of the Company
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- 45 — Major Creditors
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- 45 — Other Business Matters

# 01 Company Overview

## 1. Business Areas

|    |  |    |  |
|----|--|----|--|
| 01 | Import and export business and agency services   | 16 | Tourist convenience facility   |
| 02 | Foreign trading agency services  | 17 | Tourist restaurant services  |
| 03 | Issuance of Confirmation of Sales Agreement  | 18 | Youth hostel business  |
| 04 | Military supply and military material import/export business                               | 19 | Development, manufacturing, and sales of character products  |
| 05 | Various tire manufacturing and sales   | 20 | E-commerce and related services  |
| 06 | Various tubes and flaps manufacturing and sales  | 21 | Licensing of characters, trademarks, and other intellectual property rights  |
| 07 | Other rubber product manufacturing and sales   | 22 | Development, manufacturing, retail, wholesale, import, export, and consignment sales of household items, office supplies, bags, clothing, accessories, and other goods |
| 08 | Services related to various tire and rubber product manufacturing and technology           | 23 | Direct selling, mail order selling, and related services   |
| 09 | Manufacturing, sales, and export of various tire and rubber products, industrial equipment | 24 | Rubber product rental and related services   |
| 10 | Manufacturing, processing and sales of synthetic resin products                            | 25 | Various tire maintenance and related services  |
| 11 | Consignment sales of various tires and rubber products                                     | 26 | Repair and related services for automobiles and other vehicles   |
| 12 | Real estate leasing  | 27 | Other electronic components manufacturing and sales  |
| 13 | Training centers and resort operation  | 28 | Location information and location-based services   |
| 14 | Educational services   | 29 | All ancillary businesses related to the operations mentioned above   |
| 15 | Tourist facility services  |    |  |

## 2. Key Business Activities

- Tire manufacturing and sales, technical services, consignment sales, etc.

## 3. Plants, R&D Centers, and Branches

\* As of December 31, 2023

| Branches and Plants                  | Key Business Activities or Products | Location   |
|--------------------------------------|-------------------------------------|--|
| Seoul Office                         | Sales and Management                | 68 Saemunan-ro, Jongno-gu, Seoul   |
| Gwangju Plant                        | TIRE Manufacturing                  | 658 Eodeung-daero, Gwangsan-gu, Gwangju  |
| Gokseong Plant                       | TIRE Manufacturing                  | 85-63 Geumho-gil, Ip-myeon, Gokseong-gun, Jeollanam-do                         |
| Pyeongtaek Plant                     | TIRE Manufacturing                  | 87 Pyeongtaekhang-ro 156beon-gil, Poseung-eup, Pyeongtaek-si, Gyeonggi-do      |
| R&D Centers                          | Research and development            | Gwangju Center, Yongin Center, KATC(U.S.A.), KETC(GERMANY), KCTC(CHINA)        |
| Gangbuk Branch and 15 Other Branches | Sales of Tires, Tubes, and Flaps    | 1021 Dongil-ro, Nowon-gu, Seoul and other 15 locations                         |
| NANJING KUMHO TIRE CO., LTD.         | TIRE Manufacturing                  | 8 Chunyu Road Nanjing Pukou Economic Development zone, Nanjing, Jiangsu, China |
| KUMHO TIRE (TIANJIN) CO., INC.       | TIRE Manufacturing                  | No.333 Zhongnan, 2st. Teda, Tianjin, China                                     |
| KUMHO TIRE (CHANGCHUN) CO., INC.     | TIRE Manufacturing                  | No.677 Jinhua Road, Changchun, China   |
| KUMHO TIRE (Vietnam) CO., LTD.       | TIRE Manufacturing                  | Gcn, My Phuoc3, Industrial Park, Ben Cat Dist., Binh Duong Province, Vietnam   |
| KUMHO TIRE GEORGIA, INC.             | TIRE Manufacturing and sales        | 3051 Kumho Parkway, Macon, GA 31216, USA                                       |
| 10 Overseas Sales Subsidiaries       | Sales of Tires, Tubes, and Flaps    | USA, Mexico, Canada, Germany, UK, France, Australia, Japan, China, Egypt       |
| 13 Overseas Branches and Offices     | Sales of Tires, Tubes, and Flaps    | Panama, São Paulo, Dubai, Bangkok, Milan, etc.                                 |

## 4. Employee Statistics

(Unit: persons)

| Category     | Management   | Production   | Others     | Total        |
|--------------|--------------|--------------|------------|--------------|
| Male         | 1,182        | 4,017        | 161        | 5,360        |
| Female       | 204          | 35           | 16         | 255          |
| <b>Total</b> | <b>1,386</b> | <b>4,052</b> | <b>177</b> | <b>5,615</b> |

\* As of December 31, 2023

Note 1) One registered executive (CEO Jeong Il-taek) is excluded from management

Note 2) Two consultants and one non-standing advisor are included in 'Others'



## 01 Company Overview

### 5. Matters Related to Shares

#### 1) Types and Amounts of Issued Shares

(Unit: shares, KRW million)

| Type of Shares           | Number of shares | Issue Price | Proportion | Remarks |
|--------------------------|------------------|-------------|------------|---------|
| Registered Common Shares | 287,260,287      | 1,436,301   | 100%       | -       |

#### 2) Changes in Capital

- None applicable

#### 3) Share Administration

| Category                            | Description   |
|-------------------------------------|---|
| Fiscal Year-end                     | December 31   |
| Shareholder Register Closure Period | January 1 to January 31   |
| Record Date                         | December 31   |
| Public Notice Newspaper             | -   |
| Types of Shares                     | 1, 5, 10, 50, 100, 500, 1000, 10000 shares (8 types)                  |
| Share Administration Agency         | -   |
| Agent                               | Hana Bank   |
| Administrative Office               | 72 Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul, Korea Tel: 82-2-368-5800 |

### 6. Matters Related to Bonds

- None applicable

## 02 Business Operations and Performance

### 1. Overview of Business Operations

Despite challenging economic conditions in 2023, including international instability, high inflation, high exchange rates, and high interest rates, which contributed to a downturn, unified efforts by management and labor towards operational normalization allowed us to achieve the highest performance levels in our history. In 2024, Kumho Tire expects to reach its highest-ever revenue of KRW 4.5 trillion, with plans further to improve profitability through continuous improvements in operational efficiency based on a cooperative labor culture.

### 2. Production Status

(Unit: in thousands)

| By Business Sector /Product | Volume |        |
|-----------------------------|--------|--------|
|                             | 2023   | 2022   |
| Tires                       | 55,948 | 48,351 |

\* As of December 2023

### 3. Sales Performance

(Unit: KRW million)

| Category  | Sales       |           |           |
|-----------|-------------|-----------|-----------|
|           | 2023        | 2022      |           |
| Tires     | Domestic    | 625,032   | 603,423   |
|           | RE Overseas | 2,617,519 | 2,332,954 |
|           | Subtotal    | 3,242,550 | 2,936,377 |
|           | OE Domestic | 312,226   | 264,088   |
|           | Overseas    | 477,191   | 345,849   |
|           | Subtotal    | 789,418   | 609,936   |
| Total     | 4,031,968   | 3,546,313 |           |
| Others    | 9,444       | 12,845    |           |
| Sum Total | Domestic    | 937,258   | 867,511   |
|           | Overseas    | 3,094,710 | 2,678,802 |
|           | Others      | 9,444     | 12,845    |
|           | Total       | 4,041,412 | 3,559,158 |

\* As of December 31, 2023

## 02 Business Operations and Performance

### 4. Investments and Funding

(Unit: KRW million)

| Category                      | Investments                              | Investment Schedule           | Amount         | Financing Situation           |
|-------------------------------|--|-------------------------------|----------------|-------------------------------|
| Gwangju Plant                 | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 29,325         | Internal funds and borrowings |
| Gokseong Plant                | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 34,602         | Internal funds and borrowings |
| Pyeongtaek Plant              | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 5,955          | Internal funds and borrowings |
| R&D Centers                   | Test/evaluation equipment and facilities | Jan 1, 2023<br>- Dec 31, 2023 | 20,682         | Internal funds and borrowings |
| Seoul Office                  | Sales and logistics warehouse            | Jan 1, 2023<br>- Dec 31, 2023 | 7,997          | Internal funds and borrowings |
| <b>Domestic Subtotal (I)</b>  |  |                               | <b>98,561</b>  |                               |
| NKT                           | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 52,469         | Internal funds and borrowings |
| KTT                           | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 19,119         | Internal funds and borrowings |
| KTC                           | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 10,904         | Internal funds and borrowings |
| KCTC                          | Test/evaluation equipment and facilities | Jan 1, 2023<br>- Dec 31, 2023 | 5,142          | Internal funds and borrowings |
| KTV                           | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 23,918         | Internal funds and borrowings |
| KTG                           | Facility and IT investments              | Jan 1, 2023<br>- Dec 31, 2023 | 11,606         | Internal funds and borrowings |
| Overseas Sales Subsidiaries   | Logistics warehouses, IT investments     | Jan 1, 2023<br>- Dec 31, 2023 | 5,216          | Internal funds and borrowings |
| <b>Overseas Subtotal (II)</b> |  |                               | <b>128,375</b> |                               |
| <b>Total (I+II)</b>           |  |                               | <b>226,936</b> |                               |

\* As of December 31, 2023

## 03 Parent Company, Subsidiaries, and Corporate Combination, etc.

### 1. Parent Company

| Category                   | Details                 |  |
|----------------------------|-------------------------|--|
| <b>Name</b>                | Xingwei Korea Co., Ltd. |  |
| <b>Number of Investors</b> | 1                       |  |
| <b>CEO</b>                 | <b>Name</b>             | Zhang Junhua / Wang Bo                                   |
|                            | <b>Main Career</b>      | Double Star Group CEO / Double Star Group Legal Director |
| <b>Major Shareholder</b>   | <b>Name</b>             | Qingdao Xingwei International Investment Co., Ltd        |
|                            | <b>Ownership (%)</b>    | 100  |

\* As of December 31, 2023

## 03 Parent Company, Subsidiaries, and Corporate Combination, etc.

### 2. Subsidiaries

(Unit: local currencies in thousands)

| Category  | Address   | Currency | Capital Equity | Main Business  | Shares in Holding (shares)  | Ownership (%) | Main Transactions |
|---|---|----------|----------------|--|-----------------------------|---------------|-------------------|
| KUMHO TIRE U.S.A., INC.(KUMHO TIRE GEORGIA HOLDING, KUMHO TIRE GEORGIA INC. included) | 133 Peachtree Street NE, Suite 2800, Atlanta, GA 30303 USA  | USD      | 384,400        | Tire Manufacturing/<br>Sales                               | 3,844,000                   | 100.0%        | TIRE              |
| KUMHO TYRE(U.K.) LTD.   | Unit 3310 Hunter Boulevard, Magna Park, Lutterworth, Leicestershire LE17 4XN, UK  | GBP      | 20             | Tire Sales   | 20,000                      | 100.0%        | "                 |
| KUMHO TIRE EUROPE GMBH  | Brüsseler Platz 1, 63067 Offenbach am Main, Germany   | EUR      | 9,074          | Tire Sales   | -                           | 100.0%        | "                 |
| KUMHO TIRE JAPAN, INC.  | Kyobashi Yamamoto BLDG 2F 3-12-7,<br>Kyobashi, Chuo-Ku, Tokyo, Japan  | JPY      | 40,000         | Tire Sales   | 40,012                      | 100.0%        | "                 |
| KUMHO TIRE CANADA, INC.   | Unit B, 6430 Kennedy Rd. Mississauga, ON L5T 2Z5 Canada   | CAD      | 54             | Tire Sales   | 537                         | 100.0%        | "                 |
| KUMHO TYRE AUSTRALIA PTY., LTD.   | Level 2, Unit 214 Versatile,<br>29-31 Lexington DriveBella Vista NSW 2153   | AUD      | 5,100          | Tire Sales   | 5,100,000                   | 100.0%        | "                 |
| KUMHO TIRE(H.K.) CO., LTD.  | Units 04-05, 26/F Railway Plaza, 39 Chatham Road South, Tsim Sha Tsui, Kowloon, Hong Kong                                 | USD      | 1,361,387      | Holding Company<br>of Subsidiaries in<br>China and Vietnam | 1,373,946,457               | 100.0%        | "                 |
| NANJING KUMHO TIRE CO., LTD.  | 8 Chunyu Road Nanjing Pukou EconomicDevelopment zone, Nanjing, Jiangsu, China   | RMB      | 1,802,264      | Tire Manufacturing/<br>Sales                               | KUMHO TIRE (H.K) Subsidiary | -             | "                 |
| KUMHO TIRE(TIANJIN) CO., INC.   | No.333 Zhongnan, 2st. Teda, Tianjin, China  | RMB      | 2,533,379      | Tire Manufacturing/<br>Sales                               | KUMHO TIRE (H.K) Subsidiary | -             | "                 |
| KUMHO TIRE(CHANGCHUN) CO., INC.   | No.677 Jinhu Road, Changchun, China   | RMB      | 855,031        | Tire Manufacturing/<br>Sales                               | KUMHO TIRE (H.K) Subsidiary | -             | "                 |
| KUMHO TIRE CHINA CO., INC.  | 0-31F, BLK A, No 391 Guiping Rd., New Caohejing Business Center, Xuhui District, Shanghai, China                          | RMB      | 1,235,803      | Tire Sales   | KUMHO TIRE (H.K) Subsidiary | -             | "                 |
| KUMHO TIRE(VIETNAM) CO., LTD.   | Gcn, My Phuoc3, Industrial Park, Ben Cat Dist., Binh Duong Province, Vietnam  | USD      | 217,642        | Tire Manufacturing   | KUMHO TIRE (H.K) Subsidiary | 57.6%         | "                 |
| KUMHO TIRE FRANCE S.A.S   | Bat Le Art'Val Paris Nord 2, 9 Rue Des Trois Soeurs, BP 42030 Villepinte, 95912 Roissy C.D.G. Cedex, France               | EUR      | 670            | Tire Sales   | 67,000                      | 100.0%        | "                 |
| KUMHO TIRE DE MEXICO, SA DE CV  | Bosque De Radiatas 26, Piso 3, Despacho A, Bosques De Las Lomas, Cuajimalpa De Morelos, Ciudad De Mexico, CP 05120 Mexico | MXN      | 10,167         | Tire Sales   | 9,844,459                   | 100.0%        | "                 |
| KUMHO TIRE EGYPT CO., LLC   | Cairo, Maadi Building 56, apartment no 33, third floor,<br>street no 15, Sarayat Maadi                                    | USD      | 50,000         | -  | -                           | 99.0%         | "                 |

## 03 Parent Company, Subsidiaries, and Corporate Combination, etc.

### 3. Concurrent Executive Positions in Parent and Subsidiary Companies

| Name         | Company Name                             | Position               |
|--------------|--|------------------------|
| Zhang Junhua | Xingwei Korea Co., Ltd. (Parent Company) | CEO                    |
|              | Kumho Tire                               | Non-executive Director |

\*As of December 31, 2023

## 04 Operation Results and Financial Condition for Recent 3 Years

### 1. Financial Positions (Separate)

#### 1) Summary Income Statement

(Unit: KRW million)

| Accounts                                    | 2023             | 2022             | 2021             |
|---|------------------|------------------|------------------|
| <b>Sales</b>                                | <b>3,018,445</b> | <b>2,834,274</b> | <b>2,058,954</b> |
| Cost of Sales                               | 2,434,014        | 2,520,225        | 1,837,839        |
| Gross Profit                                | 584,431          | 314,049          | 221,115          |
| Selling General and Administrative Expenses | 361,742          | 309,602          | 284,484          |
| <b>Operating Income</b>                     | <b>222,690</b>   | <b>4,448</b>     | <b>-63,370</b>   |
| Non-operating Income (Expenses)             | 34,772           | -154,099         | -11,062          |
| <b>Pre-tax Profit (Loss)</b>                | <b>257,462</b>   | <b>-149,652</b>  | <b>-74,431</b>   |
| Income Tax Expenses (Income)                | 34,859           | -163             | -4,388           |
| <b>Net Profit (Loss)</b>                    | <b>222,603</b>   | <b>-149,489</b>  | <b>-70,043</b>   |

※ Figures may change following external audit results.

#### 2) Summary Statement of Financial Position

(Unit: KRW million)

| Accounts                            | 2023             | 2022             | 2021             |
|-------------------------------------|------------------|------------------|------------------|
| Current Assets                      | 1,271,586        | 1,199,876        | 979,520          |
| Non-current Assets                  | 1,570,967        | 1,501,435        | 1,573,936        |
| <b>Total Assets</b>                 | <b>2,842,552</b> | <b>2,701,311</b> | <b>2,553,456</b> |
| Current Liabilities                 | 1,251,483        | 1,682,255        | 863,449          |
| Non-current Liabilities             | 850,092          | 475,601          | 1,024,966        |
| <b>Total Liabilities</b>            | <b>2,101,576</b> | <b>2,157,855</b> | <b>1,888,415</b> |
| Capital Stock                       | 1,436,301        | 1,436,301        | 1,436,301        |
| Capital Surplus                     | 220,533          | 220,533          | 220,533          |
| Capital Adjustments                 | -16,618          | -16,618          | -16,618          |
| Retained Earnings                   | -899,240         | -1,096,762       | -975,176         |
| <b>Total Equity</b>                 | <b>740,977</b>   | <b>543,455</b>   | <b>665,041</b>   |
| <b>Total Liabilities and Equity</b> | <b>2,842,552</b> | <b>2,701,311</b> | <b>2,553,456</b> |

※ Figures may change following external audit results.

## 04 Operation Results and Financial Condition for Recent 3 Years

### 2. Financial Positions (Consolidated)

#### 1) Summary Income Statement

(Unit: KRW million)

| Accounts                                    | 2023             | 2022             | 2021             |
|---|------------------|------------------|------------------|
| <b>Sales</b>                                | <b>4,041,412</b> | <b>3,559,158</b> | <b>2,601,223</b> |
| Cost of Sales                               | 2,931,341        | 2,954,774        | 2,138,314        |
| Gross Profit                                | 1,110,071        | 604,385          | 462,909          |
| Selling General and Administrative Expenses | 699,060          | 581,249          | 504,427          |
| <b>Operating Income</b>                     | <b>411,010</b>   | <b>23,136</b>    | <b>-41,518</b>   |
| Non-operating Expenses                      | 183,880          | 107,179          | 33,649           |
| <b>Pre-tax Profit (Loss)</b>                | <b>227,131</b>   | <b>-84,044</b>   | <b>-75,167</b>   |
| Income Tax Expenses (Income)                | 55,282           | -6,574           | -3,316           |
| <b>Net Profit (Loss)</b>                    | <b>171,848</b>   | <b>-77,470</b>   | <b>-71,851</b>   |

※ Figures may change following external audit results.

#### 2) Summary Statement of Financial Condition

(Unit: KRW million)

| Accounts                               | 2023             | 2022             | 2021             |
|--|------------------|------------------|------------------|
| Current Assets                         | 2,002,203        | 1,764,940        | 1,553,029        |
| Non-current Assets                     | 2,828,778        | 2,916,571        | 2,775,311        |
| <b>Total Assets</b>                    | <b>4,830,981</b> | <b>4,694,985</b> | <b>4,342,206</b> |
| Current Liabilities                    | 1,886,332        | 2,342,836        | 1,500,526        |
| Non-current Liabilities                | 1,545,592        | 1,107,594        | 1,560,112        |
| <b>Total Liabilities</b>               | <b>3,431,924</b> | <b>3,450,430</b> | <b>3,060,638</b> |
| Capital Stock                          | 1,436,301        | 1,436,301        | 1,436,301        |
| Capital Surplus                        | 224,985          | 224,985          | 224,985          |
| Capital Adjustments                    | -19,538          | -19,538          | -19,538          |
| Accumulated Other Comprehensive Income | 99,024           | 98,710           | 94,526           |
| Retained Earnings                      | -476,406         | -614,341         | -563,269         |
| Non-controlling Interests              | 134,690          | 118,438          | 108,562          |
| <b>Total Equity</b>                    | <b>1,399,057</b> | <b>1,244,556</b> | <b>1,281,568</b> |
| <b>Total Liabilities and Equity</b>    | <b>4,830,981</b> | <b>4,694,985</b> | <b>4,342,206</b> |

※ Figures may change following external audit results.

## 05 Assignment of the Company

### 2. Progress and Results of Operation

See 1) Overview of Business Operations

## 06 Present State of Directors and Auditor

| Position                     | Executive/Non-executive | Name           | Remarks   |
|------------------------------|-------------------------|----------------|---|
| CEO                          | Executive               | Jung Il-taek   | Chairman of ESG and Strategic Steering Committee  |
| Other Non-executive Director | Non-executive           | Chai Yongsen   | Chairman of the Board                             |
| Other Non-executive Director | Non-executive           | Zhang Junhua   | -   |
| Outside Director             | Non-executive           | Song Mun-seon  | Chairman of the Audit Committee                   |
| Outside Director             | Non-executive           | Choi Hong-yeop | -   |
| Outside Director             | Non-executive           | Kim Jong-gil   | Chairman of the Nomination Committee              |
| Outside Director             | Non-executive           | Gu Han-seo     | Chairman of the Compensation Evaluation Committee |
| Outside Director             | Non-executive           | Kim Jin-young  | -   |

\* As of December 31, 2023

## 07 Present State of Major Shareholders

| Category                    | Number of Shares   | Ownership (%) | Relationship with the Company |
|-----------------------------|--------------------|---------------|-------------------------------|
| Xingwei Korea Co., Ltd.     | 129,267,129        | 45.00         | Major Shareholder             |
| Woori Bank                  | 22,357,561         | 7.78          | Creditor Financial Institute  |
| Korea Development Bank      | 21,339,320         | 7.43          | Creditor Financial Institute  |
| KB Kookmin Bank             | 6,578,860          | 2.29          | Creditor Financial Institute  |
| Export-Import Bank of Korea | 4,936,751          | 1.72          | Creditor Financial Institute  |
| Korea Credit Guarantee Fund | 3,945,258          | 1.37          | Creditor Financial Institute  |
| Nonghyup Bank               | 2,897,524          | 1.01          | Creditor Financial Institute  |
| Hana Bank                   | 2,427,429          | 0.85          | Creditor Financial Institute  |
| Gwangju Bank                | 1,886,141          | 0.66          | Creditor Financial Institute  |
| National Pension Service    | 2,987,790          | 1.04          | -                             |
| <b>Total</b>                | <b>195,635,973</b> | <b>68.10</b>  |                               |

\* As of December 31, 2023

## 08 Investment State in Other Companies by the Company or Its Subsidiaries

| Category   | Investors and Contributors<br>(Our Company or Subsidiaries) | Investments in Other Companies  |               | Investments by Other Companies in Our Company |               |
|--|---|---------------------------------|---------------|---|---------------|
|  |   | Number of Shares Owned (shares) | Ownership (%) | Number of Shares Owned (shares)               | Ownership (%) |
| KUMHO TIRE U.S.A., INC. (KUMHO TIRE GEORGIA HOLDING, KUMHO TIRE GEORGIA INC. included) | Kumho Tire Co., Ltd.  | 3,844,000                       | 100.0         | -   | -             |
| KUMHO TYRE(U.K.), LTD.   | Kumho Tire Co., Ltd.  | 20,000                          | 100.0         | -   | -             |
| KUMHO TIRE EUROPE GMBH   | Kumho Tire Co., Ltd.  | -                               | 100.0         | -   | -             |
| KUMHO TIRE JAPAN INC.  | Kumho Tire Co., Ltd.  | 40,012                          | 100.0         | -   | -             |
| KUMHO TIRE CANADA INC.   | Kumho Tire Co., Ltd.  | 537                             | 100.0         | -   | -             |
| KUMHO TYRE AUSTRALIA PTY., LTD.  | Kumho Tire Co., Ltd.  | 5,100,000                       | 100.0         | -   | -             |
| KUMHO TIRE(H.K.) CO., LTD.   | Kumho Tire Co., Ltd.  | 1,373,946,457                   | 100.0         | -   | -             |
| NANJING KUMHO TIRE CO., LTD.   | KUMHO TIRE (H.K.) CO., LTD.                                 | -                               | 100.0         | -   | -             |
| KUMHO TIRE(TIANJIN) CO., INC.  | KUMHO TIRE (H.K.) CO., LTD.                                 | -                               | 100.0         | -   | -             |
| KUMHO TIRE (CHANGCHUN) CO.,INC   | KUMHO TIRE (H.K.) CO., LTD.                                 | -                               | 100.0         | -   | -             |
| KUMHO TIRE CHINA CO., INC.   | KUMHO TIRE (H.K.) CO., LTD.                                 | -                               | 100.0         | -   | -             |
| KUMHO TIRE (VIETNAM) CO., LTD.   | KUMHO TIRE (H.K.) CO., LTD.                                 | -                               | 57.6          | -   | -             |
| KUMHO TIRE FRANCE S.A.S.   | Kumho Tire Co., Ltd.  | 67,000                          | 100.0         | -   | -             |
| KUMHO TIRE DE MEXICO, SA DE CV   | Kumho Tire Co., Ltd.  | 9,844,459                       | 100.0         | -   | -             |
| KUMHO TIRE EGYPT CO., LLC  | Kumho Tire Co., Ltd.  | -                               | 99.0          | -   | -             |

\* As of December 31, 2023

## 09 Major Creditors

| Category                    | Debt Amount (KRW million) | Number of Shares Owned (shares) | Ownership (%) |
|-----------------------------|---------------------------|---------------------------------|---------------|
| Korea Development Bank      | 488,810                   | 21,339,320                      | 7.43%         |
| Woori Bank                  | 347,612                   | 22,357,561                      | 7.78%         |
| Hana Bank                   | 109,562                   | 2,427,429                       | 0.85%         |
| Nonghyup Bank               | 51,396                    | 2,897,524                       | 1.01%         |
| Export-Import Bank of Korea | 21,891                    | 4,936,751                       | 1.72%         |
| KB Kookmin Bank             | 53,551                    | 6,578,860                       | 2.29%         |
| Shinhan Bank                | 15,666                    | -                               | -             |
| Korea Credit Guarantee Fund | -                         | 3,945,258                       | 1.37%         |
| Gwangju Bank                | 3,140                     | 1,886,141                       | 0.66%         |
| <b>Total</b>                | <b>1,091,628</b>          | <b>66,368,844</b>               | <b>23.10%</b> |

\* As of December 31, 2023

## 10 Important Matters Occurred After the Accounting Period

- None applicable

## 11 Other Business Matters

- None applicable



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## 01 Consolidated Statement of Financial Position

\* As of December 31, 2023 and 2022

| In Korean won                           | 2023                     | 2022                     |
|---|--------------------------|--------------------------|
| <b>Assets</b>                           |                          |                          |
| <b>Current assets:</b>                  |                          |                          |
| Cash and cash equivalents               | 258,508,607,099          | 173,210,443,269          |
| Short-term financial instruments        | 78,256,905,811           | 42,025,952,961           |
| Financial assets at FVTPL               | -                        | 2,044,918,650            |
| Trade receivables                       | 806,693,676,467          | 638,095,861,937          |
| Short-term loans and other receivables  | 88,535,446,385           | 31,508,740,645           |
| Inventories                             | 721,715,865,667          | 814,675,897,932          |
| Current finance lease receivables       | 153,010,171              | 292,175,865              |
| Other current assets                    | 48,339,353,097           | 63,086,172,064           |
| <b>Total current assets</b>             | <b>2,002,202,864,697</b> | <b>1,764,940,163,323</b> |
| <b>Non-current assets held for sale</b> | <b>-</b>                 | <b>13,474,286,529</b>    |
| <b>Non-current assets:</b>              |                          |                          |
| Long-term financial instruments         | 528,915,937              | 505,273,030              |
| Financial assets at FVTPL               | 2,103,183,604            | 3,446,731,808            |
| Long-term loans and other receivables   | 27,404,220,088           | 38,882,545,974           |
| Property, plant and equipment           | 2,474,493,257,302        | 2,531,313,074,119        |
| Right-of-use assets                     | 83,853,617,080           | 76,318,443,495           |
| Intangible assets                       | 5,301,531,508            | 4,973,953,256            |
| Investment properties                   | 6,132,670,148            | 6,157,906,998            |
| Non-current finance lease receivables   | 278,881,830              | 222,975,866              |
| Deferred tax assets                     | 227,535,773,154          | 254,029,357,753          |
| Other assets                            | 1,146,342,042            | 720,691,333              |
| <b>Total non-current assets</b>         | <b>2,828,778,392,693</b> | <b>2,916,570,953,632</b> |
| <b>Total assets</b>                     | <b>4,830,981,257,390</b> | <b>4,694,985,403,484</b> |

| In Korean won                                 | 2023                     | 2022                     |
|---|--------------------------|--------------------------|
| <b>Liabilities</b>                            |                          |                          |
| <b>Current liabilities:</b>                   |                          |                          |
| Trade payables                                | 369,738,079,386          | 281,128,125,975          |
| Short-term borrowings                         | 804,887,786,003          | 956,816,603,578          |
| Current portion of long-term borrowings       | 124,268,148,612          | 533,737,872,070          |
| Other payables                                | 499,826,933,644          | 390,648,728,563          |
| Current portion of product warranty provision | 8,227,487,660            | 8,298,911,889            |
| Current lease liabilities                     | 20,707,992,127           | 21,102,051,358           |
| Provision for litigation                      | 5,479,222                | 65,024,770,210           |
| Income tax liabilities                        | 6,374,016,218            | 1,183,951,596            |
| Other current liabilities                     | 52,296,144,804           | 84,894,833,482           |
| <b>Total current liabilities</b>              | <b>1,886,332,067,676</b> | <b>2,342,835,848,721</b> |
| <b>Non-current liabilities:</b>               |                          |                          |
| Long-term borrowings                          | 1,256,678,519,620        | 860,809,623,398          |
| Defined benefit obligation                    | 152,954,866,064          | 148,677,930,716          |
| Long-term employee benefits                   | 68,809,424,977           | 46,422,856,154           |
| Other payables                                | 4,339,109,620            | 4,228,782,000            |
| Product warranty provision                    | 8,243,857,438            | 8,529,564,842            |
| Non-current lease liabilities                 | 37,769,412,637           | 28,842,281,005           |
| Provision for litigation                      | 15,876,271,928           | 9,015,473,759            |
| Provision for restoration costs               | 597,646,140              | 570,109,835              |
| Other non-current liabilities                 | 323,082,699              | 497,321,779              |
| <b>Total non-current liabilities</b>          | <b>1,545,592,191,123</b> | <b>1,107,593,943,488</b> |
| <b>Total liabilities</b>                      | <b>3,431,924,258,799</b> | <b>3,450,429,792,209</b> |

## 01 Consolidated Statement of Financial Position

\* As of December 31, 2023 and 2022

| In Korean won                          | 2023                     | 2022                     |
|--|--------------------------|--------------------------|
| <b>Equity</b>                          |                          |                          |
| Capital stock                          | 1,436,301,435,000        | 1,436,301,435,000        |
| Capital surplus                        | 224,985,390,523          | 224,985,390,523          |
| Other components of equity             | (19,538,444,447)         | (19,538,444,447)         |
| Accumulated other comprehensive income | 99,024,224,855           | 98,710,326,639           |
| Accumulated deficits                   | (476,405,610,598)        | (614,340,857,092)        |
| <b>Equity attributable to:</b>         |                          |                          |
| Owners of the Parent Company           | 1,264,366,995,333        | 1,126,117,850,623        |
| Non-controlling interest               | 134,690,003,258          | 118,437,760,652          |
| <b>Total equity</b>                    | <b>1,399,056,998,591</b> | <b>1,244,555,611,275</b> |
| <b>Total liabilities and equity</b>    | <b>4,830,981,257,390</b> | <b>4,694,985,403,484</b> |

## 02 Consolidated Statement of Comprehensive Income or Loss

\* For each of the two years in the period ended December 31, 2023

| In Korean won   | 2023                       | 2022                       |
|---|----------------------------|----------------------------|
| <b>Sales</b>  | <b>4,041,412,157,685</b>   | <b>3,559,158,461,842</b>   |
| <b>Cost of sales</b>  | <b>(2,931,341,194,069)</b> | <b>(2,954,773,583,032)</b> |
| <b>Gross profit</b>   | <b>1,110,070,963,616</b>   | <b>604,384,878,810</b>     |
| Selling and administrative expenses   | (699,060,465,126)          | (581,249,208,293)          |
| <b>Operating profit</b>   | <b>411,010,498,490</b>     | <b>23,135,670,517</b>      |
| Other income  | 134,750,153,607            | 194,650,343,176            |
| Other expenses  | (142,627,013,562)          | (169,138,806,508)          |
| Finance income  | 9,549,910,298              | 19,105,646,269             |
| Finance costs   | (185,552,979,689)          | (151,796,562,424)          |
| <b>Profit (loss) before income tax</b>  | <b>227,130,569,144</b>     | <b>(84,043,708,970)</b>    |
| Income tax benefit (expense)  | (55,282,099,410)           | 6,573,992,846              |
| <b>Profit (loss) for the year</b>   | <b>171,848,469,734</b>     | <b>(77,469,716,124)</b>    |
| <b>Other comprehensive income (loss)</b>  |                            |                            |
| <b>Items that may be subsequently reclassified to profit or loss</b>                        |                            |                            |
| Exchange differences on translation of foreign operations                                   | 2,491,560,842              | 12,554,723,886             |
| <b>Items that will not be reclassified to profit or loss</b>                                |                            |                            |
| Remeasurements of net defined benefit plans   | (25,081,346,820)           | 27,902,735,123             |
| <b>Other comprehensive income (loss) for the year, net of tax</b>                           | <b>(22,589,785,978)</b>    | <b>40,457,459,009</b>      |
| <b>Total comprehensive income (loss) for the year</b>                                       | <b>149,258,683,756</b>     | <b>(37,012,257,115)</b>    |
| <b>Profit (loss) for the year attributable to:</b>  |                            |                            |
| Owners of the Parent Company  | 157,773,889,754            | (78,974,358,684)           |
| Non-controlling interests   | 14,074,579,980             | 1,504,642,560              |
|   | 171,848,469,734            | (77,469,716,124)           |
| <b>Total comprehensive income (loss) for the year is attributable to:</b>                   |                            |                            |
| Owners of the Parent Company  | 133,006,441,150            | (46,887,623,672)           |
| Non-controlling interests   | 16,252,242,606             | 9,875,366,557              |
|   | 149,258,683,756            | (37,012,257,115)           |
| <b>Earnings (losses) per share attributable to the equity holders of the Parent Company</b> |                            |                            |
| Basic earnings (losses) per share   | 549                        | (275)                      |
| Diluted earnings (losses) per share   | 549                        | (275)                      |

## 03 Consolidated Statement of Changes in Equity

\* For each of the two years in the period ended December 31, 2023

| In Korean won   | Capital stock     | Capital surplus | Other components of equity | Accumulated other comprehensive income | Accumulated deficits | Equity attributable to owners of the Parent company | Non-controlling interest | Total             |
|---|-------------------|-----------------|----------------------------|--|----------------------|---|--------------------------|-------------------|
| Balance as of January 1, 2022                             | 1,436,301,435,000 | 224,985,390,523 | (19,538,444,447)           | 94,526,326,750                         | (563,269,233,531)    | 1,173,005,474,295                                   | 108,562,394,095          | 1,281,567,868,390 |
| Loss for the year   | -                 | -               | -                          | -                                      | (78,974,358,684)     | (78,974,358,684)                                    | 1,504,642,560            | (77,469,716,124)  |
| Other comprehensive income:                               |                   |                 |                            |  |                      |   |                          |                   |
| Remeasurements of net defined benefit plans               | -                 | -               | -                          | -                                      | 27,902,735,123       | 27,902,735,123                                      | -                        | 27,902,735,123    |
| Exchange differences on translation of foreign operations | -                 | -               | -                          | 4,183,999,889                          | -                    | 4,183,999,889                                       | 8,370,723,997            | 12,554,723,886    |
| Total comprehensive income (loss) for the year            | -                 | -               | -                          | 4,183,999,889                          | (51,071,623,561)     | (46,887,623,672)                                    | 9,875,366,557            | (37,012,257,115)  |
| Balance as of December 31, 2022                           | 1,436,301,435,000 | 224,985,390,523 | (19,538,444,447)           | 98,710,326,639                         | (614,340,857,092)    | 1,126,117,850,623                                   | 118,437,760,652          | 1,244,555,611,275 |
| Balance as of January 1, 2023                             | 1,436,301,435,000 | 224,985,390,523 | (19,538,444,447)           | 98,710,326,639                         | (614,340,857,092)    | 1,126,117,850,623                                   | 118,437,760,652          | 1,244,555,611,275 |
| Profit for the year                                       | -                 | -               | -                          | -                                      | 157,773,889,754      | 157,773,889,754                                     | 14,074,579,980           | 171,848,469,734   |
| Other comprehensive income:                               |                   |                 |                            |  |                      |   |                          |                   |
| Remeasurements of net defined benefit plans               | -                 | -               | -                          | -                                      | (25,081,346,820)     | (25,081,346,820)                                    | -                        | (25,081,346,820)  |
| Exchange differences on translation of foreign operations | -                 | -               | -                          | 313,898,216                            | -                    | 313,898,216   | 2,177,662,626            | 2,491,560,842     |
| Total comprehensive income for the year                   | -                 | -               | -                          | 313,898,216                            | 132,692,542,934      | 133,006,441,150                                     | 16,252,242,606           | 149,258,683,756   |
| Others  | -                 | -               | -                          | -                                      | 5,242,703,560        | 5,242,703,560                                       | -                        | 5,242,703,560     |
| Balance as of December 31, 2023                           | 1,436,301,435,000 | 224,985,390,523 | (19,538,444,447)           | 99,024,224,855                         | (476,405,610,598)    | 1,264,366,995,333                                   | 134,690,003,258          | 1,399,056,998,591 |

## 04 Consolidated Statement of Cash Flows

\* For each of the two years in the period ended December 31, 2023

| In Korean won  | 2023                     | 2022                     |
|--|--------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                |                          |                          |
| <b>Cash generated from operations</b>                      |                          |                          |
| Profit (loss) for the year                                 | 171,848,469,734          | (77,469,716,124)         |
| Adjustments  | 595,083,927,415          | 368,606,586,571          |
| Change in operating assets and liabilities                 | (104,208,724,463)        | (369,593,750,563)        |
|  | 662,723,672,686          | (78,456,880,116)         |
| Interest received  | 4,512,714,180            | 4,503,564,619            |
| Interest paid  | (148,090,477,448)        | (91,378,651,526)         |
| Income taxes paid  | (13,984,788,436)         | (14,717,027,382)         |
| <b>Net cash provided by (used in) operating activities</b> | <b>505,161,120,982</b>   | <b>(180,048,994,405)</b> |
| <b>Cash flows from investing activities</b>                |                          |                          |
| Proceeds from disposal of property, plant and equipment    | 4,179,849,332            | 27,400,431,400           |
| Decrease in financial instruments                          | 6,207,296,630            | 32,527,792,019           |
| Decrease in loans and other receivables                    | 29,352,265,563           | 25,475,537,416           |
| Acquisition of property, plant and equipment               | (192,117,672,603)        | (373,200,262,860)        |
| Acquisition of intangible assets                           | (726,816,476)            | (482,595,792)            |
| Increase in financial instruments                          | (43,193,354,305)         | (29,190,873,168)         |
| Increase in financial assets at FVTPL                      | -                        | (2,000,000,000)          |
| Increase in loans and other receivables                    | (4,652,529,577)          | (12,899,183,016)         |
| <b>Net cash used in investing activities</b>               | <b>(200,950,961,436)</b> | <b>(332,369,154,001)</b> |

|   | 2023                     | 2022                     |
|---|--------------------------|--------------------------|
| <b>Cash flows from financing activities</b>                   |                          |                          |
| Proceeds from short-term borrowings                           | 2,031,365,729,325        | 2,024,753,786,479        |
| Proceeds from long-term borrowings                            | 273,935,140,000          | 7,662,800,000            |
| Repayments of short-term borrowings                           | (2,237,848,948,228)      | (1,510,125,562,644)      |
| Repayments of current portion of long-term borrowings         | (209,623,418,968)        | (40,018,093,852)         |
| Repayments of long-term borrowings                            | (51,176,655,367)         | (81,800,000,000)         |
| Repayments of lease liabilities                               | (28,503,058,130)         | (24,754,391,240)         |
| <b>Net cash provided by (used in) financing activities</b>    | <b>(221,851,211,368)</b> | <b>375,718,538,743</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>82,358,948,178</b>    | <b>(136,699,609,663)</b> |
| Cash and cash equivalents at the beginning of the year        | 173,210,443,269          | 300,956,520,520          |
| Effects of exchange rate changes on cash and cash equivalents | 2,939,215,652            | 8,953,532,412            |
| <b>Cash and cash equivalents at the end of the year</b>       | <b>258,508,607,099</b>   | <b>173,210,443,269</b>   |

## 05 Separate Statement of Financial Position

\* As of December 31, 2023 and 2022

| In Korean won                          | 2023                     | 2022                     | In Korean won                                 | 2023                     | 2022                     |
|--|--------------------------|--------------------------|---|--------------------------|--------------------------|
| <b>Assets</b>                          |                          |                          | <b>Liabilities</b>                            |                          |                          |
| <b>Current assets:</b>                 |                          |                          | <b>Current liabilities:</b>                   |                          |                          |
| Cash and cash equivalents              | 90,542,907,659           | 43,487,314,717           | Trade payables                                | 430,717,510,399          | 345,156,653,472          |
| Short-term financial instruments       | 1,600,000,000            | 4,594,011,976            | Short-term borrowings                         | 507,617,787,301          | 647,322,535,428          |
| Financial assets at FVTPL              | -                        | 2,014,230,578            | Current portion of long-term borrowings       | 6,192,000,000            | 387,633,608,030          |
| Trade receivables                      | 843,090,774,504          | 824,047,714,638          | Other payables                                | 266,019,336,030          | 139,485,198,518          |
| Short-term loans and other receivables | 69,266,422,106           | 18,902,626,404           | Financial guarantee liabilities               | 4,675,774,059            | 25,764,615,146           |
| Inventories                            | 242,607,579,159          | 280,069,599,080          | Current portion of product warranty provision | 5,209,570,373            | 5,308,534,887            |
| Current finance lease receivables      | 153,010,171              | 292,175,865              | Current lease liabilities                     | 5,764,811,640            | 9,520,130,036            |
| Other current assets                   | 24,325,131,569           | 26,468,320,549           | Provision for litigation                      | 5,479,222                | 65,024,770,210           |
| <b>Total current assets</b>            | <b>1,271,585,825,168</b> | <b>1,199,875,993,807</b> | Other current liabilities                     | 25,280,882,778           | 57,038,613,022           |
| <b>Non-current assets:</b>             |                          |                          | <b>Total current liabilities</b>              | <b>1,251,483,151,802</b> | <b>1,682,254,658,749</b> |
| Long-term financial instruments        | 81,525,900               | 81,525,900               | <b>Non-current liabilities:</b>               |                          |                          |
| Financial assets at FVTPL              | 2,103,183,604            | 3,446,731,808            | Long-term borrowings                          | 592,328,954,142          | 213,462,592,265          |
| Investments in subsidiaries            | 470,876,661,506          | 294,708,621,198          | Defined benefit obligation                    | 152,954,866,064          | 148,677,930,716          |
| Long-term loans and other receivables  | 18,095,691,306           | 63,336,698,158           | Long-term employee benefits                   | 68,766,201,986           | 46,348,684,122           |
| Property, plant and equipment          | 894,968,323,207          | 923,076,233,871          | Other payables                                | 3,960,520,000            | 4,174,350,000            |
| Right-of-use assets                    | 5,970,603,628            | 10,117,099,308           | Financial guarantee liabilities               | 7,680,307,194            | 44,441,684,175           |
| Intangible assets                      | 2,925,796,667            | 2,708,914,988            | Product warranty provision                    | 6,619,191,085            | 6,946,285,131            |
| Investment properties                  | 6,132,670,148            | 6,157,906,998            | Non-current lease liabilities                 | 1,308,459,108            | 1,963,596,156            |
| Non-current finance lease receivables  | 278,881,830              | 222,975,866              | Provision for litigation                      | 15,876,271,928           | 9,015,473,759            |
| Deferred tax assets                    | 162,175,415,940          | 186,241,097,447          | Provision for restoration costs               | 597,646,140              | 570,109,835              |
| Other assets                           | 7,357,824,041            | 11,336,728,521           | <b>Total non-current liabilities</b>          | <b>850,092,417,647</b>   | <b>475,600,706,159</b>   |
| <b>Total non-current assets</b>        | <b>1,570,966,577,777</b> | <b>1,501,434,534,063</b> | <b>Total liabilities</b>                      | <b>2,101,575,569,449</b> | <b>2,157,855,364,908</b> |
| <b>Total assets</b>                    | <b>2,842,552,402,945</b> | <b>2,701,310,527,870</b> | Equity  |                          |                          |
|  |                          |                          | Capital stock                                 | 1,436,301,435,000        | 1,436,301,435,000        |
|  |                          |                          | Capital surplus                               | 220,533,408,310          | 220,533,408,310          |
|  |                          |                          | Other components of equity                    | (16,617,857,698)         | (16,617,857,698)         |
|  |                          |                          | Accumulated deficits                          | (899,240,152,116)        | (1,096,761,822,650)      |
|  |                          |                          | <b>Total equity</b>                           | <b>740,976,833,496</b>   | <b>543,455,162,962</b>   |
|  |                          |                          | <b>Total liabilities and equity</b>           | <b>2,842,552,402,945</b> | <b>2,701,310,527,870</b> |

## 06 Separate Statement of Comprehensive Income or Loss

\* For each of the two years in the period ended December 31, 2023

| In Korean won   | 2023                | 2022                |
|---|---------------------|---------------------|
| Sales   | 3,018,445,077,194   | 2,834,274,411,243   |
| Cost of sales   | (2,434,013,717,754) | (2,520,225,196,192) |
| Gross profit  | 584,431,359,440     | 314,049,215,051     |
| Selling and administrative expenses                   | (361,741,640,221)   | (309,601,712,910)   |
| Operating profit                                      | 222,689,719,219     | 4,447,502,141       |
| Other income  | 156,995,514,601     | 164,694,409,508     |
| Other expenses  | (92,090,135,264)    | (213,019,518,439)   |
| Finance income  | 61,396,029,674      | 16,861,663,215      |
| Finance costs   | (91,529,046,949)    | (122,635,951,660)   |
| Profit (loss) before income tax                       | 257,462,081,281     | (149,651,895,235)   |
| Income tax benefit (expense)                          | (34,859,063,927)    | 163,025,936         |
| Profit (loss) for the year                            | 222,603,017,354     | (149,488,869,299)   |
| Other comprehensive income (loss)                     |                     |                     |
| Items that will not be reclassified to profit or loss |                     |                     |
| Remeasurements of net defined benefit plans           | (25,081,346,820)    | 27,902,735,123      |
| Total comprehensive income (loss) for the year        | 197,521,670,534     | (121,586,134,176)   |

## 07 Separate Statement of Changes in Equity

\* For each of the two years in the period ended December 31, 2023

| In Korean won                                  | Capital stock     | Capital surplus | Other components of equity | Accumulated deficits | Total             |
|--|-------------------|-----------------|----------------------------|----------------------|-------------------|
| Balance as of January 1, 2022                  | 1,436,301,435,000 | 220,533,408,310 | (16,617,857,698)           | (975,175,688,474)    | 665,041,297,138   |
| Loss for the year                              | -                 | -               | -                          | (149,488,869,299)    | (149,488,869,299) |
| Other comprehensive income (loss):             |                   |                 |                            |                      |                   |
| Remeasurements of net defined benefit plans    | -                 | -               | -                          | 27,902,735,123       | 27,902,735,123    |
| Total comprehensive loss for the year          | -                 | -               | -                          | (121,586,134,176)    | (121,586,134,176) |
| Balance as of December 31, 2022                | 1,436,301,435,000 | 220,533,408,310 | (16,617,857,698)           | (1,096,761,822,650)  | 543,455,162,962   |
| Balance as of January 1, 2023                  | 1,436,301,435,000 | 220,533,408,310 | (16,617,857,698)           | (1,096,761,822,650)  | 543,455,162,962   |
| Profit for the year                            | -                 | -               | -                          | 222,603,017,354      | 222,603,017,354   |
| Other comprehensive income (loss):             |                   |                 |                            |                      |                   |
| Remeasurements of net defined benefit plans    | -                 | -               | -                          | (25,081,346,820)     | (25,081,346,820)  |
| Total comprehensive income (loss) for the year | -                 | -               | -                          | 197,521,670,534      | 197,521,670,534   |
| Balance as of December 31, 2023                | 1,436,301,435,000 | 220,533,408,310 | (16,617,857,698)           | (899,240,152,116)    | 740,976,833,496   |

## 08 Separate Statement of Cash Flows

\* For each of the two years in the period ended December 31, 2023

| In Korean won  | 2023                   | 2022                     |
|--|------------------------|--------------------------|
| <b>Cash flows from operating activities</b>                |                        |                          |
| <b>Cash generated from operations</b>                      |                        |                          |
| Profit (loss) for the year                                 | 222,603,017,354        | (149,488,869,299)        |
| Adjustments  | 177,078,940,111        | 277,528,025,306          |
| Change in operating assets and liabilities                 | 1,125,869,704          | (342,068,009,996)        |
|  | 400,807,827,169        | (214,028,853,989)        |
| Interest received  | 1,364,154,619          | 833,621,484              |
| Interest paid  | (70,883,533,371)       | (42,929,000,200)         |
| Dividend received  | -                      | 2,552,700,000            |
| Income taxes refund  | (2,586,167,372)        | (5,605,992,331)          |
| <b>Net cash provided by (used in) operating activities</b> | <b>328,702,281,045</b> | <b>(259,177,525,036)</b> |
| <b>Cash flows from investing activities</b>                |                        |                          |
| Decrease in financial assets at FVTPL                      | 3,668,201,363          | -                        |
| Decrease in financial instruments                          | 2,994,011,976          | 13,000,000,000           |
| Decrease in loans and other receivables                    | 10,893,314,555         | 13,784,865,916           |
| Decrease in loans to affiliated companies                  | 33,919,464,457         | 10,408,000,000           |
| Proceeds from disposal of property, plant and equipment    | 2,797,150,287          | 26,009,195,290           |

|   | 2023                     | 2022                     |
|---|--------------------------|--------------------------|
| Increase in financial assets at FVTPL                         | -                        | 2,000,000,000            |
| Increase in financial instruments                             | -                        | 17,594,011,976           |
| Increase in loans and other receivables                       | 3,300,417,791            | 12,155,263,624           |
| Acquisition of investments in subsidiaries                    | 107,947,394,450          | 47,154,440,000           |
| Acquisition of property, plant and equipment                  | 62,603,440,190           | 63,746,409,265           |
| Acquisition of intangible assets                              | 384,519,375              | 284,170,694              |
| <b>Net cash used in investing activities</b>                  | <b>(119,963,629,168)</b> | <b>(79,732,234,353)</b>  |
| <b>Cash flows from financing activities</b>                   |                          |                          |
| Proceeds from short-term borrowings                           | 1,537,343,485,719        | 1,736,792,756,575        |
| Repayments of short-term borrowings                           | (1,670,297,698,899)      | (1,419,075,410,847)      |
| Repayments of current portion of long-term borrowings         | (16,177,036,806)         | -                        |
| Repayments of long-term borrowings                            | -                        | (81,800,000,000)         |
| Repayments of lease liabilities                               | (12,693,576,285)         | (11,205,834,789)         |
| <b>Net cash provided by (used in) financing activities</b>    | <b>(161,824,826,271)</b> | <b>224,711,510,939</b>   |
| <b>Net increase (decrease) in cash and cash equivalents</b>   | <b>46,913,825,606</b>    | <b>(114,198,248,450)</b> |
| Cash and cash equivalents at the beginning of year            | 43,487,314,717           | 157,233,014,745          |
| Effects of exchange rate changes on cash and cash equivalents | 141,767,336              | 452,548,422              |
| <b>Cash and cash equivalents at the end of year</b>           | <b>90,542,907,659</b>    | <b>43,487,314,717</b>    |



## 09 Internal Auditors' Report

As the auditors for Kumho Tire Co., Ltd., (hereinafter referred to as "the Company") we conducted an audit of the accounting and business operations for the 21st fiscal year, spanning from January 1, 2023, to December 31, 2023. The results of this audit are reported as follows:

### 1. Overview of Audit Methodology

For the financial audit, we examined the accounting books and related documents and thoroughly reviewed the financial statements and accompanying schedules.

Where necessary, we applied various audit procedures such as reconciliation, physical inspection, observation, inquiry, and other appropriate methods.

For the operational audit, we attended significant meetings such as board meetings, profit and loss reports, and quality meetings. We also received reports from directors regarding business operations and scrutinized essential documents to ensure a meticulous examination using suitable methods.

### 2. Regarding the Statement of Financial Position, Income Statement, and Cash Flow Statement

The statement of financial position, income statement, and cash flow statement accurately represent the Company's assets, financial performance, and cash flows in accordance with laws and the Company's articles of association.

### 3. Regarding the Statement of Retained Earnings

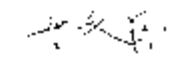
The statement of retained earnings is prepared in compliance with laws and the Company's articles of association. It is reasonably compiled considering the state of the Company's assets and other circumstances.

### 4. Regarding Business Reporting

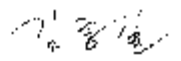
The business reports accurately reflect the Company's status in accordance with laws and the Company's articles of association.

March 2024

Song Mun-seon, Chairman of the Audit Committee



Kim Jong-gil, Audit Committee Member



Gu Han-seo, Audit Committee Member

## 10 Independent Auditors' Report

### The Shareholders and Board of Directors Kumho Tire Co., Inc.

#### Opinion

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

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

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2023 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 21, 2024 expressed an unqualified opinion thereon.

#### Basis for opinion

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

#### Key audit matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### 1. Assessment of the realizability of deferred tax assets

As described in Note 3 to the consolidated financial statements, the Group recognizes deferred tax assets after assessing the realizability of deductible temporary differences at the end of each reporting period. The assessment requires the Group to estimate future taxable profit against which deductible temporary differences are utilized. The estimations related to realizability of future taxable profit and reserves involve management's subjective and complex judgements. Considering that deferred tax asset amount is significant and assessment of realizability involves complex estimation and subjective judgement, we identified assessment of the realizability of deferred tax assets as a key audit matter.

The primary procedures we performed to address this key audit matter included the following:

- Evaluated effectiveness of design and operation of internal control related to the realizability of deferred tax assets.
- Utilized tax professionals to review the completeness and accuracy of tax adjustments.
- Evaluated key input variables, such as the sales and operating profit ratio used to determine future taxable income in the most recent business plans approved by management in order to review the appropriateness of estimated future taxable income.
- Analyzed the nature of the relevant accounts and reserves for assessing whether the timing of realization of the deductible temporary difference is estimated appropriately.
- Compared the future taxable income and timing of utilization of tax loss carried forward which were forecast in the previous period with the actual results, in order to assess the accuracy of the Group's estimation.
- Assessed future estimated tax rates based on the business plan approved by management.
- Assessed the realizability of the deferred tax assets of the subsidiaries, which recognized the deferred tax assets.

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

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

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

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

## 10 Independent Auditors' Report

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

· Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group's audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jin Yong Kim.

March 21, 2024



This report is effective as of March 21, 2024, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events or circumstances could significantly affect the consolidated financial statements and may result in modifications to this report.

## 11 Independent Auditors' Report

### The Shareholders and Board of Directors Kumho Tire Co., Inc.:

#### Opinion

We have audited the separate financial statements of Kumho Tire Co., Inc. (the "Company"), which comprise the separate statement of financial position as of December 31, 2023 and 2022, and the separate statement of comprehensive income or loss, separate statement of changes in equity and separate statement of cash flows for each of the two years in the period ended December 31, 2023, and the notes to the separate financial statements, including a summary of material accounting policy information.

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

We have audited the Company's internal control over financial reporting ("ICFR") as of December 31, 2023 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 21, 2024 expressed an unqualified opinion thereon.

#### Basis for opinion

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

#### Key audit matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the separate financial statements of the current period. This matter was addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

### 1. Assessment of the realizability of deferred tax assets

As described in Note 3 to the separate financial statements, the Company recognizes deferred tax assets after assessing the realizability of deductible temporary differences at the end of each reporting period. The assessment requires the Company to estimate future taxable profit against which deductible temporary differences are utilized. The estimations related to realizability of future taxable profit and reserves involve management's subjective and complex judgements. Considering that deferred tax asset amount is significant and assessment of realizability involves complex estimation and subjective judgement, we identified assessment of the realizability of deferred tax assets as a key audit matter.

The primary procedures we performed to address this key audit matter included the following:

- Evaluated effectiveness of design and operation of internal control related to the realizability of deferred tax assets.
- Utilized tax professionals to review the completeness and accuracy of tax adjustments.
- Evaluated key input variables, such as the sales and operating profit ratio used to determine future taxable income in the most recent business plans approved by management in order to review the appropriateness of estimated future taxable income.
- Analyzed the nature of the relevant accounts and reserves for assessing whether the timing of realization of the deductible temporary difference is estimated appropriately.
- Compared the future taxable income and timing of utilization of tax loss carried forward which were forecast in the previous period with the actual results, in order to assess the accuracy of the Group's estimation.
- Assessed future estimated tax rates based on the business plan approved by management.

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

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

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

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

## 11 Independent Auditors' Report

### Auditors' responsibilities for the audit of the separate financial statements

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going-concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jin Yong Kim.

March 21, 2024



This report is effective as of March 21, 2024, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events or circumstances could significantly affect the separate financial statements and may result in modifications to this report.

## 12 Operational Status Report of the Internal Accounting Control System by the CEO and Internal Accounting Manager

To the shareholders, Board of Directors, and Audit Committee of Kumho Tire Co., Ltd.,

As of December 31, 2023, the CEO and the Internal Accounting Manager have evaluated the design and operational effectiveness of Kumho Tire Co., Ltd. (hereinafter referred to as “the Company”)’s consolidated internal accounting control system for the fiscal year ending on the same date.

The responsibility for designing and operating the consolidated internal accounting control system rests with the Company’s management, including the CEO and the Internal Accounting Manager. We have assessed whether the Company’s consolidated internal accounting control system is effectively designed and operated to prevent and detect any distortions in the consolidated financial statements that could arise from errors or fraudulent actions. The “Conceptual Framework for the Design and Operation of Internal Accounting Control Systems,” published by the Internal Accounting Control Committee, was used as the reference standard for the design and operation of the internal accounting control system. The “Standard for Evaluation and Reporting of Internal Accounting Control Systems,” also issued by the Internal Accounting Control Committee, was employed as the evaluation standard.

According to the evaluation of the operational status of the consolidated internal accounting control system by the CEO and Internal Accounting Manager as of December 31, 2023, the system is effectively designed and operating effectively in terms of materiality, based on the “Conceptual Framework for the Design and Operation of Internal Accounting Control Systems.”

The CEO and Internal Accounting Manager confirm that the contents of this report have not been falsely stated or misrepresented and that nothing that should have been reported has been omitted. Furthermore, it is confirmed that the report does not contain any statements that could significantly mislead readers, and sufficient care has been taken to personally verify and review the contents.

February 14, 2024

**Jeong Il-taek**, CEO  
**Lim Wan-ju**, Internal Accounting Manager

## 13 Audit Committee Report on the Evaluation of the Consolidated Internal Accounting Control System

To the shareholders and Board of Directors of Kumho Tire Co., Ltd.

As of December 31, 2023, the Audit Committee has evaluated the design and operational state of the consolidated internal accounting control system of Kumho Tire Co., Ltd. (hereinafter referred to as “the Company”) for the fiscal year ending on the same date.

The responsibility for designing and operating the consolidated internal accounting control system lies with the Company’s management, including the CEO and the Internal Accounting Manager. The Audit Committee holds a supervisory responsibility in this regard. The evaluation was based on the operational status report of the consolidated internal accounting control system submitted by the CEO and Internal Accounting Manager. This report was assessed to determine whether the internal controls were effectively designed and operated to prevent and detect any errors or fraudulent activities that could distort the financial statements and whether they substantially contribute to the reliability of financial reporting.

Additionally, the Audit Committee reviewed the operational status report to verify its accuracy and ensure that no necessary disclosures were omitted. The Committee also evaluated whether the corrective actions proposed in the report would effectively improve the Company’s internal accounting control system.

The Audit Committee employed the “Standard for Evaluation and Reporting of the Internal Accounting Control Systems” published by the Internal Accounting Control Committee as the evaluation standard for this assessment.

Based on the “Conceptual Framework for the Design and Operation of Internal Accounting Control Systems,” the Audit Committee believes that as of December 31, 2023, the Company’s consolidated internal accounting control system is effectively designed and operated from a materiality perspective.

March 14, 2024

**Song Mun-seon**  
Chairman of the Audit Committee

## 14 Audit Committee Report on the Internal Control System

### 1. Overview of Internal Control Mechanisms

The Company's Internal Control Mechanisms and Functions are as follows:

- Board of Directors: Oversees the execution of duties by directors
- Audit Committee: Composed of three outside directors, it supervises company operations and the performance of directors, inspecting company assets
- Compliance Officer: Checks compliance with legal control standards among employees
- Audit Office: Conducts audits across various departments and employees in accordance with our 'Internal Audit Regulations.'
- Internal Accounting Control Team: Supports the Audit Committee in managing the internal accounting control system

The Board of Directors consists of one executive director, two non-executive directors, and five outside directors.

- There are five committees within the Board, including the Audit Committee, Compensation Evaluation Committee, Nomination Committee, Strategic Steering Committee, and ESSG Committee.

### Appointment of Audit Committee Members

The appointment of Audit Committee members is carried out in compliance with legal requirements, ensuring candidates meet the appropriate qualifications and are selected through proper procedures.

### 2. Operation of Internal Control Mechanisms

#### Operational Results of Internal Audits

- Board of Directors: Held a total of nine meetings in 2023, receiving reports on key management issues and making decisions
- Audit Committee: Held six meetings in 2023, reviewing the results of financial and operational audits and associated key issues based on reports directly received from accounting, audit departments, and external auditors
- Compliance Officer: Monitored adherence to compliance standards and reported the findings to the Board of Directors
- Audit Office: Performed regular audits, planned audits, special mandate audits, and routine audits, reporting the findings to the Audit Committee
- Internal Accounting Control Team: Independently assessed the appropriateness of the operation and reporting of the internal accounting control system, reporting the results to the Audit Committee.

#### Handling of Audit Observations

Audit findings are reported to the relevant department heads and management. Actions are taken according to audit guidelines, and follow-ups are conducted at appropriate intervals.

### 3. Audit Committee's Evaluation on the Operation of Internal Control Mechanisms


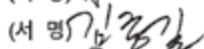
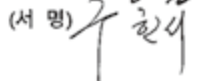
According to the Audit Committee's assessment, the internal control mechanisms of Kumho Tire Co., Ltd. For the fiscal year ending December 31, 2023, were effectively operational.

March 14, 2024

Song Mun-seon, Chairman of the Audit Committee

Kim Jong-gil, Audit Committee Member

Gu Han-seo, Audit Committee Member

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Kumho Tire Co., Ltd.

# Global Network

Headquartered in Seoul, Kumho Tire operates a robust global network consisting of 10 sales subsidiaries and 13 branches/offices worldwide. In addition, we export over USD 1.8 billion worth of products annually to 180 countries around the world. Our plants and R&D centers work in seamless synergy to produce the finest tires. By carrying out vigorous marketing initiatives and expanding our distribution networks, we are poised to take yet another significant step forward.

- PLANT
- R&D CENTER
- OVERSEAS SALES CORPORATIONS
- OVERSEAS BRANCHES & OFFICES

13  
OVERSEAS BRANCHES  
& OFFICES

10  
OVERSEAS SALES  
CORPORATIONS





|   |  |
|---|--|
| <b>Seoul Office</b>                       | 68 Saemunan-ro, Jongno-gu, Seoul   |
| <b>Domestic Branches (16)</b>             | Main branch: 1021 Dongil-ro, Nowon-gu, Seoul, and 15 other branches  |
| <b>Overseas Sales Subsidiaries (10)</b>   | USA, Canada, Mexico, Germany, United Kingdom, France, Australia, Japan, China, Egypt   |
| <b>Overseas Branches and Offices (13)</b> | Panama, São Paulo, Dubai, Jeddah, Bangkok, Istanbul, Milan, Madrid, Moscow, Warsaw, Vienna, Nordic countries, Ho Chi Minh City |

## PLANTS

|                            |   |
|----------------------------|---|
| <b>01 Gwangju Plant</b>    | 658 Eodeung-daero, Gwangsan-gu, Gwangju<br>TEL. 82-62-940-2114  |
| <b>02 Gokseong Plant</b>   | 85-63 Geumho-gil, Ip-myeon, Gokseong-gun, Jeollanam-do<br>TEL. 82-61-630-3114                         |
| <b>03 Pyeongtaek Plant</b> | 87, 156 Pyeongtaekhang-ro, Poseung-eup, Pyeongtaek-si, Gyeonggi-do<br>TEL. 82-31-680-5700             |
| <b>04 Nanjing Plant</b>    | 8 Chunyu Road Nanjing Pukou Economic Development Zone, Nanjing, Jiangsu, China<br>TEL. 86-25-853-9999 |
| <b>05 Tianjin Plant</b>    | NO. 333 Zhongnan, 2st. Teda, Tianjin, China<br>TEL. 86-22-5982-5555                                   |
| <b>06 Changchun Plant</b>  | NO. 677 Jinhua Road, Changchun, China<br>TEL. 56-431-8705-0755  |
| <b>07 Vietnam Plant</b>    | Gcn, My Phuoc3, Industrial Park, Ben Cat Dist., Binh Duong Province, Vietnam<br>TEL. 84-650-3599-0000 |
| <b>08 Georgia Plant</b>    | 3051 Kumho Parkway, Macon, GA 31216, U.S.A.<br>TEL. 1-478-812-9595                                    |

## R&D CENTERS

|   |   |
|---|---|
| <b>01 Central R&amp;D Center (Yongin, KRDC)</b> | 215-21 Sa-eun-ro, Giheung-gu, Yongin-si, Gyeonggi-do                |
| <b>02 Performance Center (Gwangju)</b>          | 658 Eodeung-daero, Gwangsan-gu, Gwangju (Sochon-dong)               |
| <b>03 KATC (USA)</b>                            | 711 South Cleveland-Massillon Road Akron, Ohio 44333, United States |
| <b>04 KETC (Germany)</b>                        | Starkenburger Strasse 10, 64546, Moerfelden-Walldorf, GERMANY       |
| <b>05 KCTC (China)</b>                          | No.49 Xinye 3 Street, The West Zone Of Teda, Tianjin, CHINA         |

## OVERSEAS SALES CORPORATIONS

|                                     |  |
|-------------------------------------|--|
| <b>01 Kumho Tire U.S.A. (KUSA)</b>  | 133 Peachtree Street NE, Suite 2800, Atlanta, GA 30303, United States<br>TEL. 1-678-916-3236                                       |
| <b>02 Kumho Tire Canada</b>         | Unit B, 6430 Kennedy Rd. Mississauga, ON L5T 2Z5, Canada<br>TEL. 1-905-564-0882  |
| <b>03 Kumho Tire Mexico</b>         | Av.Paseo de la Reforma No.373, 7 Piso Despacho A Col. Cuauhtemoc, Deleg.Cuauhtemoc C.P.06500, CDMX, Mexico<br>TEL. 52-55-5251-7617 |
| <b>04 Kumho Tire Europe</b>         | Brüsseler Platz 1, 63067 Offenbach am Main, Germany<br>TEL. +49 69 9433 1871   |
| <b>05 Kumho Tyre U.K.</b>           | Suite 6, Hilton House, Corporation St, Rugby CV21 2DN, UK<br>TEL. +44(0)1788 820 230   |
| <b>06 Kumho Tire France</b>         | 103 Quai du Président Roosevelt, 92130 Issy-les-Moulineaux<br>TEL. +33 (0)1 4935 0539  |
| <b>07 Kumho Tyre Australia</b>      | 1 Carnaby Street, Marsden Park NSW 2765<br>TEL. +61 02 9912 9801   |
| <b>08 Kumho Tire Japan</b>          | Kyobashi Yamamoto Bldg 2F 3-12-7, Kyobashi, Chou-Ku, Tokyo, Japan<br>TEL. 81-3-3535-0880   |
| <b>09 Kumho Tire China</b>          | 2F, Tower G, No.2337, Gudai Road, Westlink, Minhang District, Shanghai, China  |
| <b>10 Kumho Tire Egypt Co., LLC</b> | Cairo, Maadi Building 56, apartment no 33, third floor, street no 15, Sarayat Maadi  |

## OVERSEAS BRANCHES & OFFICES

|                                   |  |
|-----------------------------------|--|
| <b>01 Panama</b>                  | P.H. Sortis Business Tower, Oficina 18-D, CI. 57 este entre Av. Samuel Lewis y CI. Abel Bravo, Obarrio, Ciudad de Panama, Rep. de Panama<br>TEL. 507-209-6750(1) |
| <b>02 São Paulo</b>               | Rua. Florida, 1738 Conjunto 92, CEP : 04565-001 Bairro : Cidade Moncoes Sao Paulo, SP, Brazil<br>TEL. 55-11-5102-2633/2846                                       |
| <b>03 Dubai</b>                   | OFFICE NO 401, ICON TOWER, Al Barsha Tecom DUBAI, UAE<br>TEL. 971-4-554-7386   |
| <b>04 Jeddah</b>                  | 1002 Jameel Square (Business Center), Prince Mohammed Bin Abdulaziz St., Al Andalus, Jeddah 23326 - Saudi Arabia<br>TEL. 966-5-3559-6888                         |
| <b>05 Bangkok</b>                 | 55 Wave Place Building, 9th Floor, Unit 9.08, Wireless Road, Lumpini, Pathumwan, Bangkok 10330, Thailand<br>TEL. 66-2-253-3911~2                                 |
| <b>06 Istanbul</b>                | Maslak Meydan Sk. No:3 Veko Giz Plaza 21.kat No.,74 Sariyer, 34396<br>TEL. +90 212 999 9632  |
| <b>07 Milan</b>                   | S.S Padana Superiore 2/B 20063 Cernusco Sul Naviglio (MI), ITALY<br>TEL. 39-02-9210-6688   |
| <b>08 Madrid</b>                  | P.E.Alvia Edificio 3, Planta 2, oficina 3 C/ Jose Echegaray, 8 28232 Las Rozas, Madrid, Spain<br>TEL. 34-916-366-621   |
| <b>09 Moscow Office</b>           | Office 602A, Entrance 3, World Trade Center, Krasnopresnenskaya nab., 12, 123610 Moscow, Russia<br>TEL. +7-910-450-98-58   |
| <b>10 Warszawa</b>                | al. Jerozolimskie 123a, 02-017, Warszawa, Poland<br>TEL. +48-2226-37807  |
| <b>11 Wien</b>                    | Helmut-Qualtinger-Gasse 2 /7, 1030 Wien, Austria<br>TEL. 43-1-796-27-5501  |
| <b>12 Nordic</b>                  | Brüsseler Platz 1, 63067 Offenbach am Main, Germany<br>TEL. +49 69 9433 1851   |
| <b>13 Ho Chi Minh City Office</b> | Room 602, 6F, Cobi Tower II, No. 2-4, Street 8, Tan Phu Ward, Dist.7, HCMC<br>TEL. +84.28.3829.5058/59   |

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## IR CONTACTS

**Ahn Junmo | Finance Team Leader**

junmo\_ahn@kumhotire.com

**Kim Hyungsoo | IR Team Leader**

hyungsoo\_kim@kumhotire.com

**Ryu Nakyoung | IR Team**

nakyoung\_ryu@kumhotire.com

**KUMHO  
TIRE**

Saemunan-ro, Jongno-gu, Seoul

WWW.KUMHOTIRE.COM