

NAVER Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2024
with the independent auditor's report

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Independent auditor's report

(English translation of a report originally issued in Korean)

The Shareholders and Board of Directors NAVER Corporation

Opinion

We have audited the consolidated financial statements of Naver Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the two years in the period ended December 31, 2024, 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, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the two years in the period ended December 31, 2024 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, 2024 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 11, 2025 expressed an unqualified opinion thereon.

Basis for opinion

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

Key audit matters

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

(1) Revenue recognition related to search advertisement service – occurrence

The Group recognizes search advertisement service revenue when the search advertisement service is rendered as a result of a platform user's search and execution on the Group's platform.

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

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

- Obtain an understanding of accounting policies, processes, and internal controls relating to the recognition of search advertisement service revenue.
- Evaluate the design and operation of IT general controls and internal controls relating to the search advertisement services.
- Test the data transfer process between search-service-related systems and revenue recognition system in respect to data about revenue from search advertisement services.
- Perform analytical review on the recognition of search advertisement service revenue.
- Assess the evidence of search advertisement occurrence for a sample of data related thereto.

(2) Impairment testing of investments in subsidiaries - valuation

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

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

- Obtain an understanding of accounting policies, processes, and internal controls relating to the impairment assessment of investments in A Holdings Corporation.
- Evaluate the design and operation of internal controls relating to the impairment assessment of investments in A Holdings Corporation.
- Evaluate the qualification and career history of external experts engaged by management to assess their capability and independence relating to the impairment assessment of investments in A Holdings Corporation.
- Compare assumptions applied in the impairment assessment of investments in A Holdings Corporation (e.g., discount rate, growth rate, etc.) with those used by comparable entities in the same industry or historical data of impairment assessment.
- Involve internal experts in assessing methodology of estimating amount recoverable from investments in A Holdings Corporation and performing sensitivity analysis relating thereto.
- Involve internal experts in comparing the discount rate applied by management with the discount rate calculated independently based on observable information.
- Assess whether A Holdings Corporation's business plan is consistent with the business plan approved by management of the Group.

(3) Impairment testing of goodwill – valuation

As described in Note 13 to the consolidated financial statements of the Group, goodwill in Poshmark, Inc., presented in the consolidated financial statements, account for a significant portion of the Group's assets and we determined that there is a risk of material misstatement due to the complexity of value-in-use estimation and significant possibility of management's biased judgment involved in such estimation. Therefore, we have decided that the accounting for the impairment assessment of goodwill in Poshmark, Inc. is a key audit matter.

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

- Obtain an understanding of accounting policies, processes, and internal controls relating to the impairment assessment of goodwill in Poshmark, Inc.
- Evaluate the design and operation of internal controls relating to the impairment assessment of goodwill in Poshmark, Inc.
- Evaluate the qualification and career history of external experts engaged by management to assess

- capability and independence relating to the impairment assessment of goodwill in Poshmark, Inc.
- Compare assumptions applied in the impairment assessment of goodwill in Poshmark, Inc. (e.g., discount rate, growth rate, etc.) with those used by comparable entities in the same industry or historical data of impairment assessment.
- Involve our internal experts in assessing methodology of estimating amount recoverable from goodwill in Poshmark, Inc. and performing sensitivity analysis relating thereto.
- Involve our internal experts in comparing the discount rate applied by management with the discount rate calculated independently based on observable information.
- Assess whether Poshmark, Inc.'s business plan is consistent with the business plan approved by management of the Group.

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



March 11, 2025

This audit report is effective as of March 11, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

NAVER Corporation and its subsidiaries

Consolidated financial statements
for each of the two years in the period ended December 31, 2024

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

Su yeon, Choi
Chief Executive Officer
NAVER Corporation

NAVER Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023
(Korean won)

	Notes	December 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents	6,7	₩ 4,195,524,637,851	₩ 3,576,456,533,329
Short-term financial instruments	6,7	2,859,768,247,306	808,248,060,681
Financial assets at fair value through profit or loss	5,6,7	412,653,427,012	697,743,584,418
Trade and other receivables	6,7	1,655,220,886,505	1,724,145,643,626
Inventories	9	21,743,796,031	14,811,319,796
Other current assets	10	214,754,613,981	181,397,740,106
Current tax assets	-	15,246,426,142	16,471,207,827
Non-current assets held for sale	-	-	8,802,368,097
		9,374,912,034,828	7,028,076,457,880
Non-current assets			
Property, plant and equipment	11	₩ 2,909,592,132,861	₩ 2,741,621,328,149
Right-of-use-assets	12	317,538,095,513	691,832,707,701
Intangible assets	13	3,657,186,453,124	3,445,599,901,744
Investment properties	14	97,070,332,897	53,430,246,000
Long-term financial instruments	6,7	71,155,872,000	13,755,872,000
Financial assets at fair value through profit or loss	5,6,7	2,124,997,152,940	2,227,335,975,392
Financial assets at fair value through other comprehensive income	5,6,7	1,218,556,164,988	1,378,247,811,941
Investments in associates and joint ventures	15	17,406,149,463,680	17,588,864,100,100
Deferred tax assets	28	473,629,416,181	381,436,175,332
Trade and other receivables	6,7,12	452,109,661,559	97,199,883,555
Other non-current assets	10	64,979,255,449	90,426,504,601
		28,792,964,001,192	28,709,750,506,515
Total assets		₩ 38,167,876,036,020	₩ 35,737,826,964,395
Liabilities			
Current liabilities			
Trade and other payables	4,6,16	₩ 1,558,832,501,211	₩ 1,838,187,891,754
Financial liabilities at fair value through profit or loss	4,5,6	561,037,204,645	454,823,038,561
Short-term borrowings	4,6,18	135,389,909,719	333,041,315,118
Current portion of long-term borrowings	4,6,18	200,000,000,000	192,923,826,668
Current portion of long-term debentures	4,6,18	-	249,962,199,849
Current tax liabilities	-	377,616,038,486	334,267,425,429
Provisions	19	4,186,275,528	6,128,374,012
Lease liabilities	4,6,12	208,497,038,211	234,727,100,710
Other current liabilities	17	3,046,601,701,872	2,661,507,460,097
		6,092,160,669,672	6,305,568,632,198
Non-current liabilities			
Trade and other payables	4,6,16	₩ 91,281,385,940	₩ 102,531,973,265
Financial liabilities at fair value through profit or loss	4,5,6	15,392,012,800	249,253,989,426
Long-term borrowings	4,6,18	863,059,968,000	993,600,442,662
Debentures	4,6,18	2,007,288,715,797	1,655,718,953,449
Net defined benefit liabilities	20	762,686,537,059	607,892,193,638
Provisions	19	19,283,443,136	14,704,327,970
Lease liabilities	4,6,12	387,635,118,602	518,909,669,133
Deferred tax liabilities	28	927,727,840,271	1,051,478,119,905
Other non-current liabilities	17	448,496,406	169,847,196
		5,074,803,518,011	5,194,259,516,644
Total liabilities		₩ 11,166,964,187,683	₩ 11,499,828,148,842

(continued)

NAVER Corporation and its subsidiaries
Consolidated statements of financial position
as of December 31, 2024 and 2023
(Korean won)

	Notes	December 31, 2024	December 31, 2023
(cont'd)			
Equity			
Equity attributable to owners of the Parent Company			
Share capital	21	₩ 16,481,339,500	₩ 16,481,339,500
Capital surplus	21	1,422,685,316,697	1,242,632,248,504
Other components of equity	22	(1,944,224,642,757)	(2,597,430,397,696)
Retained earnings	24	25,964,961,560,851	24,544,359,050,688
		25,459,903,574,291	23,206,042,240,996
Non-controlling interests		1,541,008,274,046	1,031,956,574,557
Total equity		<u>27,000,911,848,337</u>	<u>24,237,998,815,553</u>
Total liabilities and equity		<u>₩ 38,167,876,036,020</u>	<u>₩ 35,737,826,964,395</u>

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

NAVER Corporation and its subsidiaries
Consolidated statements of comprehensive income
for each of the two years in the period ended December 31, 2024
(Korean won)

	Notes	2024	2023
Operating revenue	35	₩ 10,737,719,264,647	₩ 9,670,643,576,585
Operating expenses	25	(8,758,455,825,820)	(8,181,823,306,977)
Operating profit		1,979,263,438,827	1,488,820,269,608
Other income	26	732,532,606,257	206,488,339,818
Other expenses	26	(588,474,705,472)	(401,005,659,917)
Interest income	6	173,555,227,088	101,111,135,020
Finance income	6,27	459,652,759,343	502,205,185,394
Finance costs	6,27	(578,866,062,461)	(682,767,513,153)
Share of profit of associates and joint ventures	15	144,521,227,866	266,544,560,781
Profit before income tax		2,322,184,491,448	1,481,396,317,551
Income tax expense	28	(390,208,118,495)	(496,378,555,058)
Profit for the year		₩ 1,931,976,372,953	₩ 985,017,762,493
Profit for the year attributable to:			
Owners of the Parent Company		₩ 1,923,237,257,015	₩ 1,012,321,527,624
Non-controlling interests		8,739,115,938	(27,303,765,131)
Other comprehensive income (loss):			
Items that will be reclassified subsequently to profit or loss:			
Gain on foreign exchange translation of overseas operations		₩ 426,508,289,750	₩ 151,777,835,412
Share of other comprehensive income (loss) of associates and joint ventures	15	441,234,252,915	(545,588,292,957)
		867,742,542,665	(393,810,457,545)
Items that will not be reclassified subsequently to profit or loss:			
Gain (Loss) on valuation of equity instruments at fair value through other comprehensive income	6	₩ (93,907,386,774)	₩ 31,535,428,016
Gain (Loss) on disposal of equity instruments at fair value through other comprehensive income	6	(8,084,970,953)	4,928,744,939
Share of other comprehensive income (loss) of associates and joint ventures	15	(47,262,098,345)	29,859,125,802
Revaluation surplus	28	21,389,128,638	-
Remeasurements of net defined benefit liabilities	20	(41,190,080,973)	66,838,639,983
		(169,055,408,407)	133,161,938,740
Total comprehensive income for the year, net of tax		₩ 2,630,663,507,211	₩ 724,369,243,688
Owners of the Parent Company		₩ 2,561,162,590,080	₩ 748,831,191,489
Non-controlling interests		69,500,917,131	(24,461,947,801)
Earnings per share attributable to the equity holders of the Parent Company			
Basic earnings per ordinary share	29	₩ 12,702	₩ 6,661
Diluted earnings per ordinary share	29	12,553	6,576

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

NAVER Corporation and its subsidiaries
Consolidated statements of changes in equity
for each of the two years in the period ended December 31, 2024
(Korean won)

	Notes	Share capital	Capital surplus	Other components of equity	Retained earnings	Non-controlling interests	Total
As of January 1, 2023		₩ 16,481,339,500	₩ 1,556,453,389,615	₩ (2,474,526,129,371)	₩ 23,645,687,007,296	₩ 706,226,873,411	₩ 23,450,322,480,451
Total comprehensive income for the year:							
Profit for the year		-	-	-	1,012,321,527,624	(27,303,765,131)	985,017,762,493
Gain on valuation of equity instruments at fair value through other comprehensive income	6,28	-	-	30,594,156,033	-	941,271,983	31,535,428,016
Gain on disposal of equity instruments at fair value through other comprehensive income	6,28	-	-	-	4,928,744,939	-	4,928,744,939
Gain (Loss) on foreign exchange translation of overseas operations	28	-	-	153,392,830,409	-	(1,614,994,997)	151,777,835,412
Share of other comprehensive loss of associates and joint ventures	15,28	-	-	(514,813,612,066)	-	(915,555,089)	(515,729,167,155)
Remeasurements of net defined benefit liabilities	20,28	-	-	-	62,407,544,550	4,431,095,433	66,838,639,983
Transactions with shareholders:							
Dividends	30	-	-	-	(62,397,685,220)	-	(62,397,685,220)
Transaction of share-based payment	-	-	61,712,784,537	113,906,312,734	-	42,522,317,838	218,141,415,109
Retirement of treasury shares	21	-	-	118,588,088,501	(118,588,088,501)	-	-
Transactions with non-controlling interests		-	(375,533,925,648)	(24,572,043,936)	-	307,669,331,109	(92,436,638,475)
As of December 31, 2023		₩ 16,481,339,500	₩ 1,242,632,248,504	₩ (2,597,430,397,696)	₩ 24,544,359,050,688	₩ 1,031,956,574,557	₩ 24,237,998,815,553
As of January 1, 2024		₩ 16,481,339,500	₩ 1,242,632,248,504	₩ (2,597,430,397,696)	₩ 24,544,359,050,688	₩ 1,031,956,574,557	₩ 24,237,998,815,553
Total comprehensive income for the year:							
Profit for the year		-	-	-	1,923,237,257,015	8,739,115,938	1,931,976,372,953
Loss on valuation of equity instruments at fair value through other comprehensive income	6,28	-	-	(92,496,324,409)	-	(1,411,062,365)	(93,907,386,774)
Gain (Loss) on disposal of equity instruments at fair value through other comprehensive income	6,28	-	-	-	(8,300,210,235)	215,239,282	(8,084,970,953)
Gain on foreign exchange translation of overseas operations	28	-	-	365,740,184,191	-	60,768,105,559	426,508,289,750
Share of other comprehensive income of associates and joint ventures	15,28	-	-	393,342,833,671	-	629,320,899	393,972,154,570
Revaluation surplus	28	-	-	21,389,128,638	-	-	21,389,128,638
Remeasurements of net defined benefit liabilities	20,28	-	-	-	(41,750,278,791)	560,197,818	(41,190,080,973)
Transactions with shareholders:							
Dividends	30	-	-	-	(118,984,856,180)	-	(118,984,856,180)
Transaction of share-based payment	-	-	62,802,137,421	40,259,370,661	-	75,733,395,449	178,794,903,531
Acquisition of treasury shares	21	-	-	(405,122,711,100)	-	-	(405,122,711,100)
Retirement of treasury shares	21	-	-	333,599,401,646	(333,599,401,646)	-	-
Transactions with non-controlling interests		-	117,250,930,772	(3,506,128,359)	-	363,817,386,909	477,562,189,322
As of December 31, 2024		₩ 16,481,339,500	₩ 1,422,685,316,697	₩ (1,944,224,642,757)	₩ 25,964,961,560,851	₩ 1,541,008,274,046	₩ 27,000,911,848,337

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

NAVER Corporation and its subsidiaries
Consolidated statements of cash flows
for each of the two years in the period ended December 31, 2024
(Korean won)

	Notes	2024	2023
Cash flows from operating activities			
Cash generated from operations	31 ₩	3,087,220,047,400	₩ 2,672,160,565,366
Interest received		151,371,751,760	98,199,175,820
Interest paid		(96,195,600,801)	(129,405,367,641)
Dividends received		55,060,773,144	43,721,525,837
Income taxes paid		(607,582,633,757)	(682,442,625,864)
Net cash provided by operating activities		2,589,874,337,746	2,002,233,273,518
Cash flows from investing activities			
Increase in short-term financial instruments	₩	(5,817,193,562,732)	₩ (3,173,245,644,270)
Decrease in short-term financial instruments		3,751,640,407,572	3,583,232,926,687
Increase in long-term financial instruments		(53,200,000,000)	
Decrease in long-term financial instruments		-	500,000,000
Acquisition of financial assets at fair value through profit or loss		(2,035,886,207,130)	(2,693,963,338,618)
Proceeds from disposal of financial assets at fair value through profit or loss		2,420,636,531,989	2,718,635,244,975
Acquisition of property, plant and equipment		(553,997,155,009)	(640,623,697,250)
Proceeds from disposal of property, plant and equipment		32,089,663,389	7,316,798,534
Collection of lease receivables		10,595,216,673	6,274,783,190
Acquisition of intangible assets		(26,108,078,025)	(51,637,440,980)
Proceeds from disposal of intangible assets		2,120,720,143	633,805,661
Acquisition of financial assets at fair value through other comprehensive income		(1,019,700,000)	(32,121,513,088)
Proceeds from disposal of financial assets at fair value through other comprehensive income		3,391,793,711	75,852,751,999
Acquisition of investments in associates and joint ventures		(70,991,883,087)	(70,943,419,463)
Proceeds from disposal of investments in associates and joint ventures		964,031,680,627	604,752,359,248
Net decrease in cash due to business combination		(49,636,133,077)	(1,283,975,361,775)
Net cash flow from disposal of subsidiaries		80,488,783,294	(1,059,104,535)
Increase in short-term loans		(140,000,000)	(2,450,660,440)
Decrease in short-term loans		641,633,700	5,719,159,671
Increase in long-term loans		(1,170,000,000)	-
Decrease in long-term loans		399,685,200	205,778,560
Cash inflows from other investing activities		6,232,579,958	6,627,131,842
Cash outflows from other investing activities		(2,950,298,871)	(9,552,645,210)
Net cash used in investing activities		(1,340,024,321,675)	(949,822,085,262)
Cash flows from financing activities			
Increase in short-term borrowings	₩	69,282,376,150	₩ 905,385,000,000
Repayments of short-term borrowings		(532,636,959,383)	(1,276,242,190,115)
Increase in long-term borrowings		185,000,000,000	835,080,704,000
Repayments of long-term borrowings		(79,902,083,295)	(616,872,943,838)
Proceeds from issuance of debentures		199,320,560,000	176,512,823,880
Repayments of debentures		(250,000,000,000)	-
Repayment of lease liabilities		(227,133,187,845)	(204,064,693,090)
Increase in financial liabilities at fair value through profit or loss		19,199,160,694	100,598,886,266
Decrease in financial liabilities at fair value through profit or loss		(990,430,000)	-
Acquisition of treasury shares		(405,122,711,100)	-
Paid-in capital increase of subsidiaries		425,230,435,480	-
Payment of dividends		(118,984,856,180)	(62,397,685,220)
Cash inflows from stock-based compensations		11,738,394,388	28,003,591,900
Cash inflows from transactions with non-controlling interests		840,940,983	6,415,123,730
Cash outflows from transactions with non-controlling interests		(97,486,350,308)	(237,051,042)
Cash inflows from other financing activities		34,441,440,768	586,740,373
Cash outflows from other financing activities		(3,089,194,969)	(2,800,335,249)
Net cash used in financing activities		(770,292,464,617)	(110,032,028,405)
Effects of exchange rate changes on cash and cash equivalents		139,510,553,068	(90,090,948,230)
Net increase in cash and cash equivalents		619,068,104,522	852,288,211,621
Cash and cash equivalents at the beginning of the year		3,576,456,533,329	2,724,168,321,708
Cash and cash equivalents at the end of the year	₩	4,195,524,637,851	₩ 3,576,456,533,329

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

NAVER Corporation and its subsidiaries
Notes to the consolidated financial statements
December 31, 2024 and 2023

1. General

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

On October 29, 2002, the Company listed its shares on the Korean Securities Dealers’ Automated Quotations market. On November 28, 2008, the Company transferred its share listing to the Korea Composite Stock Price Index market. As of December 31, 2024, the major shareholders of the Company consist of National Pension Service (8.92%) and others.

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

A. Consolidated Subsidiaries

Details of the consolidated subsidiaries as of December 31, 2024 and 2023 are as follows:

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			December 31, 2024	December 31, 2023	
NAVER Corporation:					
NAVER Cloud Corporation	Korea	Cloud service management	100.00	100.00	December
NAVER I&S Corp	Korea	Business support, workforce supply, and employee dispatch	100.00	100.00	December
NAVER WEBTOON COMPANY Corporation	Korea	Webtoon service development and management	100.00	100.00	December
Snow Corporation	Korea	Camera and communication application development service	90.00	90.00	December
Audiensori Corporation	Korea	Audio content production and distribution	100.00	100.00	December
N Visions Co., Ltd.	Korea	Exhibition and performance planning business	100.00	100.00	December
NAVER LABS Corporation	Korea	New technology development and research	100.00	100.00	December
NAVER Financial Corporation	Korea	Electronic financial business	89.21	89.21	December
Alpha Next Media Innovation Fund (formerly, SB Next Media Innovation Fund)	Korea	Investment	96.30	96.30	December
TBT Global Growth Fund I	Korea	Investment	89.91	89.91	December
NAVER-KTB Audio Contents Fund	Korea	Investment	99.00	99.00	December
SpringCamp Early Stage Fund 1	Korea	Investment	99.00	100.00	December
SpringCamp Early Stage Fund 2	Korea	Investment	91.95	99.22	December
SVA Content Media Private Equity Fund II	Korea	Investment	99.83	99.83	December
Do Ventures Annex Fund, LP	U.S.A	Investment	99.00	99.00	December
NAVER J.Hub Corporation	Japan	Global business support	100.00	100.00	December
NAVER CHINA CORPORATION	China	Software development and distribution	100.00	100.00	December
NAVER U.Hub Inc (*3)	U.S.A	Global business support	100.00	100.00	December
NAVER BAND Inc (*3)	U.S.A	North America community service marketing	-	100.00	December
NAVER France SAS	France	Europe IT investment and research and development	100.00	100.00	December
WEBTOON Entertainment Inc	U.S.A	Webtoon service development and management	62.49	71.20	December
NAVER VIETNAM COMPANY LIMITED	Vietnam	Online live broadcast service and local marketing	99.96	99.00	December
Naver Synergy Fund(formerly, Naver-Quantum Contents 1 Fund)	Korea	Investment	98.81	98.81	December
Smart Spring Fund (*2)	Korea	Investment	-	48.39	December
NAVER HANDS Corporation	Korea	Standard workplace operation for the disabled	100.00	100.00	December
NAVER WP I, L.P.	U.S.A	Managing local business	-	100.00	December
NAVER WP II, LLC	U.S.A	Managing local business	-	100.00	December
NW MEDIA CONTENTS INC.	U.S.A	Contents production	100.00	100.00	December
PROTON PARENT, INC.	U.S.A	Investment	99.27	99.27	December
PROTON PARENT, INC.:					

NAVER Corporation and its subsidiaries
Notes to the consolidated financial statements
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	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			December 31, 2024	December 31, 2023	
Poshmark, Inc.	U.S.A	Commerce platform	100.00	100.00	December
Poshmark, Inc.:					
Poshmark Canada Inc.	Canada	Commerce platform	100.00	100.00	December
Poshmark Limited	U.K	Commerce platform	100.00	100.00	December
Poshmark Pty Ltd.	Australia	Commerce platform	100.00	100.00	December
Poshmark India Private Limited	India	Commerce platform	99.99	99.99	December
Poshmark Online Marketplace Private Limited	India	Commerce platform	100.00	100.00	December
NAVER France SAS:					
C-Fund	France	Investment	99.00	99.00	December
C-FUND Subfund 2	France	Investment	99.00	99.00	December
C-FUND Subfund 3	France	Investment	99.75	99.75	December
C-FUND Subfund 4	France	Investment	99.00	99.00	December
C-FUND Subfund 5	France	Investment	99.75	99.75	December
NAVER Cloud Corporation:					
NAVER Cloud Asia Pacific Pte Ltd.	Singapore	IT infrastructure operations	100.00	100.00	December
NAVER CLOUD AMERICA INC.	U.S.A	IT infrastructure operations	100.00	100.00	December
NAVER Cloud Europe GmbH	Germany	IT infrastructure operations	100.00	100.00	December
NAVER Cloud Japan Corporation	Japan	IT infrastructure operations	100.00	100.00	December
Chengdu NCC Technology Corporation	China	IT infrastructure operations	100.00	100.00	December
Naver Cloud Trust Services Corp.	Korea	IT infrastructure operations	100.00	100.00	December
LINE WORKS Corporation (formerly, Works Mobile Japan Corporation)	Japan	Groupware service operations and distribution	77.93	78.95	December
NITService Corp.	Korea	Infrastructure operations and security services	100.00	100.00	December
NAVER I&S Corp:					
InComms Corp	Korea	Customer center operations	100.00	100.00	December
Green Web Service Corp	Korea	Monitoring, advertisement operations	100.00	100.00	December
N Tech Service Corp.	Korea	Software consulting, development and distribution	100.00	100.00	December
CommPartners Corp.	Korea	Customer center operations	100.00	100.00	December
WEBTOON Entertainment Inc:					
NAVER WEBTOON Ltd.	Korea	Webtoon service development and operations	100.00	100.00	December
LINE Digital Frontier Corporation (*4)	Japan	Japan Webtoon service development and operations	100.00	100.00	December
Wattpad Webtoon Studios Inc.	Canada	Global contents development	100.00	100.00	December
Wattpad Corporation	Canada	Global web novel platform	100.00	100.00	December
Wattpad Webtoon Studios Inc.:					
Wattpad Webtoon Studios Inc.	U.S.A	Global contents development	100.00	100.00	December
Wattpad Studios (Cell Phone Swap) Inc	Canada	Global web novel platform support	100.00	100.00	December
Bootcamp Partnership Limited	Canada	Film distribution	100.00	100.00	December
Wattpad Corporation:					
WP Technology (UK)	U.K	Global web novel platform support	-	100.00	December
Wattpad Inc.	U.S.A	Global web novel platform support	100.00	100.00	December
LINE Digital Frontier Corporation:					
eBOOK Initiative Japan Co., Ltd. (*4)	Japan	Japan e-book service	-	100.00	December
NAVER WEBTOON Ltd.:					
STUDIO LICO Corp.	Korea	Contents production and reinforcement	100.00	100.00	December
Studio N Corporation	Korea	Film production and distribution	100.00	100.00	December
MUNPIA INC.	Korea	Web novel platform	61.12	61.12	December
Jakga Company Inc. (*2)	Korea	Contents production	-	51.33	December
MUNPIA INC:					
Mun Pia Webtoon Culture Industry Special Purpose Company Ltd.	Korea	Comics publishing	-	100.00	December
M Contents Labs Co., Ltd.	Korea	Database and online information supply	-	100.00	December
Studio JHS Co., Ltd.	Korea	Contents production	100.00	100.00	December
NAVER WEBTOON COMPANY Corporation:					
Watong Entertainment Limited	Hongkong	Webtoon service operations	100.00	100.00	December
Watong Entertainment Limited:					
Broccoli Entertainment Corporation	China	Webtoon service operations	100.00	100.00	December
Broccoli Entertainment Corporation:					
Dongman Entertainment Corporation	China	Webtoon service operations	100.00	100.00	December
Shanghai Binge-reading Jinqiu Entertainment Corporation	China	Webtoon service operations	-	100.00	December
Snow Corporation:					
SpringCamp Inc. (*2)	Korea	Investments	-	100.00	December

NAVER Corporation and its subsidiaries
Notes to the consolidated financial statements
December 31, 2024 and 2023

	Location	Primary business	Ownership interest held by the Group (%) (*1)		Closing month
			December 31, 2024	December 31, 2023	
SpringCamp Early Stage Fund 4	Korea	Investments	57.60	66.24	December
Springcamp-KIF Early Stage Fund (*2)	Korea	Investments	-	45.00	December
Amuse Co.,Ltd.	Korea	Cosmetics manufacturing, distribution, sales	-	77.59	December
Semicolon Studio Corp.	Korea	Video contents production and distribution	100.00	100.00	December
NAVER Z CO., LTD. (*2)	Korea	Mobile service development and operations	-	70.51	December
SNOW China Limited.	China	Mobile service operations	96.22	96.22	December
SNOW Japan Corporation	Japan	Mobile service operations	100.00	100.00	December
SNOW Inc.	U.S.A	Mobile service operations	100.00	100.00	December
SNOW VIETNAM COMPANY LIMITED	Vietnam	Mobile service operations	99.00	99.00	December
Cake Corporation	Korea	Language learning application development and operations	60.00	60.00	December
KREAM Corporation (*6)	Korea	Sneakers trading platform operations	43.69	43.94	December
SpringCamp Inc.:					
SPRINGCAMP US (*2)	U.S.A	Investments	-	100.00	December
NAVER Z CO., LTD. :					
NAVER Z USA, INC.(*2)	U.S.A	Mobile service development and operations	-	100.00	December
NAVER Z Limited (*2)	Hongkong	Mobile service development and operations	-	76.30	December
NAVER Z JAPAN Corporation (*2)	Japan	Mobile service development and operations	-	100.00	December
SPRINGCAMP COLLABORATIVE FUND II (*2)	Korea	Investments	-	100.00	December
NAVER Z Limited :					
Beijing Metaverse China Technology Corporation (*2)	China	Mobile service development and operations	-	100.00	December
Beijing Metaverse China Technology Corporation :					
ZaiZai Entertainment Corp. (*2)	China	Mobile service development and operations	-	100.00	December
KREAM Corporation:					
Namain Corp.	Korea	Sneakers trading platform operations	100.00	100.00	December
SVA Soda	Korea	Investments	99.52	99.52	December
PAP Corporation	Korea	E-Commerce business	68.43	68.43	December
SPRINGCAMP COLLABORATIVE FUND I	Korea	Investments	90.00	100.00	December
Famous Studio Corp. (*5)	Korea	Clothes, accessories, news distribution	100.00	100.00	December
SODA inc.	Japan	Sneakers trading platform operations	64.95	64.85	May
SNOW China Limited.:					
SNOW China (Beijing) Co., Ltd.	China	Mobile service operations	100.00	100.00	December
SNOW China (Beijing) Co., Ltd.:					
Yiruike Information Technology (Beijing) Co., Ltd.	China	Mobile service operations	100.00	100.00	December
Famous Studio Corp.:					
Famous LAB Corp. (*5)	Korea	Clothes, accessories, news distribution	-	100.00	December
SODA inc.:					
SODA Singapore INT PTE. LTD	Singapore	Sneakers trading platform operations	100.00	100.00	May
Monokabu Inc.	Japan	Sneakers trading platform operations	100.00	100.00	May
SODA inc. (U.S.A)	U.S.A	Sneakers trading platform operations	100.00	-	May

(*1) The ownership interest held by the Group is a sum of ownership interests with voting right.

(*2) The entity was reclassified from subsidiary to affiliate due to the decrease in equity share for the year ended December 31, 2024.

(*3) NAVER BAND Inc. was merged into NAVER U.Hub Inc. for the year ended December 31, 2024.

(*4) eBook Initiative Japan Co., Ltd. was merged into LINE Digital Frontier Corporation for the year ended December 31, 2024.

(*5) Famous LAB Corp. was merged into Famous Studio Corp. for the year ended December 31, 2024.

(*6) Although the Group owns less than 50% ownership of KREAM Corporation, the Group is considered to have control over the entity since the Group has significant influence over the entity considering the composition of shareholders and Board of Directors. Therefore, KREAM Corporation is classified as a subsidiary.

NAVER Corporation and its subsidiaries
Notes to the consolidated financial statements
December 31, 2024 and 2023

1. General (cont'd)

B. Summarized Financial Information

Summarized financial information for major subsidiaries as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 is as follows (Korean won in thousands):

As of and for the year ended December 31, 2024						
	Assets	Liabilities	Equity	Operating revenues	Profit (loss) for the year	Total comprehensive income
NAVER J.Hub Corporation	₩ 2,073,151,911	₩ 907,233,567	₩ 1,165,918,344	₩ 784,839	₩ 105,867,232	₩ 132,835,827
NAVER Financial Corporation	3,897,940,445	2,686,925,389	1,211,015,056	1,647,352,679	162,290,723	156,229,601
NAVER Cloud Corporation	1,722,603,655	1,236,307,074	486,296,581	1,399,014,432	77,913,501	64,736,697
WEBTOON Entertainment Inc	2,941,592,898	16,477,178	2,925,115,720	55,040,202	(58,157,992)	264,757,840
NAVER WEBTOON Ltd.	993,518,841	266,406,564	727,112,277	873,481,081	15,149,296	19,178,880

As of and for the year ended December 31, 2023						
	Assets	Liabilities	Equity	Operating revenues	Profit (loss) for the year	Total comprehensive income (loss)
NAVER J.Hub Corporation	₩ 2,018,991,197	₩ 985,908,680	₩ 1,033,082,517	₩ 805,469	₩ 1,145,774	₩ (44,167,619)
NAVER Financial Corporation	3,757,659,648	2,705,623,270	1,052,036,378	1,476,525,016	114,610,659	120,774,544
NAVER Cloud Corporation	1,652,883,313	1,232,138,364	420,744,949	1,197,070,628	(22,511,243)	(7,467,058)
WEBTOON Entertainment Inc	2,125,054,287	18,151,015	2,106,903,272	80,205,659	(61,729,668)	(51,981,585)
NAVER WEBTOON Ltd.	958,777,038	270,476,123	688,300,915	754,248,223	(48,200,621)	(39,098,665)

C. Summarized Cash Flow

Summarized cash flows for major subsidiaries for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

2024						
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effects of exchange rate changes on cash and cash equivalents	Cash and cash equivalents at the beginning of the year	Cash and cash equivalents at the end of the year
NAVER Financial Corporation	₩ 196,732,344	₩ 86,602,984	₩ (2,732,074)	₩ (395,157)	₩ 1,120,125,755	₩ 1,400,333,852
NAVER Cloud Corporation	560,325,256	(391,246,894)	(155,629,970)	(660,589)	140,747,244	153,535,047
NAVER WEBTOON Ltd.	60,173,446	(31,106,510)	(7,040,534)	12,390,255	102,631,850	137,048,507
NAVER J.Hub Corporation	69,793,451	(9,123,813)	(59,433,206)	799,051	7,772,936	9,808,419
WEBTOON Entertainment Inc	(54,340,309)	2,474,396	489,835,833	39,203,387	59,269,076	536,442,383

NAVER Corporation and its subsidiaries
Notes to the consolidated financial statements
December 31, 2024 and 2023

1. General (cont'd)

	2023					
	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Effects of exchange rate changes on cash and cash equivalents	Cash and cash equivalents at the beginning of the year	Cash and cash equivalents at the end of the year
NAVER Financial Corporation	₩ 276,516,954	₩ (39,802,997)	₩ (2,849,836)	₩ (797,838)	₩ 887,059,472	₩ 1,120,125,755
NAVER Cloud Corporation	400,346,616	(255,464,569)	(87,469,292)	(199,417)	83,533,906	140,747,244
NAVER WEBTOON Ltd.	92,639,555	17,184,940	(7,200,539)	(5,365,152)	5,373,046	102,631,850
NAVER J.Hub Corporation	1,964,811	(30,796)	(18,958,523)	84,629	24,712,815	7,772,936
WEBTOON Entertainment Inc	(68,905,301)	(848,749,583)	822,432,418	715,651	153,775,891	59,269,076

D. Changes in Scope of Consolidation

(1) Subsidiaries newly included in the consolidation for the year ended December 31, 2024 are as follows:

	Subsidiaries
Acquisition of control due to new establishment	SODA inc. (U.S.A)

(2) Subsidiaries excluded from the consolidation for the year ended December 31, 2024 are as follows:

	Subsidiaries
Merger	NAVER BAND Inc., eBook Initiative Japan Co., Ltd., Famous LAB Corp.
Liquidation	Shanghai Binge-reading Jinjia Entertainment Corporation, WP Technology (UK), NAVER WP I, L.P., NAVER WP II, LLC, Mun Pia Webtoon Culture Industry Special Purpose Company Ltd., M Contents Labs Co., Ltd.
Disposal	NAVER Z CO., LTD., NAVER Z Limited, Beijing Metaverse China Technology Corporation, ZaiZai Entertainment Corp., NAVER Z JAPAN Corporation., NAVER Z USA, INC., SPRINGCAMP COLLABORATIVE FUND II, Jakga Company Inc, Smart Spring Fund, SpringCamp Inc., Springcamp-KIF Early Stage Fund, SPRINGCAMP US, Amuse Co.,Ltd.

2. Material Accounting Policies

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

A. Basis of Preparation of the Consolidated Financial Statements

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

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

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

2. Material Accounting Policies (cont'd)

A. Basis of Preparation of the Consolidated Financial Statements (cont'd)

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

B. Changes in Accounting Policy and Disclosures

(1) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting periods beginning on or after January 1, 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to KIFRS 1116 - *Lease Liability in a Sale and Leaseback*

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

The amendments had no impact on the Group's consolidated financial statements.

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

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

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that terms of a liability that could result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognizing it separately from the liability as an equity component of a compound financial instrument.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

Amendments to KIFRS 1007 and KIFRS 1107 - *Supplier Finance Arrangements*

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

The amendments had no impact on the Group's consolidated financial statements.

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

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

2. Material Accounting Policies (cont'd)

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

Amendments to KIFRS 1021 - *Lack of exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity is not required to restate comparative information.

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

Amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments*

The amendments to KIFRS 1109 *Financial Instruments* and KIFRS 1107 *Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments* include the following:

- clarifying that a financial liability is derecognized on the settlement date and introducing an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
- providing additional guidance as to how to assess contractual cash flows of financial assets that include environmental, social and governance (ESG)-linked features and similar features;
- clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
- introducing new disclosures for financial instruments with contingent features and adding a disclosure requirement for equity instruments measured at fair value through other comprehensive income.

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, and only the amendments related to the classification of financial assets and associated disclosure requirements may be early adopted. The Group does not plan to early apply the amendments.

In relation to the derecognition of financial liabilities that are settled via electronic payment systems, the Group is performing assessment on all the major electronic payment systems used in various jurisdictions in which the Group operates. The Group is assessing whether the amendments will have a material impact on the current practices and whether the criteria for the accounting policy choice to derecognize financial liabilities are met. In order to assess if a financial asset is derecognized on the date on which the contractual rights to the cash flows expire, and if a financial liability is derecognized on the settlement date, the Group is currently assessing all payment systems such as cheques, credit cards, and debit cards.

Furthermore, the Group is assessing the impact of the amendments on financial assets with ESG-linked and similar contingent features, financial instruments with non-recourse features, and contractually linked financial instruments. The amendments are not expected to have a material impact on its consolidated financial statements based on the initial assessment performed but the assessment has not been completed.

2. Material Accounting Policies (cont'd)

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

Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

- Amendments to KIFRS 1101 *First-time adoption of KIFRS: Hedge accounting by a first-time adopter*
- Amendments to KIFRS 1107 *Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice*
- Amendments to KIFRS 1109 *Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices*
- Amendments to KIFRS 1110 *Consolidated Financial Statements: Determination of a 'de facto agent'*
- Amendments to KIFRS 1007 *Statement of Cash Flows: Cost Method*

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's consolidated financial statements.

C. Consolidation

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

(1) Subsidiaries

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

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

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

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

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

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

2. Material Accounting Policies (cont'd)

C. Consolidation (cont'd)

(2) Associates

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

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

(3) Joint arrangements

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

D. Foreign Currency Translation

(1) Functional and presentation currency

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

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

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

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

2. Material Accounting Policies (cont'd)

D. Foreign Currency Translation (cont'd)

(3) Translation to the presentation currency

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

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

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

E. Financial Assets

(1) Classification

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

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

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

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

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

(2) Measurement

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

2. Material Accounting Policies (cont'd)

E. Financial Assets (cont'd)

① Debt instruments

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

- Amortized cost:

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

- Fair value through other comprehensive income:

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

- Fair value through profit or loss:

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

② Equity instruments

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

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

2. Material Accounting Policies (cont'd)

E. Financial Assets (cont'd)

(3) Impairment

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

(4) Recognition and derecognition

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

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

(5) Offsetting of financial instruments

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

F. Derivative Instruments

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

G. Trade Receivables

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

H. Inventories

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

2. Material Accounting Policies (cont'd)

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

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

J. Property, plant and Equipment

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

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

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

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

K. Borrowing Costs

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

L. Intangible Assets

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

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

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

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

2. Material Accounting Policies (cont'd)

M. Government Grants

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

N. Impairment of Non-financial Assets

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

O. Trade Payables and Other Payables

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

P. Financial Liabilities

(1) Classification and measurement

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

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

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

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

2. Material Accounting Policies (cont'd)

P. Financial Liabilities (cont'd)

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

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

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

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

(2) Derecognition

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

Q. Compound Financial Instruments

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

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

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

2. Material Accounting Policies (cont'd)

Q. Compound Financial Instruments (cont'd)

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

R. Provisions

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

S. Current and Deferred Income Tax

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

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

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

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

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

2. Material Accounting Policies (cont'd)

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

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

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

The Global Minimum Tax payable under Pillar Two Model Rules legislation is subject to KIFRS 1012. As the Group applies the temporary exception providing relief from accounting for deferred taxes in relation to Pillar Two income taxes, any Pillar Two income tax charges shall be accounted for as current income tax as incurred.

T. Employee Benefits

(1) Post-employment benefits

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

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

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

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

2. Material Accounting Policies (cont'd)

T. Employee Benefits (cont'd)

(2) Share-based payments

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

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

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

(3) Long-term employee benefits

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

2. Material Accounting Policies (cont'd)

U. Revenue Recognition

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

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

(1) Advertisement

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

(2) Contents services

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

2. Material Accounting Policies (cont'd)

U. Revenue Recognition (cont'd)

(3) Payment services

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

(4) Sales commission

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

V. Leases

① Lessor

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

② Lessee

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

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

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

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

2. Material Accounting Policies (cont'd)

V. Leases (cont'd)

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

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

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

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

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

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

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

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

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

W. Investment properties

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

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

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

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

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

X. Segment Reporting

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

Y. Approval of Issuance of the Financial Statements

The consolidated financial statements for the year end December 31, 2024 were approved for issue by the Board of Directors on February 6, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting.

3. Material Accounting Estimates and Assumptions

The preparation of financial statements requires the Group to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Group's accounting policies. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. As the resulting accounting estimates will, by definition, seldom equal the related actual results, it can contain a significant risk of causing a material adjustment.

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

A. Goodwill impairment

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

B. Income taxes

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

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

C. Fair value of financial instruments

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

D. Impairment of financial assets

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

E. Net defined benefit liabilities

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

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

F. Provisions

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

G. Share-based payments

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

H. Lease

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

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

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

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

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

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

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

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

J. Change in the estimated useful life of machinery

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

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

4. Financial Risk Management

A. Financial Risk Management Factor

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

(1) Market risk

(A) Foreign exchange risk

① Foreign exchange risk

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

4. Financial Risk Management (cont'd)

The Group's financial assets and liabilities denominated in currencies other than the functional currency (i.e., US dollar, Japanese yen and Euro) and thus, exposed to foreign currency risk as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

		Translated to Korean won	
	Currency	December 31, 2024	December 31, 2023
Financial asset			
	USD	₩ 189,867,631	₩ 57,432,025
Cash and cash equivalents	JPY	549,132,275	401,720,209
	EUR	11,543,337	8,252,602
Shor-term financial instruments	JPY	93,648,000	-
	USD	11,103,554	6,934,893
Trade and other receivables	JPY	49,519,982	11,830,853
	EUR	7,068,468	125,868
Financial assets at fair value through other comprehensive income	USD	44,834,740	52,220,471
	JPY	31,690,220	62,658,598
Financial assets at fair value through profit or loss	USD	603,931,315	668,738,968
	JPY	50,805,796	81,483,650
	EUR	189,642,483	167,486,123
Financial liabilities			
	USD	9,235,378	8,305,143
Trade and other payables	JPY	2,019,703	1,316,393
	EUR	6,614,554	842,161
Borrowings and debentures	USD	1,172,300,045	1,025,701,709
	JPY	185,793,717	317,497,672

② Sensitivity analysis

The impact of strengthened/weakened Korean won by 5% against foreign currencies with all other variables held constant on the post-tax profit and equity as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

		Impact on post-tax profit		Impact on equity	
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
USD / KRW	Strengthened	₩ (13,958,016)	₩ (11,165,193)	₩ (12,296,441)	₩ (9,227,507)
	Weakened	13,958,016	11,165,193	12,296,441	9,227,507
JPY / KRW	Strengthened	20,579,145	6,538,821	21,753,585	8,863,823
	Weakened	(20,579,145)	(6,538,821)	(21,753,585)	(8,863,823)
EUR / KRW	Strengthened	7,472,769	6,494,360	7,472,769	6,494,360
	Weakened	(7,472,769)	(6,494,360)	(7,472,769)	(6,494,360)

(B) Price risk

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

4. Financial Risk Management (cont'd)

The impact of increases/decreases of the stock index of each country by 5% with all other variables held constant on the Group's post-tax profit and equity as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

		Impact on post-tax profit		Impact on equity	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
Listed equity security					
Korea	Increase	₩ 158,097	₩ 805,136	₩ 33,879,841	₩ 40,405,003
	Decrease	(158,097)	(805,136)	(33,879,841)	(40,405,003)
U.S.A	Increase	809,257	308,678	809,257	308,678
	Decrease	(809,257)	(308,678)	(809,257)	(308,678)
Japan	Increase	-	72,518	1,174,440	3,167,995
	Decrease	-	(72,518)	(1,174,440)	(3,167,995)
Indonesia	Increase	-	-	1,108,967	1,280,028
	Decrease	-	-	(1,108,967)	(1,280,028)

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

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

(C) Interest rate risk

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

The Group adequately minimizes risks from interest rate fluctuations through various policies, such as monitoring fluctuations of domestic and foreign interest rates, establishing alternatives, and balancing floating rate short-term borrowings with floating rate deposits.

The impact of 10bp increase/decrease in interest rate with all other variables held constant on the Group's post-tax profit and equity as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

		Impact on post-tax profit		Impact on equity	
		December 31,	December 31,	December 31,	December 31,
		2024	2023	2024	2023
Increase		₩ 351,941	₩ (107,568)	₩ 351,941	₩ (107,568)
Decrease		(351,941)	107,568	(351,941)	107,568

4. Financial Risk Management (cont'd)

(2) Credit Risk

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

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

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

(A) Trade receivables, other receivables and contract assets

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

The loss allowance as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

December 31, 2024				
	Less than 6 months past due and within due	More than 6 months past due	More than 1 year past due	Total
Trade receivables and other receivables				
Expected loss rate	0.29%	57.59%	99.30%	1.43%
Gross carrying amount(*) ₩	1,566,869,750 ₩	5,764,503 ₩	14,961,662 ₩	1,587,595,915
Loss allowance	4,586,298	3,319,791	14,856,640	22,762,729

(*) Including the amount of contract assets (see Note 8).

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

4. Financial Risk Management (cont'd)

Changes in the loss allowance for trade receivables and other receivables for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 17,428,675	₩ 14,644,021
Increase in loss allowance recognized in profit or loss during the year	11,621,030	2,447,608
Receivables written off during the year as uncollectible	(4,739,652)	(1,110)
Other increases/decreases(*)	(1,547,324)	338,156
Ending balance	<u>₩ 22,762,729</u>	<u>₩ 17,428,675</u>

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

The amounts recognized in profit or loss as operating expenses in relation to impaired receivables for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Impairment loss		
Change in loss allowance	₩ 11,621,030	₩ 2,233,982

(B) Other financial assets at amortized cost

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

Changes in loss allowance for other financial assets at amortized cost for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 2,769,984	₩ 3,666,566
Reversal of loss allowance recognized in profit or loss during the year	140,823	42,105
Other increases (decreases)(*)	(20,000)	(938,687)
Ending balance	<u>₩ 2,890,807</u>	<u>₩ 2,769,984</u>

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

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

4. Financial Risk Management (cont'd)

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

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

Changes in loss allowance for debt instruments at fair value through other comprehensive income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

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

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

The Group is exposed to credit risk from financial assets at fair value through profit or loss. The maximum exposure is the carrying amount of these assets as of December 31, 2024 and 2023.

(E) Impairment loss

Impairment losses recognized in profit or loss in relation to impaired financial assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024		2023
Trade receivables and other receivables	₩ 11,621,030	₩	2,447,608
Other financial assets at amortized cost	140,823		42,105
	<u>₩ 11,761,853</u>	₩	<u>2,489,713</u>

(3) Liquidity Risk

The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, and external regulatory or legal requirements on internal financial ratio targets and currency restrictions. As of December 31, 2024, the Group has borrowing agreements with a limit of ₩ 705,000 million and JPY 97,160 million and USD 180 million for managing liquidity risk (see Note 32).

4. Financial Risk Management (cont'd)

Details of liquidity risk analysis as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024				
	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 and 5 years	More than 5 years
Financial liabilities					
Trade and other payables(*1)	₩ 1,149,086,334	₩ 1,159,455,513	₩ 1,084,100,990	₩ 42,479,720	₩ 32,874,803
Borrowings and Debentures	3,205,738,594	3,322,927,117	387,060,052	2,889,409,744	46,457,321
Lease liabilities	596,132,157	656,692,207	214,108,780	327,587,954	114,995,473
Financial liabilities at fair value through profit or loss	576,429,217	576,429,217	561,037,204	15,392,013	-
Other current liabilities	1,932,717,515	1,932,717,515	1,932,717,515	-	-
Financial guarantee contract	-	5,190,616	5,190,616	-	-
	<u>₩ 7,460,103,817</u>	<u>₩ 7,653,412,185</u>	<u>₩ 4,184,215,157</u>	<u>₩ 3,274,869,431</u>	<u>₩ 194,327,597</u>
Off-balance sheet account(*2)	₩ -	₩ 188,980,848	₩ 188,980,848	₩ -	₩ -

(*1) Accrued expenses related to labor costs are not included.

(*2) The Group entered into a loan agreement related to the deferred payment service, and the limit for the unused portion (off-balance sheet account) amounts to ₩ 188,981 million as of December 31, 2024. Off-balance sheet account was included in the 'less than 1 years' category, the earliest period in which payments can be made upon request (see Note 32).

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

(*1) Accrued expenses related to labor costs are not included.

(*2) The Group entered into a loan agreement related to the deferred payment service, and the limit for the unused portion (off-balance sheet account) amounts to ₩ 156,422 million as of December 31, 2023. Off-balance sheet account was included in the 'less than 1 years' category, the earliest period in which payments can be made upon request (see Note 32).

4. Financial Risk Management (cont'd)

B. Capital Risk Management

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

The Group's debt-to-equity ratio as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

	December 31, 2024		December 31, 2023	
Total liabilities	₩	11,166,964,188	₩	11,499,828,149
Total equity		27,000,911,848		24,237,998,816
Debt-to-Equity ratio		41.36%		47.45%

5. Fair Value

There are no significant changes in the business and economic environments that affect the fair value of financial assets and liabilities of the Group for the year ended December 31, 2024.

A. Financial Instruments Measured at Fair Value

Details of financial instruments measured at fair value as of December 31, 2024 and 2023 are as follows:
(Korean won in thousands)

	December 31, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Financial assets at fair value through profit or loss	₩ 2,537,650,580	₩ 2,537,650,580	₩ 2,925,079,559	₩ 2,925,079,559
Financial assets at fair value through other comprehensive income	1,218,556,165	1,218,556,165	1,378,247,812	1,378,247,812
	₩ 3,756,206,745	₩ 3,756,206,745	₩ 4,303,327,371	₩ 4,303,327,371
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 576,429,217	₩ 576,429,217	₩ 704,077,028	₩ 704,077,028

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

B. Fair Value Hierarchy

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

5. Fair Value (cont'd)

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

Fair value hierarchy classifications of the financial instruments that are measured at fair value as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

		December 31, 2024			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss	₩	26,102,374 ₩	386,551,372 ₩	2,124,996,834 ₩	2,537,650,580
Financial assets at fair value through other comprehensive income		971,536,709	-	247,019,456	1,218,556,165
Financial liabilities					
Financial liabilities at fair value through profit or loss		-	-	576,429,217	576,429,217
		December 31, 2023			
		Level 1	Level 2	Level 3	Total
Financial assets					
Financial assets at fair value through profit or loss	₩	31,972,299 ₩	666,157,232 ₩	2,226,950,028 ₩	2,925,079,559
Financial assets at fair value through other comprehensive income		1,175,696,507	-	202,551,305	1,378,247,812
Financial liabilities					
Financial liabilities at fair value through profit or loss		-	417,245	703,659,783	704,077,028

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

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period. There were no transfers between level 1 and level 2 for recurring fair value measurements for the year ended December 31, 2024.

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5. Fair Value (cont'd)

Changes in level 3 for recurring fair value measurements for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024			2023		
	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Financial liabilities at fair value through profit or loss
Beginning balance	₩2,226,950,028	₩ 202,551,305	₩ 703,659,783	₩2,425,646,026	₩ 190,173,566	₩ 756,523,095
Total profit or loss						
Amounts recognized in profit or loss	(22,871,099)	-	49,843,876	(224,955,262)	-	(136,070,242)
Amounts recognized in other comprehensive income	-	56,581,821	-	-	(9,110,391)	-
Acquisitions/Borrowings	119,793,311	1,019,700	19,199,161	214,675,649	10,781,722	100,598,886
Disposals/Repayments	(203,719,478)	(1,119,920)	-	(174,976,025)	(4,472,436)	-
Transfer into Level 1	-	(2,455,176)	-	-	(4,961,662)	-
Others (*)	(20,511,987)	(9,434,437)	(197,751,216)	(29,257,508)	20,338,764	(17,489,636)
Exchange differences	25,356,059	(123,837)	1,477,613	15,817,148	(198,258)	97,680
Ending balance	₩2,124,996,834	₩ 247,019,456	₩ 576,429,217	₩2,226,950,028	₩ 202,551,305	₩ 703,659,783

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

D. Valuation Techniques and the Inputs

Valuation techniques and inputs used in the fair value measurements of financial instruments categorized in levels 2 and level 3 of the fair value hierarchy as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

December 31, 2024						
	Fair value	Level	Valuation techniques	Major inputs	Unobservable inputs	Range of unobservable inputs
Financial assets at fair value through profit or loss						
Compound financial instruments and equity securities	₩ 1,433,139,082	3	Option pricing model	Underlying asset price, volatility of underlying asset	Volatility of the underlying assets	9.32% ~ 87.10%
			Market approach and others	PBR, EV/SALES, PSR, PER recent transaction price, net asset value	EV/SALES, PSR, PER	1.33 ~ 12.54, 0.16 ~ 66.39, 10.88
				Credit risk adjusted discount rate	PBR	1.89 ~ 12.38
				Present value method	Discount rate	9.70% ~ 30.00%
			Present value method	Credit risk adjusted discount rate	-	-
Beneficiary certificates and funds	18,200,417	2	Market approach and others	Underlying asset price	(*)	(*)
	691,857,752	3	Present value method	Credit risk adjusted discount rate	-	-
Debt securities	368,350,955	2	Present value method	Credit risk adjusted discount rate	-	-

5. Fair Value (cont'd)

Financial assets at fair value through other comprehensive income

Equity securities	247,019,456	3	Present value method, market approach	Recent transaction price, EV/SALES, PSR and others	EV/SALES PSR Discount rate	1.41 ~ 3.64 0.40 ~ 7.25 11.1% ~12.8%
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Financial liabilities at fair value through profit or loss

Derivatives	576,429,217	3	Option pricing model	Volatility of underlying assets	Volatility of underlying asset Discount rate	47.98% ~ 72.64% 12.68% ~ 17.18%
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(*) Various inputs are used in the measurements of underlying asset price and thus, further disclosure has not been provided.

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

Financial assets at fair value through other comprehensive income

Equity securities	202,551,305	3	Present value method, market approach	EV/SALES, PSR and others	EV/SALES EV/EBITDA PSR Discount rate	1.51 ~ 2.01 4.5 0.96 ~ 5.92 16.90%
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Financial liabilities at fair value through profit or loss

Derivatives	417,245	2	Present value method, option pricing model	Forward exchange rate	-	-
Derivatives	703,659,783	3	Option pricing model	Volatility of underlying assets	Volatility of underlying asset Discount rate	39.78% ~ 59.73% 10.23% ~ 17.93%

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

5. Fair Value (cont'd)

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

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

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

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

The results of the sensitivity analysis for the effect on profit or loss from changes in inputs for each financial instrument, which is categorized within Level 3 and subject to sensitivity analysis, for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024				2023			
	Favorable changes		Unfavorable changes		Favorable changes		Unfavorable changes	
	Profit or loss	Equity	Profit or loss	Equity	Profit or loss	Equity	Profit or loss	Equity
Financial assets								
Unlisted equity securities (*1)	₩ 77,801,178	₩ 95,496,134	₩(74,941,758)	₩(91,690,318)	₩ 55,885,469	₩ 61,394,697	₩(55,423,920)	₩(60,913,125)
Financial liabilities								
Derivatives (*2)	16,369,948	16,369,948	(11,370,717)	(11,370,717)	12,418,185	12,418,185	(18,344,860)	(18,344,860)

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

(*2) It is calculated by increasing or decreasing the volatility of the underlying asset price of financial liabilities valuation by 10%.

6. Financial Instruments by Category

A. Categorizations of financial assets and liabilities as of December 31, 2024 are as follows (Korean won in thousands):

	Financial assets					
	Financial assets at fair value through Profit or loss	Financial assets at fair value through Other comprehensive income	Financial assets at amortized cost	Other financial assets(*1)	Total	
Cash and cash equivalents(*2)	₩	- ₩	- ₩	4,195,524,638 ₩	- ₩	4,195,524,638
Long and short-term financial instruments(*3)		-	-	2,930,924,119	-	2,930,924,119
Financial assets at fair value through profit or loss	2,537,650,580	-	-	-	-	2,537,650,580
Trade and other receivables(*4)		-	-	1,750,029,423	357,301,125	2,107,330,548
Financial assets at fair value through other comprehensive income		-	1,218,556,165	-	-	1,218,556,165
	₩ 2,537,650,580	₩ 1,218,556,165	₩ 8,876,478,180	₩ 357,301,125	₩	12,989,986,050

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

(*2) Deposits amounting to ₩ 162,541 million are deposited in Shinhan Bank's trust and managed for the purpose of protecting users who made advance payments (see Note 32).

(*3) Long and short-term financial instruments presented above include ₩ 13,760 million of deposits for cooperative growth program, ₩ 500 million of collateral pledged for restoration of leasehold improvements, ₩ 35,973 million of pledged collateral for the lease deposit, and ₩ 57,200 million of deposits with restriction in use in order to provide employees with loans at favorable interest rates. In addition, ₩ 1,800 of collateral is pledged to Shinhan Bank for payment guarantees in relation to Naver Pay service and others, and ₩ 400 million of collateral is pledged to Nonghyup Bank for the credit line with Nonghyup Card as well, and JPY 1,250 million is pledged as collaterals for the issuance of Japanese electronic currencies (see Note 32).

(*4) Including the amount of contract assets (see Note 8).

	Financial liabilities							
	Financial liabilities at fair value through Profit or loss		Financial liabilities at amortized cost		Other financial liabilities (*)	Total		
Trade and other payables	₩	-	₩	1,149,086,334	₩	-	₩	1,149,086,334
Financial liabilities at fair value through profit or loss		576,429,217		-		-		576,429,217
Short-term borrowings		-		135,389,910		-		135,389,910
Current portion of long-term borrowings		-		200,000,000		-		200,000,000
Long-term borrowings		-		863,059,968		-		863,059,968
Debentures		-		2,007,288,716		-		2,007,288,716
Lease liabilities		-		-	596,132,157			596,132,157
Other current liabilities		-		1,932,717,515		-		1,932,717,515
	₩	576,429,217	₩	6,287,542,443	₩	596,132,157	₩	7,460,103,817

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

6. Financial Instruments by Category (cont'd)

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

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

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

(*2) Deposits amounting to ₩ 116,035 million are deposited in Shinhan Bank's trust and managed for the purpose of protecting users who made advance payments (Note 32).

(*3) Long and short-term financial instruments presented above include ₩ 13,760 million of deposits for cooperative growth program, ₩ 500 million of collateral pledged for restoration of leasehold improvements, ₩ 2,647 million of collateral pledged for associates leasehold deposits and ₩ 57,200 million of deposits with restriction in use in order to provide employees with loans at favorable interest rates. In addition, ₩ 1,700 of collateral is pledged to Shinhan Bank for payment guarantees in relation to Naver Pay service and others, and ₩ 400 million of collateral is pledged to Nonghyup Bank for the credit line with Nonghyup Card as well (see Note 32).

	Financial liabilities			
	Financial liabilities at fair value through Profit or loss	Financial liabilities at amortized cost	Other financial liabilities (*)	Total
Trade and other payables	₩ -	₩ 1,453,539,841	₩ -	₩ 1,453,539,841
Financial liabilities at fair value through profit or loss	704,077,028	-	-	704,077,028
Short-term borrowings	-	333,041,315	-	333,041,315
Current portion of long-term borrowings	-	192,923,827	-	192,923,827
Long-term borrowings	-	993,600,443	-	993,600,443
Current debentures	-	249,962,200	-	249,962,200
Debentures	-	1,655,718,953	-	1,655,718,953
Lease liabilities	-	-	753,636,770	753,636,770
Other current liabilities	-	1,712,544,135	-	1,712,544,135
	₩ 704,077,028	₩ 6,591,330,714	₩ 753,636,770	₩ 8,049,044,512

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

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C. Net gains or losses on each category of financial instruments for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	<u>2024</u>	<u>2023</u>
Financial asset at fair value through profit or loss		
Interest income	₩ 21,685,063	₩ 7,019,662
Gain on foreign exchange	4,623,616	333,021
Loss on valuation	(6,711,728)	(210,367,133)
Gain (loss) on derivative trading	1,969,900	(1,812,300)
Dividend income	8,028,151	21,113,053
Financial asset at fair value through other comprehensive income		
Interest income	14,632,186	2,056,104
Dividend income	12,429,718	14,578,499
Gain on foreign exchange	1,382,424	4,145,938
Gain (loss) on valuation – other comprehensive income	(124,898,250)	42,950,127
Gain (loss) on disposal (adjustment for reclassification)	(11,326,188)	5,618,319
Financial assets at amortized cost		
Interest income	132,264,148	90,716,565
Interest expense	(4,908,475)	-
Impairment loss	(10,860,492)	(7,077,487)
Gain (loss) on foreign exchange	58,805,687	(28,298,965)
Financial liabilities at fair value through profit or loss		
Gain (loss) on valuation	(49,843,876)	135,652,997
Gain (loss) on foreign exchange	(148,149,090)	545,679
Financial liabilities at amortized cost		
Interest expense	(73,328,631)	(97,576,718)
Loss on foreign exchange	(63,687,640)	(19,449,533)

D. The carrying amounts of financial liabilities classified as liabilities due to condition that the exercise price is adjusted according to the change in the issuer's stock price as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Convertible redeemable preferred stock liabilities		
Amuse Co.,Ltd. (*)	-	15,751,851
Cake Corporation	6,786,618	20,258,412
KREAM Corporation	552,207,318	487,127,769
NAVER Z CO.,LTD (*)	-	155,152,039
NAVER Z Limited (*)	-	25,369,712
	<u>₩ 558,993,936</u>	<u>₩ 703,659,783</u>

(*) Excluded from the scope of consolidation for the year ended December 31, 2024.

E. Gains and losses related to each financial liability classified as liabilities due to conditions that the exercise price is adjusted according to the change in the issuer's stock price for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	<u>2024</u>	<u>2023</u>
Profit for the year, before taxes	₩ 2,322,184,491	₩ 1,481,396,318
Gain (loss) on valuation	(46,408,595)	135,699,452
	<u>2,368,593,086</u>	<u>1,345,696,866</u>

7. Financial Assets

A. Financial assets at fair value through profit or loss

(1) Details of financial assets measured at fair value through profit or loss for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Non-current		
Compound financial instruments and equity securities	₩ 1,433,139,401	₩ 1,451,951,516
Beneficiary certificates and funds	<u>691,857,752</u>	<u>775,384,459</u>
	2,124,997,153	2,227,335,975
Current		
Compound financial instruments and equity securities	₩ 26,102,055	₩ 31,586,352
Beneficiary certificates and funds, and others	18,200,417	835,010
Debt securities	<u>368,350,955</u>	<u>665,322,222</u>
	<u>412,653,427</u>	<u>697,743,584</u>
	<u>₩ 2,537,650,580</u>	<u>₩ 2,925,079,559</u>

(2) In relation to financial assets measured at fair value through profit or loss, amounts recognized in profit or loss for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	<u>2024</u>	<u>2023</u>
Compound financial instruments and equity securities	₩ 107,707,593	₩ (73,151,736)
Beneficiary certificates and funds	(127,781,986)	(147,512,083)
Debt securities	13,362,665	12,827,413
Derivatives	-	(4,343,026)
Total (*)	<u>₩ (6,711,728)</u>	<u>₩ (212,179,432)</u>

(*) Above net loss does not include interest and dividend income.

B. Financial assets at fair value through other comprehensive income

(1) Equity instruments at fair value through other comprehensive income comprise the following individual investments for each of the two years in the period ended December 31, 2024 (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Listed equity securities	₩ 971,536,709	₩ 1,175,696,507
Unlisted equity securities	<u>247,019,456</u>	<u>202,551,305</u>
	<u>₩ 1,218,556,165</u>	<u>₩ 1,378,247,812</u>

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

(2) There are no debt instruments at fair value through other comprehensive income from continuing operations as of December 31, 2024 and 2023.

7. Financial Assets (cont'd)

C. Trade Receivables and Other Financial Assets at Amortized Cost

(1) Details of trade receivables and other receivables as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Trade receivables (*)	₩ 478,024,413	₩ 491,389,325
Other receivables	1,109,571,503	1,208,775,857
Less: provision for impairment	<u>(22,762,729)</u>	<u>(17,428,675)</u>
	<u>₩ 1,564,833,187</u>	<u>₩ 1,682,736,507</u>

(*) Including the amount of contract assets (see Note 8).

(2) Details of other financial assets at amortized cost as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>			<u>December 31, 2023</u>		
	<u>Current</u>	<u>Non-current</u>	<u>Total</u>			
Cash equivalents	₩4,195,524,638	₩ -	₩4,195,524,638	₩3,576,456,533	₩ -	₩3,576,456,533
Time deposits	2,859,974,197	71,160,000	2,931,134,197	808,391,011	13,760,000	822,151,011
Loans	15,241,106	89,323,663	104,564,769	15,644,755	22,914,809	38,559,564
Accrued income	34,249,853	-	34,249,853	15,159,001	-	15,159,001
Leasehold deposits	2,788,085	46,274,259	49,062,344	12,397,019	40,619,971	53,016,990
Other financial assets(*)	<u>52,394,282</u>	<u>304,906,843</u>	<u>357,301,125</u>	<u>4,901,190</u>	<u>29,595,181</u>	<u>34,496,371</u>
	7,160,172,161	511,664,765	7,671,836,926	4,432,949,509	106,889,961	4,539,839,470
Less: provision for impairment	<u>(486,679)</u>	<u>(2,404,128)</u>	<u>(2,890,807)</u>	<u>(2,265,856)</u>	<u>(504,128)</u>	<u>(2,769,984)</u>
	<u>₩7,159,685,482</u>	<u>₩ 509,260,637</u>	<u>₩7,668,946,119</u>	<u>₩4,430,683,653</u>	<u>₩ 106,385,833</u>	<u>₩4,537,069,486</u>

(*) Other financial assets consist of lease receivables.

(3) Impairment

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

8. Contract Assets and Liabilities

A. Details of contract assets and liabilities as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Contract assets related to cloud service	₩ 12,144,583	₩ -
	<u>₩ 12,144,583</u>	<u>₩ -</u>
Contract liabilities related to customer loyalty programs	₩ 34,056,304	₩ 38,526,338
Contract liabilities related to search platform service	181,574,389	160,329,700
Contract liabilities related to commerce service	60,568,031	89,410,453
Contract liabilities related to contents service	193,704,246	136,845,134
Contract liabilities related to FinTech service	37,471,532	32,443,684
Contract liabilities related to cloud service	<u>32,146,874</u>	<u>23,379,304</u>
	<u>₩ 539,521,376</u>	<u>₩ 480,934,613</u>

(*1) Contract assets are included in trade receivables.

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

B. Revenue recognized in relation to contract liabilities

Details of revenue recognized from the contract liabilities carried forward from prior periods for each of the two years in the period ended December 31, 2024 are as follows and no amount was recognized as revenue for the year ended December 31, 2024 in relation to performance obligations satisfied for the year ended December 31, 2023 (Korean won in thousands):

	<u>2024</u>	<u>2023</u>
Revenue recognized from the contract liabilities carried forward from prior periods attributable to:	₩ 477,495,577	₩ 398,173,759
Customer loyalty programs	38,526,338	35,653,328
Search platform service	160,329,700	145,856,637
Commerce service	89,410,453	45,486,985
Contents service	133,406,098	121,320,539
FinTech service	32,443,684	32,815,656
Cloud service	<u>23,379,304</u>	<u>17,040,614</u>

C. Assets recognized from costs to fulfill a contract

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Assets recognized from costs to fulfill a contract as of December 31	₩ 39,854,426	₩ 9,882,863

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

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9. Inventories

A. Details of inventories as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024	December 31, 2023
Merchandise	₩ 23,322,950	₩ 16,440,674
Less: valuation loss	(1,581,574)	(1,641,626)
Raw materials and others	2,420	12,272
	<u>₩ 21,743,796</u>	<u>₩ 14,811,320</u>

B. For the year ended December 31, 2024, cost of inventories included in operating expenses amounts to ₩ 129,346 million (₩ 107,430 million in 2023), including ₩ 2,169 million (₩ 1,231 million in 2023) of inventory valuation loss.

10. Other Assets

Details of other assets as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Prepayment	₩ 99,356,627	₩ 44,712,007	₩ 72,604,132	₩ 62,370,922
Prepaid expenses	104,253,109	20,184,018	96,124,884	24,370,882
Prepaid value added tax	7,518,915	-	8,337,297	-
Others	3,625,963	83,230	4,331,427	3,684,701
	<u>₩ 214,754,614</u>	<u>₩ 64,979,255</u>	<u>₩ 181,397,740</u>	<u>₩ 90,426,505</u>

11. Property, Plant and Equipment

A. Details of property, plant and equipment as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024			December 31, 2023		
	Acquisition cost	Accumulated depreciation(*)	Carrying amount	Acquisition cost	Accumulated depreciation(*)	Carrying amount
Land	₩ 356,196,644	₩ -	₩ 356,196,644	₩ 356,761,749	₩ -	₩ 356,761,749
Buildings	1,689,164,270	(274,628,530)	1,414,535,740	1,638,939,984	(225,157,458)	1,413,782,526
Structures	261,252,073	(128,062,067)	133,190,006	249,139,258	(108,843,871)	140,295,387
Machinery	2,348,878,245	(1,445,377,748)	903,500,497	1,892,149,218	(1,227,134,409)	665,014,809
Vehicles	2,124,533	(2,006,308)	118,225	2,165,386	(2,036,159)	129,227
Equipment	279,814,149	(184,544,863)	95,269,286	313,270,301	(173,906,093)	139,364,208
Others	3,041,759	(2,654,532)	387,227	4,169,356	(3,315,094)	854,262
Construction in progress	6,394,508	-	6,394,508	25,419,160	-	25,419,160
	<u>₩ 4,946,866,181</u>	<u>₩ (2,037,274,048)</u>	<u>₩ 2,909,592,133</u>	<u>₩ 4,482,014,412</u>	<u>₩ (1,740,393,084)</u>	<u>₩ 2,741,621,328</u>

(*) Presenting the sum of accumulated impairment losses and government grants.

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

B. Changes in property, plant and equipment for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024								
	Land	Buildings	Structures	Machinery	Vehicles	Equipment	Others	Construction in progress	Total
Beginning balance, net	₩ 356,761,749	₩ 1,413,782,526	₩ 140,295,387	₩ 665,014,809	₩ 129,227	₩ 139,364,208	₩ 854,262	₩ 25,419,160	₩ 2,741,621,328
Acquisition/ capital expenditures	1,420,962	33,136,694	5,682,693	511,628,066	33,020	37,073,370	112,663	32,556,768	621,644,236
Depreciation	-	(55,986,102)	(19,217,919)	(276,656,525)	(34,564)	(49,077,371)	(218,016)	-	(401,190,497)
Disposals	-	-	-	(976,615)	(13,240)	(26,775,388)	(5,227)	-	(27,770,470)
Disposal of subsidiaries	-	-	-	(5,982)	-	(6,248,412)	-	-	(6,254,394)
Reclassification	-	40,830,669	6,495,279	-	-	205,271	-	(47,531,219)	-
Others(*)	(1,986,067)	(17,228,047)	(65,434)	4,496,744	3,782	727,608	(356,455)	(4,050,201)	(18,458,070)
Ending balance, net	₩ 356,196,644	₩ 1,414,535,740	₩ 133,190,006	₩ 903,500,497	₩ 118,225	₩ 95,269,286	₩ 387,227	₩ 6,394,508	₩ 2,909,592,133

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

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

(*1) Capitalized borrowing costs are included.

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

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

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

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12. Leases

A. Details of amounts recognized in the consolidated statements of financial position as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Right-of-use assets(*1)		
Properties	₩ 141,252,525	₩ 373,689,185
Vehicles	2,768,622	2,895,450
IDC buildings	74,034,579	134,068,624
Machinery	96,920,798	176,604,300
Leased internet line	2,546,427	4,488,001
Equipment	15,145	87,148
	<u>₩ 317,538,096</u>	<u>₩ 691,832,708</u>
Lease receivables(*2)		
Current	₩ 52,394,282	₩ 4,901,189
Non-current	304,906,843	29,595,181
	<u>₩ 357,301,125</u>	<u>₩ 34,496,370</u>
Lease liabilities(*2)		
Current	₩ 208,497,038	₩ 234,727,101
Non-current	387,635,119	518,909,669
	<u>₩ 596,132,157</u>	<u>₩ 753,636,770</u>

(*1) The outstanding balance of right-of-use assets is net of accumulated depreciation.

(*2) The outstanding balance of lease receivables and liabilities is net of present value discount.

Additions to the right-of-use assets for the year ended December 31, 2024 amount to ₩ 53,053 million (₩ 184,178 million in 2023).

B. The total minimum lease payments to be received or paid for each period in relation to lease receivables and lease liabilities as of December 31, 2024 and 2023 are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease receivables (*)		
Within 1 year	₩ 55,013,364	₩ 5,119,847
More than 1 year but within 2 years	56,478,453	5,273,229
More than 2 years but within 3 years	57,226,596	5,246,123
More than 3 years but within 4 years	58,942,980	4,457,307
More than 4 years but within 5 years	60,710,786	4,590,625
More than 5 years	148,872,502	16,258,265
	<u>₩ 437,244,681</u>	<u>₩ 40,945,396</u>

(*) The amount of lease receivables is the undiscounted contractual amount.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities (*)		
Within 1 year	₩ 214,108,780	₩ 240,066,399
More than 1 year but within 5 years	327,587,954	430,123,658
More than 5 years	114,995,473	162,147,775
	<u>₩ 656,692,207</u>	<u>₩ 832,337,832</u>

(*) The amount of lease liabilities is the undiscounted contractual amount.

12. Leases (cont'd)

C. Details of amounts recognized in the consolidated statements of comprehensive income (loss) for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Depreciation of right-of-use assets		
Properties	₩ 58,696,526	₩ 67,129,441
Vehicles	1,376,825	1,205,284
IDC buildings	62,210,449	65,400,672
Machinery	74,123,978	73,471,175
Leased internet line	10,962,943	2,060,028
Equipment	18,576	-
	<u>₩ 207,389,297</u>	<u>₩ 209,266,600</u>
Interest expense relating to lease liabilities (included in finance costs)	26,383,651	28,988,709
Expense relating to short-term leases and leases of low-value assets	950,746	2,320,181
Expense relating to variable lease payments not included in lease liabilities	13,464,614	11,707,674

The total cash outflow for leases for the year ended December 31, 2024 is ₩ 267,932 million (₩ 247,081 million in 2023), and the total cash inflow for leases for the year ended December 31, 2024 is ₩ 19,033 million (₩ 7,058 million in 2023).

13. Intangible Assets

A. Details of intangible assets as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024			December 31, 2023		
	Acquisition cost	Accumulated amortization(*)	Carrying amount	Acquisition cost	Accumulated amortization(*)	Carrying amount
Industrial rights	₩ 13,644,321	₩ (10,150,128)	₩ 3,494,193	₩ 11,674,173	₩ (10,253,644)	₩ 1,420,529
Brand	570,282,429	-	570,282,429	492,723,877	-	492,723,877
Software	192,270,276	(136,576,849)	55,693,427	190,628,293	(124,936,032)	65,692,261
Goodwill	2,669,207,373	-	2,669,207,373	2,578,089,956	-	2,578,089,956
Customer relationship	311,852,638	(51,539,991)	260,312,647	223,744,424	(23,700,812)	200,043,612
Others	216,446,617	(118,250,233)	98,196,384	204,395,088	(96,765,421)	107,629,667
	<u>₩ 3,973,703,654</u>	<u>₩ (316,517,201)</u>	<u>₩ 3,657,186,453</u>	<u>₩ 3,701,255,811</u>	<u>₩ (255,655,909)</u>	<u>₩ 3,445,599,902</u>

(*) Presenting the sum of accumulated impairment losses and government grants.

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13. Intangible Assets (cont'd)

B. Changes in intangible assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024						
	Industrial rights	Brand(*2)	Software	Goodwill	Customer relationship	Others	Total
Beginning balance, net	₩ 1,420,529	₩ 492,723,877	₩ 65,692,261	₩ 2,578,089,956	₩ 200,043,612	₩ 107,629,667	₩ 3,445,599,902
Acquisition/ capital expenditures	409,808	-	10,680,114	-	-	18,001,619	29,091,541
Amortization	(351,861)	-	(22,170,856)	-	(22,979,213)	(19,433,873)	(64,935,803)
Disposals	(1,321)	-	(272,063)	-	-	(1,894,724)	(2,168,108)
Impairment	-	-	(272,830)	(137,560,519)	-	(12,366,697)	(150,200,046)
Reversal of impairment	-	-	-	-	-	8,596,695	8,596,695
Disposal of subsidiaries	(2,311)	-	(56,860)	(15,158,462)	-	(3,174,816)	(18,392,449)
Others(*1)	2,019,349	77,558,552	2,093,661	243,836,398	83,248,248	838,513	409,594,721
Ending balance, net	₩ 3,494,193	₩ 570,282,429	₩ 55,693,427	₩ 2,669,207,373	₩ 260,312,647	₩ 98,196,384	₩ 3,657,186,453

(*1) Others include changes in scope of consolidation and effects of changes in foreign currency exchange rates.

(*2) Brands are intangible assets with indefinite useful lives, and there is no impairment loss recognized as a result of assessment of recoverable amounts for the year ended December 31, 2024.

	2023						
	Industrial rights	Brand(*2)	Software	Goodwill	Customer relationship	Others	Total
Beginning balance, net	₩ 5,395,049	₩ 299,984,527	₩ 50,491,960	₩ 947,733,200	₩ 64,483,491	₩ 113,335,410	₩ 1,481,423,637
Acquisition/ capital expenditures	515,870	-	33,134,816	-	-	23,058,325	56,709,011
Increase due to business combination	-	196,303,800	3,270,530	1,650,370,929	145,315,800	1,140,657	1,996,401,716
Amortization	(792,984)	-	(19,409,522)	-	(15,549,504)	(18,575,044)	(54,327,054)
Disposals	-	-	(341,077)	-	-	(55,110)	(396,187)
Impairment	(177,537)	-	(1,456,845)	(19,630,042)	-	(12,142,334)	(33,406,758)
Reversal of impairment	-	-	-	-	-	4,996,145	4,996,145
Disposal of subsidiaries	(497,638)	-	(32,934)	(17,125,631)	-	(668,686)	(18,324,889)
Others(*1)	(3,022,231)	(3,564,450)	35,333	16,741,500	5,793,825	(3,459,696)	12,524,281
Ending balance, net	₩ 1,420,529	₩ 492,723,877	₩ 65,692,261	₩ 2,578,089,956	₩ 200,043,612	₩ 107,629,667	₩ 3,445,599,902

(*1) Others include changes in scope of consolidation and effects of changes in foreign currency exchange rates.

(*2) Brands are intangible assets with indefinite useful lives, and there is no impairment loss recognized as a result of assessment of recoverable amounts for the year ended December 31, 2023.

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

D. Total research and development costs recognized by the Group amount to ₩ 1,857,936 million (₩ 1,992,635 million in 2023), which are expensed as “operating expenses.”

13. Intangible Assets (cont'd)

E. Goodwill is allocated to each cash-generating unit (CGU) or a group of cash-generating units which management uses to monitor goodwill.

Details of investees with goodwill as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Poshmark, Inc.	₩ 1,557,608,945	₩ 1,366,245,561
Wattpad Corporation	632,996,169	639,780,739
NAVER France SAS	23,620,872	22,042,676
MUNPIA INC.	101,614,659	133,097,438
LINE Digital Frontier Corporation(*)	71,233,835	69,421,955
SODA inc.	161,209,152	200,269,810
Others	<u>120,923,741</u>	<u>147,231,777</u>
	<u>₩ 2,669,207,373</u>	<u>₩ 2,578,089,956</u>

(*) eBOOK Initiative Japan Co., Ltd. was merged into LINE Digital Frontier Corporation during the year ended December 31, 2024, resulting in a change of the cash-generating unit monitored by management to LINE Digital Frontier Corporation.

F. The recoverable amount of CGUs including goodwill have been determined based on value-in-use or fair value less cost of disposal calculations as of December 31, 2024. The major assumptions used in the calculation of impairment of goodwill are as follows: (in percentage)

	<u>Poshmark, Inc</u>	<u>Wattpad Corporation</u>	<u>MUNPIA INC.</u>
Sales growth(*)	8.10	26.70	17.16
Perpetual growth rate	1.00	2.00	1.00
Discount rate	9.53	16.00	9.65

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

The Group recognized an impairment loss of ₩137,561 million on goodwill as a result of the impairment assessment during the year ended December 31, 2024.

G. Emission permits

(1) The quantity of expected emission permits which are allocated free of charge for the 3rd commitment period (from compliance year 2021 to 2025) is as follows (in KAU):

<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Total</u>
76,726	85,730	88,577	67,825	67,825	386,683

(2) Changes in the emission permits and book amount for each of the two years in the period ended December 31, 2024 are as follows (in KAU, Korean won in thousands):

	<u>2024</u>		<u>2023</u>	
	<u>Quantity</u>	<u>Amount</u>	<u>Quantity</u>	<u>Amount</u>
Beginning balance	450	₩ 13,500	1,887	₩ 56,610
Emission permits allocated free of charge	88,577	-	85,730	-
Acquired	1,108	9,983	-	-
Submitted to the government	(89,530)	(8,587)	(86,991)	(37,830)
Disposal	-	-	(176)	(5,280)
Ending balance	<u>605</u>	<u>₩ 14,896</u>	<u>450</u>	<u>₩ 13,500</u>

13. Intangible Assets (cont'd)

H. Virtual assets

(1) Details of major virtual assets held by the Group as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

<u>Name of Virtual asset</u>	<u>Listed or not</u>	<u>Exchange</u>	<u>Subsequent measurement</u>	<u>Acquisition method</u>	<u>Quantity held</u>	<u>Acquisition Cost (*2)</u>			
WEMIX	Listed	Bithumb	Cost model	Partnership (*1)	866,700	3,326,493			
<u>December 31, 2024</u>				<u>December 31, 2023</u>					
<u>Market value (*3)</u>				<u>Book value</u>	<u>Market value (*3)</u>	<u>Book value</u>			
WEMIX		₩	997,924	₩	997,924	₩	3,128,945	₩	3,128,945

(*1) The Group acquired WEMIX through a partnership agreement with WEMIX PTE. LTD., the issuer of WEMIX, in which the Group participated as a "Block Partner."

(*2) The Group recognizes the acquisition cost of each virtual asset by multiplying the monthly average price on the major domestic exchanges (Bithumb and Upbit) in the month of acquisition by the quantity acquired in that month.

(*3) For the market value of the virtual asset, the Group uses average daily prices disclosed by the exchanges as a reference.

(2) None of virtual assets have been disposed of for the year ended December 31, 2024.

(3) Risks of holding virtual assets

The Group evaluates impairment based on the exchange prices and recognizes the virtual assets as other intangible assets in the financial statements using the cost model.

Due to the high volatility of the market value of virtual assets, impairment losses (or reversals thereof) may affect the book value of the assets for each fiscal period. Although the fair value of the virtual assets currently held by the Group has significantly changed since December 31, 2024, the impact of such significant fluctuations on the consolidated financial statements is unpredictable.

No adjustments related to this uncertainty have been reflected in the Group's consolidated financial statements.

14. Investment Properties

A. Changes in the carrying amount of investment properties for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	<u>2024</u>	<u>2023</u>
Beginning balance	₩ 53,430,246	₩ -
Transfers from property, plant and equipment (*1) (*2)	43,640,087	54,385,718
Disposals (*3)	(29,046,491)	-
Valuation	(2,598,311)	(955,472)
Others (*4)	31,644,802	-
Ending balance	<u>₩ 97,070,333</u>	<u>₩ 53,430,246</u>

(*1) For the year ended December 31, 2024, transfers of ₩ 14,783 million arising from a change in the intended use of buildings and other assets and a revaluation surplus of ₩ 28,857 million is included. The fair value of investment properties has been determined based on an appraisal conducted by Karam Appraisal Co. Ltd., an external independent real estate appraiser with appropriate qualifications and experience in valuing properties in the relevant area.

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

(*3) Due to a contract modification during the year ended December 31, 2024, the lease was reclassified from an operating lease to a finance lease.

(*4) An increase of ₩ 31,645 million arose from changes in the scope of consolidation for the year ended December 31, 2024.

B. The fair value of investment properties is classified as Level 3 of fair value hierarchy based on the inputs used in the valuation techniques and is calculated using methods such as the Officially Announced Land Price Method (which uses publicly disclosed standard land prices), the Comparable Transactions Method (based on recent comparable transactions), and the Income Capitalization Approach.

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

D. Details of income and expenses related to investment properties for the year ended December 31, 2024 are as follows (Korean won in thousands):

	<u>2024</u>	<u>2023</u>
Loss on valuation of investment properties	₩ 2,598,311	₩ 955,472
Rental income from investment properties	3,013,020	-

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15. Investments in Associates and Joint Ventures

A. Details of investments in associates and joint ventures of the Group as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	Primary business	Location	Closing month	December 31, 2024		December 31, 2023
				Ownership (%)	Carrying amount	Carrying amount
Associates						
A Holdings Corporation(*12)	Mobile service development	Japan	March	50.00	₩ 15,029,188,551	₩ 15,338,412,557
IPX Corporation-(*12)	Character and doll wholesale and retail	Korea	March	22.36	48,118,534	53,715,122
Netmania Co., Ltd.	Software development and distribution	Korea	December	27.17	1,141,150	1,151,858
SYNAP SOFT CORP. (*5)	Software development and distribution	Korea	December	-	-	4,719,831
BonAngels Pacemaker Fund	Investment	Korea	December	22.73	3,366,464	2,762,985
Korea Contents Mutual Aid Association(*1)	Mutual Aid Association	Korea	December	52.06	9,593,459	9,640,358
Arointech inc	Software development and distribution	Korea	December	29.85	645,385	592,392
NAVER KIP Cheer up! Gamers Fund	Investment	Korea	December	50.00	250,851	243,750
N Space Co., Ltd.(*12)	Space service business	Korea	December	49.04	3,309,978	2,489,615
K-Fund I(*1)	Investment	France	December	74.81	342,868,573	304,070,856
Mirae Asset-NAVER New Growth Fund I	Investment	Korea	December	50.00	63,392,678	92,327,246
YG NAVER Contents & Lifestyle Fund(*1)	Investment	Korea	December	90.91	44,928,365	46,638,439
Digital Media Partners II, L.P.(*5)	Investment	Cayman Islands	December	-	-	2,379,084
Soran Media Venture Fund(*1)	Investment	Korea	December	66.67	334,378	592,926
Mirae Asset-Naver Asia Growth Fund (*3)(*12)	Investment	Korea	December	16.67	87,170,139	81,691,093
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*12)	Investment	Singapore	December	40.00	361,279,410	341,924,825
Alliance Internet Corp.	Revenue support for internet business start-up	Korea	December	23.53	3,326,227	2,808,845
DHP private equity fund 3	Investment	Korea	December	25.16	142,133	142,133
Artificial Intelligence Research Institute (*3)(*11)	AI technology investment	Korea	December	14.29	-	-
SMEJ Plus INC (*5)	Global fanship related investment	Japan	December	-	-	8,555,292
Smart Korea Naver-Stonebridge	Investment	Korea	December	37.74	8,594,268	7,343,726
Rising Investment Association	Platform Investment	Singapore	December	8.22	48,644,730	48,259,179
Carousell Pte Ltd(*3)(*12)	Investment	Cayman Islands	December	-	-	13,106,741
Do Ventures Fund I, I-A(*5)	E-Commerce business	Korea	December	24.18	30,578,268	34,864,567
Onestore Co., Ltd. (*12)	Investment	Canada	December	70.33	300,473,247	256,411,893
China Ventures Fund I, Limited Partnership(*1)(*12)	Record production and planning	Korea	December	24.98	14,901,378	11,604,998
YN CULTURE & SPACE	Content production	Korea	December	44.50	268,493,499	274,082,155
WEVERSE COMPANY Inc (*12)	Hosting and related service	Korea	December	13.74	31,621,829	30,313,319
Cafe24 Corp (*3)(*11)(*12)	Investment	France	December	39.25	70,708,412	61,250,599
K-Fund II	Investment	Korea	December	25.38	74,803,356	63,444,667
FUTURE INNOVATION PRIVATE EQUITY FUND III(*12)	Investment	Cayman Islands	December	25.00	91,882,027	156,724,512
CHINA VENTURES FUND II, L.P.(*12)	Online daily necessities and fresh food platforms	Singapore	December	10.89	-	-
ICART GROUP PTE. LTD.(*3)(*11)(*12)	Investment	Korea	December	90.00	3,156,398	3,172,347
Mirae Asset Partnership Growth Fund I (*1)	Investment	Korea	December	36.76	13,964,530	6,868,262
TBT Global Growth Fund III	Investment	Korea	December	22.20	19,370,706	19,608,575
STL 18th Private Equity Fund	Investment	Korea	December	35.71	7,199,590	-
Smart Spring Fund(*4)	Content distribution	France	December	22.00	773,447	862,526
Makma	Applied software development and distribution	U.S.A	December	-	-	-
LINE NEXT Inc.(*6)	Software development and distribution	Korea	December	23.65	-	-
AXIS Co.,LTD (*9)	Webtoon production	Korea	December	41.50	217,410	317,499
Studio Horang Co., Ltd.	Webtoon production	Korea	December	34.98	-	-
The Grimm entertainment Co.,Ltd.(*9)	Webtoon production	Korea	December	35.00	1,872,477	1,811,827
Big Picture Comics Co., Ltd.	Webtoon production	Korea	December	35.06	314,748	210,693
JQ COMICS Co., Ltd.	Webtoon production	Korea	December	40.00	344,515	400,487
ZK Studio Co., Ltd.	Webtoon production	Korea	December	40.00	217,359	304,391
Su Comics Co., Ltd.	Content production	Korea	December	35.00	4,369,507	4,034,679
Studio Mul Co., Ltd.	Content distribution	Korea	December	26.53	40,517,105	29,292,272
A2Z Inc (*11) (*12)	Content production	Korea	December	35.00	920,344	996,256
Sam Studio Co., Ltd.	Content distribution	Korea	December	35.00	384,038	431,802
Only Won Entertainment Co., Ltd.	Content distribution	Korea	December	33.02	770,648	757,341
Studio hohoe Co.,Ltd.	Content distribution	Korea	December	22.22	91,574	135,604
GEULGGUN	Content distribution	Korea	December	30.02	-	-
Studio 389 Co., Ltd.(*9)	Content distribution	Korea	December	35.00	2,100,518	1,995,526
Yumistudio Co., Ltd.	Content distribution	Korea	December	25.00	8,307,016	10,508,874
J Peul Media Co., Ltd.(*10) (*11)	Content distribution	Korea	December			

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Cinamon. Inc.(*3)(*9)	Visual novel game development and service	Korea	December	19.97	-	-
Studio Paran Inc.	Publishing	Korea	December	35.06	662,873	604,179
BY4M Studio Co., Ltd. (*3)(*12)	Content distribution	Korea	December	1.63	2,973,887	3,184,070
A2Z-IP Fund(*11)	Investment	Korea	December	20.00	1,280,086	1,336,201
SHINE PARTNERS CO., LTD.(*3)(*10) (*11)	Webtoon production	Japan	December	5.56	527,217	661,748
Vi-Frost(*3)(*11)(*12)	Webtoon and web novel production	Korea	December	15.87	97,713	385,646
Studio Ppuri Co., Ltd.(*10)	Animation production and distribution	Korea	December	20.00	1,715,192	3,309,447
XTORM CO., LTD(*8)	Animation production and distribution	Korea	December	25.00	-	11,823
SGRSOFT Co., Ltd. (*3)	Software development	Korea	December	10.88	362,794	444,394
Fast Cowell Private Equity Fund	Investment	Korea	December	21.13	656,409	888,673
LaiQu Technology (ShenZhen) Company Limited(*11)	Software development and distribution	China	December	21.30	-	-
Pala Inc. (*11)	Software development and distribution	Korea	December	43.22	-	-
SpringCamp Inc. (*4)(*12)	Investment	Korea	December	45.00	10,030,408	-
Springcamp-KIF Early Stage Fund (*4)	Investment	Korea	December	20.51	3,124,821	-
Seno Corporation	Content production	Hongkong	December	45.00	122,053	108,476
Sasom Company Limited (*8)	Platform investment	Thailand	December	31.60	-	1,947,579
Gorilla NCORE Metaverse 1 (*10)	Investment	Korea	December	37.68	11,765,348	20,712,786
VerseWork Co., Ltd.(*6)	Content distribution	Korea	December	-	-	-
ZEP Co.,Ltd.(*5)	Meta verse service development	Korea	December	-	-	1,026,333
Pinokio, Inc.(*5)	Game content development	Korea	December	-	-	-
Chicment Co., Ltd.	E-Commerce business	Korea	December	30.00	2,936,348	2,980,103
Quokka Industries Inc. (*5)	Software development	Korea	December	-	-	1,290,685
Murple, Inc. (*5)	AI solution development	Korea	December	-	-	1,385,128
TAIL Start-up Fund I (*5)	Investment	Korea	December	-	-	1,906,947
CravingCollector Inc.	Second-hand fashion trading platform	Korea	December	42.47	723,575	1,313,782
Contrau ventures fund no.1 (*5)	Investment	Korea	December	-	-	1,953,876
SPRINGCAMP COLLABORATIVE FUND II (*4)(*5)	Investment	Korea	December	-	-	-
SpringCamp Early Stage Fund 1 (*5)	Investment	Korea	December	-	-	-
Purpleduck Corp. (*1)	Animation production and distribution	Korea	December	76.92	1,278,862	937,758
Studio 1991	Animation production and distribution	Korea	December	30.07	225,791	207,867
Studio Dragon Japan CO., LTD. (*5)	Content production	Japan	December	-	-	8,142,873
STUDIO YELL Co.	Animation production and distribution	Korea	December	35.00	70,162	88,565
Goodus Data, Inc. (*6)	Cloud services	Korea	December	-	-	3,149,826
Shake Hands Sdn Bhd(*10)(*12)	Sneakers trading platform operations	Malaysia	December	22.47	-	2,038,547
YLAB Corporation(*3)(*12)	Content production	Korea	December	9.32	6,009,434	6,479,766
Genius studio Corp.	Content production	Korea	December	35.00	91,300	177,665
PT Karunia International Citra Kencana	Sneakers trading platform operations	Indonesia	December	40.29	4,043,767	2,934,732
Teampus Corp	Online ticket sales	Korea	December	43.13	6,755,253	5,058,845
BravoBeaver Incheon Corp.	Stationery production	Korea	December	23.64	351,740	286,917
Silicon Cube Co.,Ltd (*11)	Applied software development and distribution	Korea	December	41.36	-	-
Baecom Co., LTD. (*5)	Academy/education operation management and service	Korea	December	-	-	1,035,778
LOCUS CORPORATION (*10)(*12)	Animation and VFX	Korea	December	22.04	7,815,379	11,400,275
Jakga Company Co. (*4)(10)	Content production	Korea	December	49.21	3,880,611	-
NAMOO ACTORS CO., Ltd.	Entertainer management	Korea	December	20.00	6,319,487	-
CELSYS,Inc.(*3)(*7)(*12)	Content production	Japan	December	10.13	25,968,089	-
No.9 Inc.(*3)	Content production	Japan	December	9.10	4,673,812	-
Playlist Corporation (*10)	Web contents production and distribution	Korea	December	50.00	25,560,034	49,106,176
NAVER Z CO., LTD., (*4)(*10)(*12)	Mobile service development and operations	Korea	December	49.90	161,627,794	-
OVERDARE, Inc.(*5)	Contents service development and operations	U.S.A.	December	-	-	7,186,399
Havit Corporation(*9)	Mobile service development	Korea	December	28.57	-	-
					17,336,299,458	17,477,658,389
Joint ventures						
Mirai Fund Limited Liability Partnership(*2)(*12)	Investment	Japan	December	90.00	58,532,442	98,336,910
Cineplay Co., Ltd	Online information service and online advertising	Korea	December	49.00	130,705	135,219
China Lab Co.,Ltd.	Database and online information service	Korea	December	49.00	980,038	930,713
Designpress Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	728,020	879,598
Inter Biz Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	987,546	946,266
Agro Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	581,565	764,813
Sseom Lab Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,101,819	1,092,734
Tech Plus Co., Ltd. (*5)	Online information service and internet contents business	Korea	December	-	-	957,166
Animal and Human Story Inc.(*9)	Online information service and internet contents business	Korea	December	49.00	-	-
Law&Media Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	223,728	230,803
Yeopeul Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	1,586,788	2,022,728

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School Jaem Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	646,848	618,077
Studio Toon Corp	Animation production and distribution	Korea	December	49.00	3,236,964	4,290,684
STUDIO WHITE Limited Liability Partnership	Content production	Japan	December	40.01	1,113,543	-
					<u>69,850,006</u>	<u>111,205,711</u>
					<u>₩ 17,406,149,464</u>	<u>₩ 17,588,864,100</u>

(*1) Although the Group has more than 50% ownership in the investees, the Group does not have controls over these entities by virtue of agreements and classifies them as associates.

(*2) Although the Group has more than 50% ownership in the investees, the Group has a joint control in accordance with the agreement and classifies them as an investment in joint venture.

(*3) Although the Group has less than 20% ownership in the investees, the Group has significant influence over the entities by virtue of agreements and classified as associates.

(*4) The entities marked above are reclassified from subsidiaries to associates due to the loss of the control over the entities for the year ended December 31, 2024.

(*5) The entities have been excluded from associates and joint ventures due to disposal for the year ended December 31, 2024.

(*6) The entity was reclassified from associate to financial instrument due to the decrease in the ownership interests for the year ended December 31, 2024.

(*7) The entity was reclassified from financial instrument to associate due to the Group's acquisition of significant influence during the year ended December 31, 2024.

(*8) The Group has discontinued recognizing its share of losses using the equity method as the investment's carrying amount is less than nil (0) due to accumulated losses for the year ended December 31, 2024.

(*9) The Group has discontinued recognizing its share of losses using the equity method as the investment's carrying amount is less than nil (0) due to accumulated losses before January 1, 2024.

(*10) The Group recognized impairment loss for the year ended December 31, 2024 for the entities whose carrying amounts exceeded their recoverable amounts.

(*11) The Group recognized impairment loss before January 1, 2024 for the entities whose carrying amounts exceeded their recoverable amounts.

(*12) Prepared based on the consolidated financial statements as of December 31, 2024 and 2023. The subsidiaries of the associates and joint ventures are as follows:

Subsidiaries of associates and joint ventures	
A Holdings Corporation	LY Corporation
IPX Corporation	LINE Friends Inc., LINE Friends Japan, LINE Friends(Shanghai) Commercial Trade Co., Ltd, LINE Friends Taiwan Limited, LINE Friends Square Corporation
Carousell Pte Ltd	Carousell Trust Pte, Ltd., Revo Financial Pte, Ltd., Agensi Pekerjaan Mjobs Sdn Bhd, Carousell Limited, Carousell Ltd, Carousell Technology Ltd, Share Possible, Inc., Carousell Technology Private Limited, 701Search Pte Ltd, OneShift Pte Ltd, Ox Luxe Pte Ltd, Refash Pte Ltd, Lyra SPV Pte Ltd, Luxury Lexicon Pte Ltd
Onestore Co., Ltd.	ROKMEDIA, Infra Communications Corp,
WEVERSE COMPANY Inc	WEVERSE JAPAN, INC., WEVERSE AMERICA, INC.
Cafe24 Corp	SIMPLEX INTERNET Philippines INC., YANJI SIMPLEX Scientific Technology Co.Ltd., SSIC Co., Ltd., CAFE24 JAPAN INC., JC Apparel Corp, Fastbox Corp, Feelway Corp, CAFE24 VIETNAM COMPANY LIMITED, CAFE24 CHINA CO.,LTD., CAFE24 AMERICA INC, CAFE24 COMMERCE EUROPE GMBH
ICART GROUP PTE. LTD.	PT Icart Group Indonesia, Icart Malaysia, HappyFresh (Thailand), Icart Venture Philippines
China Ventures Fund I, Limited Partnership	China Ventures Fund I, PTE, LTD.
Mirae Asset-Naver Asia Growth Fund	Mirae Asset - Naver Asia Growth Investment Pte. Ltd.
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	LogisValley BacNinh Company Limited, LogisValley Vina Co., Ltd.
Mirai Fund Limited Liability Partnership	Mission Worldwide Group Limited
A2Z Inc.	Redeye Studio, Studio EEK Co., 3B2S Co., RedSeven Inc., Reverse Corp, Studio Swing Bat Co., NEMOZIUM E&M Co.
Vi-Frost	Breathe Company Corporation
BY4M Studio Co., Ltd.	Moving Pictures Company Co., Ltd, Natureloud corp, Major Nine Co., Ltd, Studio Hanyereum
Shake Hands Sdn Bhd	Sneakerlah Sdn Bhd
N Space Co., Ltd.	Indie Workers Inc.
CHINA VENTURES FUND II, L.P.	China Ventures Fund II Pte. Ltd., SV Paradigm Aspiration I Limited, SV Paradigm Aspiration II Limited, Tianjin Yuanzhu Venture Capital Partnership, SV MBNG L.P.
FUTURE INNOVATION PRIVATE EQUITY FUND III	FIF I, FIF II, FIF III, FIF IV, SV FIF TM Limited, FIF VI, SV DTBN LIMITED, FIF VII, FIF VIII, FIF IX, FIF X
LOCUS CORPORATION	Locus X Co., Ltd, Locus Theater Ani 2015 Culture Industry Special Purpose Company Ltd
YLAB	YLAB Academy, YLAB STUDIOS CORPORATION, YLAB VINA COMPANY LIMITED
SpringCamp Inc.	SPRINGCAMP US
CELSYS,Inc.	&DC Co., Ltd.
NAVER Z CO.,LTD.	NAVER Z USA, INC., NAVER Z JAPAN Corporation., NAVER Z Limited, SPRINGCAMP COLLABORATIVE FUND II

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B. Details of valuation of investments in associates and joint ventures that are accounted for using the equity method for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024						
	Valuation of equity method						
	Beginning balance	Acquisition/ Disposal/ refund of investment	Share of Profit or loss	Share of other comprehensive income (loss)	Dividends	Impairment	Ending balance
Associates							
A Holdings Corporation	₩ 15,338,412,557	₩ -	₩ 222,510,832	₩ 305,106,385	₩ (836,841,223)	₩ -	₩ 15,029,188,551
IPX Corporation	53,715,122	-	(4,818,236)	(778,352)	-	-	48,118,534
Netmania Co., Ltd.	1,151,858	-	(2,553)	-	(8,155)	-	1,141,150
SYNAP SOFT CORP.	4,719,831	(5,042,787)	321,715	(188,996)	-	-	190,237
BonAngels Pacemaker Fund	2,762,985	-	2,069,977	(153,998)	(1,312,500)	-	3,366,464
Korea Contents Mutual Aid Association	9,640,358	-	35,895	(245)	-	-	(82,549)
Arintech inc	592,392	-	60,993	-	(8,000)	-	645,385
NAVER KIP Cheer up!	243,750	-	7,101	-	-	-	250,851
Gamers Fund	-	-	-	-	-	-	-
N Space Co., Ltd.	2,489,615	-	820,363	-	-	-	3,309,978
K-Fund I	304,070,856	2,001,726	14,425,391	22,370,600	-	-	342,868,573
Mirae Asset-NAVER New Growth Fund I	92,327,246	(11,220,500)	(17,714,068)	-	-	-	63,392,678
YG NAVER Contents & Lifestyle Fund	46,638,439	-	(1,710,074)	-	-	-	44,928,365
Digital Media Partners II, L.P.	2,379,084	(2,482,359)	(13,516)	(453,976)	-	-	570,767
Soran Media Venture Fund	592,926	(282,637)	(9,540)	33,629	-	-	334,378
Mirae Asset-Naver Asia Growth Fund	81,691,093	(2,450,000)	(2,828,380)	10,757,426	-	-	87,170,139
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	341,924,825	(17,685,996)	(7,649,611)	44,690,192	-	-	361,279,410
Alliance Internet Corp.	2,808,845	-	517,382	-	-	-	3,326,227
DHP private equity fund 3	142,133	-	-	-	-	-	142,133
Artificial Intelligence Research Institute	-	-	-	-	-	-	-
SMEJ Plus INC	8,555,292	(6,677,847)	(354,454)	6,659,015	-	-	(8,182,006)
Smart Korea Naver-Stonebridge Rising Investment Association	7,343,726	2,000,000	(749,458)	-	-	-	8,594,268
Carousel Pte Ltd	48,259,179	-	(5,798,506)	6,184,057	-	-	48,644,730
Do Ventures Fund I, I-A	13,106,741	(14,275,734)	546,201	(457,516)	-	-	1,080,308
Onestore Co., Ltd.	34,864,567	-	(7,672,370)	688,781	-	-	2,697,290
China Ventures Fund I, Limited Partnership	256,411,893	3,586,484	4,713,161	36,285,966	(524,257)	-	300,473,247
YN CULTURE & SPACE	11,604,998	3,230,765	2,825	62,790	-	-	14,901,378
WEVERSE COMPANY Inc.	274,082,155	-	(4,892,673)	(763,165)	-	-	268,493,499
Cafe24 Corp	30,313,319	-	(54,431)	(34,020)	-	-	1,396,961
K-Fund II	61,250,599	10,420,910	(6,733,503)	4,631,020	-	-	1,139,386
FUTURE INNOVATION PRIVATE EQUITY FUND III	63,444,667	10,347,250	(7,859,823)	8,871,262	-	-	74,803,356
CHINA VENTURES FUND II, L.P.	156,724,512	(80,813,276)	1,287,960	7,076,674	-	-	7,606,157
ICART GROUP PTE. LTD.	-	-	-	-	-	-	-
Mirae Asset Partnership Growth Fund I	3,172,347	-	(15,949)	-	-	-	-
TBT Global Growth Fund III	6,868,262	7,500,000	(403,732)	-	-	-	-
STL 18th Private Equity Fund	19,608,575	-	175,006	-	(600,000)	-	187,125
Smart Spring Fund (*2)	-	-	(2,746,025)	-	-	-	9,945,615
Makma	862,526	-	(113,965)	57,504	(32,618)	-	773,447
LINE NEXT Inc.	-	-	-	164,424	-	-	(164,424)
AXIS Co.,LTD	-	-	-	-	-	-	-
Studio Horang Co., Ltd.	317,499	-	(100,089)	-	-	-	-
The Grimm entertainment Co.,Ltd.	-	-	-	-	-	-	-
Big Picture Comics Co., Ltd.	1,811,827	-	60,650	-	-	-	-
JQ COMICS Co., Ltd.	210,693	-	104,055	-	-	-	1,872,477
ZK Studio Co., Ltd.	400,487	-	(55,972)	-	-	-	314,748
Su Comics Co., Ltd.	304,391	-	(87,032)	-	-	-	344,515
Studio Mul Co., Ltd.	4,034,679	-	334,828	-	-	-	217,359
A2Z Inc.	29,292,272	-	10,665,231	102,236	-	-	4,369,507
Sam Studio Co., Ltd.	996,256	-	(75,912)	-	-	-	40,517,105
Only Won Entertainment Co., Ltd.	431,802	-	(47,764)	-	-	-	920,344
Studio hohoe Co.,Ltd.	757,341	-	13,307	-	-	-	384,038
GEULGGUN	135,604	-	(44,030)	-	-	-	770,648
Studio 389 Co., Ltd.	-	-	-	-	-	-	91,574
Yumistudio Co., Ltd.	1,995,526	-	104,992	-	-	-	-
J Peul Media Co., Ltd.(*1)	10,508,874	-	475,485	-	-	(2,677,343)	2,100,518
Cinamon. Inc	-	-	-	-	-	-	8,307,016
Studio Paran Inc.	604,179	-	58,694	-	-	-	-
BY4M Studio Co., Ltd.	3,184,070	-	(200,461)	(9,722)	-	-	662,873
A2Z-IP Fund	1,336,201	-	(56,115)	-	-	-	2,973,887
SHINE PARTNERS CO., LTD.(*1)	661,748	-	14,126	14,325	-	(162,982)	1,280,086
Vi-Frost	385,646	-	(287,933)	-	-	-	527,217
Studio Ppuri Co., Ltd. (*1)	3,309,447	-	(79,301)	-	-	(1,514,954)	97,713
XTORM CO., LTD	11,823	-	(11,823)	-	-	-	1,715,192
SGRSOFT Co., Ltd.	444,394	-	(81,600)	-	-	-	-
Fast Cowell Private Equity Fund	888,673	-	(232,264)	-	-	-	362,794
LaiQu Technology (ShenZhen) Company Limited	-	-	-	-	-	-	656,409
Pala Inc	-	-	-	-	-	-	-
SpringCamp Inc. (*2)	-	-	1,249,122	223,818	-	-	-
Springcamp-KIF Early Stage Fund (*2)	-	1,200,000	(58,890)	-	-	-	8,557,468
							10,030,408
							1,983,711
							3,124,821

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Seno Corporation	108,476	-	(2,117)	15,694	-	-	-	122,053
Sasom Company Limited	1,947,579	412,660	(1,154,824)	74,336	-	-	(1,279,751)	-
Gorilla NCORE Metaverse 1 (*1)	20,712,786	-	(420,926)	-	-	(8,526,512)	-	11,765,348
VerseWork Co., Ltd.	-	-	-	-	-	-	-	-
ZEP Co.,Ltd.	1,026,333	(1,026,333)	-	-	-	-	-	-
Pinokio, Inc.	-	-	-	-	-	-	-	-
Chicment Co., Ltd.	2,980,103	-	(43,755)	-	-	-	-	2,936,348
Quokka Industries Inc.	1,290,685	(1,290,685)	-	-	-	-	-	-
Murple, Inc.	1,385,128	(1,385,128)	-	-	-	-	-	-
TAIL Start-up Fund I	1,906,947	(1,814,247)	(92,700)	-	-	-	-	-
CravingCollector Inc.	1,313,782	-	(590,207)	-	-	-	-	723,575
Contrau ventures fund no.1	1,953,876	(1,937,053)	(16,823)	-	-	-	-	-
SPRINGCAMP	-	-	-	-	-	-	-	-
COLLABORATIVE FUND II (*2)	-	(98,610)	(1,390)	-	-	-	100,000	-
SpringCamp Early Stage Fund 1	-	3	(3)	-	-	-	-	-
Purpleduck Corp.	937,758	555,385	(214,281)	-	-	-	-	1,278,862
Studio 1991	207,867	-	17,924	-	-	-	-	225,791
Studio Dragon Japan CO., LTD.	8,142,873	(7,935,414)	(649)	519,771	-	-	(726,581)	-
STUDIO YELL Co.	88,565	-	(18,403)	-	-	-	-	70,162
Goodus Data, Inc	3,149,826	-	21,642	(303)	-	-	(3,171,165)	-
Shake Hands Sdn Bhd (*1)	2,038,547	-	(986,605)	227,802	-	(1,279,744)	-	-
YLAB Corporation	6,479,766	-	(624,825)	(2,528)	-	-	157,021	6,009,434
Genius studio Corp.	177,665	-	(86,365)	-	-	-	-	91,300
PT Karunia International Citra Kencana	2,934,732	1,019,257	(179,127)	268,905	-	-	-	4,043,767
TeamPlus Corp	5,058,845	-	1,696,408	-	-	-	-	6,755,253
Bravo Beaver Incheon	286,917	-	72,886	-	-	-	(8,063)	351,740
Silicon Cube Co.,Ltd	-	-	-	-	-	-	-	-
Baecomm Co., LTD	1,035,778	-	(893,950)	37,664	-	-	(179,492)	-
LOCUS CORPORATION (*1)	11,400,275	-	240,745	(285,919)	-	(3,597,234)	57,512	7,815,379
Jakga Company Inc. (*1)(*2)	-	-	(26,930)	-	-	(5,892,460)	9,800,001	3,880,611
NAMOO ACTORS CO., Ltd.	-	6,199,622	119,865	-	-	-	-	6,319,487
CELSYS, Inc.	-	-	607,040	1,056,665	(353,688)	-	24,658,072	25,968,089
No.9 Inc.	-	4,673,812	-	-	-	-	-	4,673,812
Playlist Corporation (*1)	49,106,176	-	2,492,179	-	-	(26,038,321)	-	25,560,034
NAVER Z CO.,LTD. (*1)(*2)	-	-	(39,429,876)	(2,465,304)	-	(7,303,235)	210,826,209	161,627,794
OVERDARE, Inc.	7,186,399	(7,186,399)	-	-	-	-	-	-
Havit Corporation	-	-	-	-	-	-	-	-
	17,477,658,389	(110,457,131)	147,500,172	450,586,897	(839,680,441)	(56,992,785)	267,684,357	17,336,299,458
Joint ventures								
Mirai Fund Limited Liability Partnership	98,336,910	-	(1,044,294)	(38,760,174)	-	-	-	58,532,442
Cineplay Co., Ltd	135,219	-	(4,514)	-	-	-	-	130,705
China Lab Co.,Ltd.	930,713	-	49,325	-	-	-	-	980,038
Designpress Co., Ltd.	879,598	-	(139,323)	(12,255)	-	-	-	728,020
Inter Biz Co., Ltd.	946,266	-	41,280	-	-	-	-	987,546
Agro Plus Co., Ltd.	764,813	-	(183,248)	-	-	-	-	581,565
Sseom Lab Co., Ltd.	1,092,734	-	9,085	-	-	-	-	1,101,819
Tech Plus Co., Ltd.	957,166	(728,117)	(229,049)	-	-	-	-	-
Animal and Human Story Inc.	-	-	-	-	-	-	-	-
Law&Media Co., Ltd.	230,803	-	(7,075)	-	-	-	-	223,728
Yeopeul Co., Ltd.	2,022,728	-	(435,940)	-	-	-	-	1,586,788
School Jaem Co., Ltd.	618,077	-	28,771	-	-	-	-	646,848
Studio Toon Corp	4,290,684	-	(1,053,720)	-	-	-	-	3,236,964
STUDIO WHITE Limited Liability Partnership	-	1,067,643	(10,242)	56,142	-	-	-	1,113,543
	111,205,711	339,526	(2,978,944)	(38,716,287)	-	-	-	69,850,006
	₩ 17,588,864,100	₩ (110,117,605)	₩ 144,521,228	₩ 411,870,610	₩ (839,680,441)	₩ (56,992,785)	₩ 267,684,357	₩ 17,406,149,464

(*1) An impairment loss is recognized as the carrying amount exceeded the recoverable amount due to continuous operating loss and others for the year ended December 31, 2024. The recoverable amount is measured on the value in use or the fair value less the costs of disposal which were estimated using an income approach. An assumed discount rate used ranges from 12.00% to 12.77% and perpetual growth rate used is 1.0%.

(*2) The investees are reclassified from subsidiaries to associates due to the loss of control for the year ended December 31, 2024.

	2023						
	Valuation of equity method						
	Beginning balance	Acquisition/ Disposal/ refund of investment	Share of Profit or loss	Share of Other comprehensive income (loss)	Dividends	Impairment	Ending balance
Associates							
A Holdings Corporation	₩ 15,825,770,829	₩ -	₩ 254,123,170	₩ (620,832,612)	₩ (120,648,830)	₩ -	₩ 15,338,412,557
IPX Corporation(formerly, LINE friends corporation)	53,568,620	-	(12,949,171)	1,381,441	-	-	53,715,122
LINE Conomi Corporation	-	-	-	155,012	-	-	-
Netmania Co., Ltd.	1,069,427	-	82,431	-	-	-	1,151,858
SYNAP SOFT CORP.	7,977,089	(4,468,953)	1,341,367	(15,850)	(107,142)	-	4,719,831
BonAngels Pacemaker Fund	2,893,929	-	483,780	(239,724)	(375,000)	-	2,762,985
Korea Contents Mutual Aid Association	9,602,510	(72,000)	41,196	-	-	-	9,640,358
Arointech inc	496,389	-	96,003	-	-	-	592,392
NAVER KIP Cheer up! Gamers Fund	2,861,897	(1,022,000)	1,583,515	(1,709,661)	(1,470,001)	-	243,750

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Future Creation NAVER-SB Startup Investment Fund	4,784,055	(4,780,832)	(3,223)	-	-	-	-	-
NAVER-BSK Youth Foundation No.5 Investment Fund	7,449,744	(6,502,706)	4,169,719	(2,620,821)	(2,666,111)	-	170,175	-
N Space Co., Ltd.	1,912,318	-	577,297	-	-	-	-	2,489,615
K-Fund I	314,407,579	(9,982,074)	3,189,361	17,192,033	(20,843,845)	-	107,802	304,070,856
Mirae Asset-NAVER New Growth Fund I	110,000,359	(31,000,000)	13,326,887	-	-	-	-	92,327,246
YG NAVER Contents & Lifestyle Fund	47,153,809	-	(2,515,990)	2,000,620	-	-	-	46,638,439
Digital Media Partners II, L.P.	2,491,566	-	(159,122)	46,640	-	-	-	2,379,084
Soran Media Venture Fund	658,741	-	(65,815)	-	-	-	-	592,926
Mirae Asset MAPS Private Placement Real Estate 62	446,980,895	(438,818,857)	-	-	(8,162,038)	-	-	-
Mirae Asset-Naver Asia Growth Fund	76,599,964	(2,861,740)	6,677,208	1,275,661	-	-	-	81,691,093
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	312,256,950	(14,169,325)	34,070,163	9,767,037	-	-	-	341,924,825
Alliance Internet Corp.	2,154,452	-	654,393	-	-	-	-	2,808,845
CONG TY CO PHAN RBW VIETNAM	161,156	(161,156)	-	12,816	-	-	(12,816)	-
DHP private equity fund 3	142,134	-	(1)	-	-	-	-	142,133
Artificial Intelligence Research Institute	-	-	-	-	-	-	-	-
SMEJ Plus INC	9,944,321	-	(155,060)	(1,233,969)	-	-	-	8,555,292
Smart Korea Naver-Stonebridge Rising Investment Association	5,521,636	2,000,000	(177,910)	-	-	-	-	7,343,726
Carousel Pte Ltd	57,356,356	-	(10,298,810)	1,201,633	-	-	-	48,259,179
Do Ventures Fund I, I-A	9,832,731	1,988,400	1,189,953	137,990	-	-	(42,333)	13,106,741
Onestore Co., Ltd.	39,156,811	-	(8,262,091)	(80,086)	-	-	4,049,933	34,864,567
China Ventures Fund I, Limited Partnership	250,451,653	2,019,181	1,249,789	2,691,270	-	-	-	256,411,893
YN CULTURE & SPACE	11,494,674	-	110,682	(358)	-	-	-	11,604,998
WEVERSE COMPANY Inc.	282,807,558	-	(30,245,621)	21,458,852	-	-	61,366	274,082,155
Cafe24 Corp	30,217,790	-	(34,756)	130,285	-	-	-	30,313,319
K-Fund II	33,817,412	28,624,048	(3,116,644)	1,992,108	-	-	(66,325)	61,250,599
FUTURE INNOVATION PRIVATE EQUITY FUND III	47,894,586	3,349,800	11,726,196	474,085	-	-	-	63,444,667
CHINA VENTURES FUND II, L.P.	123,479,644	5,074,682	26,113,947	2,056,239	-	-	-	156,724,512
ICART GROUP PTE. LTD.	-	-	-	-	-	-	-	-
Mirae Asset Partnership Growth Fund I	3,661,310	-	(488,963)	-	-	-	-	3,172,347
TBT Global Growth Fund III	7,351,154	-	(485,748)	-	(9,739)	-	12,595	6,868,262
STL 18th Private Equity Fund	20,000,000	-	24,844	-	(604,932)	-	188,663	19,608,575
Makma	770,745	-	123,097	43,683	(74,999)	-	-	862,526
LINE NEXT Inc.	2,521,275	-	(2,560,031)	38,756	-	-	-	-
AXIS Co.,LTD	-	-	-	-	-	-	-	-
Studio Horang Co., Ltd.	418,339	-	(100,840)	-	-	-	-	317,499
The Grimm entertainment Co.,Ltd.	1,676,219	-	(1,676,219)	-	-	-	-	-
Big Picture Comics Co., Ltd.	1,636,978	-	174,849	-	-	-	-	1,811,827
JQ COMICS Co., Ltd.	242,913	-	(32,220)	-	-	-	-	210,693
ZK Studio Co., Ltd.	351,729	-	48,758	-	-	-	-	400,487
Su Comics Co., Ltd.	338,945	-	(34,554)	-	-	-	-	304,391
Studio Mul Co., Ltd.	3,526,159	-	508,520	-	-	-	-	4,034,679
A2Z Inc.(*1)	45,157,899	-	846,439	(1,164,552)	-	(15,547,514)	-	29,292,272
Sam Studio Co., Ltd.	1,015,442	-	(19,186)	-	-	-	-	996,256
Only Won Entertainment Co., Ltd.	346,460	-	85,342	-	-	-	-	431,802
Studio hohoe Co.,Ltd.	687,555	-	69,786	-	-	-	-	757,341
GEULGGUN	258,114	-	(122,510)	-	-	-	-	135,604
Studio 389 Co., Ltd.	146,403	-	(146,403)	-	-	-	-	-
Yumistudio Co., Ltd.	2,058,896	-	(63,370)	-	-	-	-	1,995,526
J Peul Media Co., Ltd.(*1)	14,177,758	-	324,701	-	-	(3,993,585)	-	10,508,874
Cinamon. Inc	227,459	-	(259,803)	32,159	-	-	185	-
Studio Paran Inc.	686,119	-	(81,940)	-	-	-	-	604,179
BY4M Studio Co., Ltd.	3,085,437	-	150,911	(51,999)	-	-	(279)	3,184,070
A2Z-IP Fund (*1)	1,888,205	-	(53,248)	-	-	(498,756)	-	1,336,201
SHINE PARTNERS CO., LTD.(*1)	808,954	-	(8,644)	(35,652)	-	(102,910)	-	661,748
Vi-Frost (*1)	1,408,994	-	(177,150)	-	-	(846,198)	-	385,646
Studio Ppuri Co., Ltd.	2,972,009	-	337,438	-	-	-	-	3,309,447
XTORM CO., LTD	69,595	-	(57,772)	-	-	-	-	11,823
SGRSOFT Co., Ltd.	495,525	-	(51,131)	-	-	-	-	444,394
Cutting Edge Inc.	-	-	(27,861)	-	-	-	27,861	-
Fast Cowell Private Equity Fund	1,059,335	-	(38,805)	-	(131,857)	-	-	888,673
LaiQu Technology (ShenZhen) Company Limited	-	-	-	-	-	-	-	-
Famous Studio Corp.(*2)	2,781,583	-	708,641	-	-	-	(3,490,224)	-
Pala Inc	99,884	-	(1,379,753)	-	-	-	1,279,869	-
Seno Corporation	108,890	-	(2,067)	1,653	-	-	-	108,476
Sasom Company Limited	2,370,546	585,734	(1,078,099)	69,398	-	-	-	1,947,579
SODA inc.(*2)	108,882,537	-	(19,988,609)	2,493,767	-	-	(91,387,695)	-
Gorilla NCORE Metaverse 1	21,144,446	-	(431,660)	-	-	-	-	20,712,786
VerseWork Co., Ltd.	-	-	-	-	-	-	-	-
ZEP Co.,Ltd.	719,349	1,334,010	(1,466,880)	-	-	-	439,854	1,026,333
Pinokio, Inc.	1,396,540	-	(1,396,540)	-	-	-	-	-
Chicment Co., Ltd.	2,978,651	-	1,452	-	-	-	-	2,980,103
Quokka Industries Inc.	3,185,938	-	(1,895,253)	-	-	-	-	1,290,685
Murple, Inc.	1,821,388	-	(436,260)	-	-	-	-	1,385,128
TAIL Start-up Fund I	1,949,064	-	(42,117)	-	-	-	-	1,906,947
CravingCollector Inc.	3,377,498	-	(2,063,716)	-	-	-	-	1,313,782
Contrau ventures fund no.1	1,992,704	-	(38,828)	-	-	-	-	1,953,876
Purpleduck Corp.	454,716	509,231	(26,189)	-	-	-	-	937,758
Studio 1991	158,842	-	49,025	-	-	-	-	207,867

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Studio Dragon Japan CO., LTD.	8,558,839	-	(52,151)	(363,815)	-	-	-	8,142,873
STUDIO YELL Co.	101,859	-	(13,294)	-	-	-	-	88,565
Goodus Data, Inc	3,006,169	-	143,354	303	-	-	-	3,149,826
Shake Hands Sdn Bhd	2,150,556	-	(63,148)	(48,861)	-	-	-	2,038,547
YLAB Corporation	5,165,081	-	(176,373)	1,988	-	-	1,489,070	6,479,766
Genius studio Corp.	-	200,015	(22,350)	-	-	-	-	177,665
PT Karunia International Citra Kencana	1,916,321	1,216,763	(215,777)	17,425	-	-	-	2,934,732
TeamPlus Corp	-	4,372,500	686,345	-	-	-	-	5,058,845
Bravo Beaver Incheon	-	260,000	26,917	-	-	-	-	286,917
Silicon Cube Co.,Ltd	-	-	-	-	-	-	-	-
Baecomm Co., LTD	1,773,116	-	(2,211,260)	-	-	-	1,473,922	1,035,778
LOCUS CORPORATION (*3)	-	(7,551,328)	1,123,224	-	-	-	17,828,379	11,400,275
Playlist Corporation (*3)	-	-	10,994,511	-	-	-	38,111,665	49,106,176
OVERDARE, Inc.	-	7,186,399	-	-	-	-	-	7,186,399
Havit Corporation	2,857	-	(2,857)	-	-	-	-	-
	18,428,512,883	(462,670,208)	269,761,418	(563,725,106)	(155,094,494)	(20,988,963)	(18,137,141)	17,477,658,389
Joint ventures								
Mirai Fund Limited Liability Partnership	90,745,402	-	(1,365,158)	8,956,666	-	-	-	98,336,910
Cineplay Co., Ltd	401,536	-	(266,317)	-	-	-	-	135,219
China Lab Co.,Ltd.	901,951	-	28,762	-	-	-	-	930,713
Designpress Co., Ltd.	1,118,154	-	(238,556)	-	-	-	-	879,598
DaNaA Data Co., Ltd.	5,031,444	(5,007,482)	(23,962)	-	-	-	-	-
Inter Biz Co., Ltd.	960,874	-	(14,608)	-	-	-	-	946,266
Artition Co., Ltd.	130,100	(130,100)	-	-	-	-	-	-
Agro Plus Co., Ltd.	962,424	-	(197,611)	-	-	-	-	764,813
Sseom Lab Co., Ltd.	1,070,554	-	22,180	-	-	-	-	1,092,734
Tech Plus Co., Ltd.	1,183,491	-	(226,325)	-	-	-	-	957,166
Animal and Human Story Inc.	71,191	-	(71,191)	-	-	-	-	-
Law&Media Co., Ltd.	213,688	-	17,115	-	-	-	-	230,803
Yeopeul Co., Ltd.	2,340,312	-	(317,584)	-	-	-	-	2,022,728
School Jaem Co., Ltd.	591,720	-	26,357	-	-	-	-	618,077
Studio TooN Corp	4,880,643	-	(589,959)	-	-	-	-	4,290,684
jobsN CO., Ltd	2,170,555	(2,170,555)	-	-	-	-	-	-
	112,774,039	(7,308,137)	(3,216,857)	8,956,666	-	-	-	111,205,711
	₩ 18,541,286,922	₩ (469,978,345)	₩ 266,544,561	₩ (554,768,440)	₩ (155,094,494)	₩ (20,988,963)	₩ (18,137,141)	₩ 17,588,864,100

(*1) An impairment loss is recognized as the carrying amount exceeded the recoverable amount due to continuous operating loss and others for the year ended December 31, 2023. The recoverable amount is measured at either the value in use or the fair value less the costs of disposal which were estimated using an income approach. An assumed discount rate used ranges from 14.70% to 16.77% and perpetual growth rate used ranges from 0.0% to 1.0%.

(*2) The investees are reclassified from associates to subsidiaries due to additional acquisition of ownership for the year ended December 31, 2023.

(*3) The investees are reclassified from subsidiaries to associates due to the loss of control for the year ended December 31, 2023.

C. Summarized financial information for the associates and joint ventures and the dividends received from the associates and joint ventures as of December 31, 2024 and 2023 and for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	December 31, 2024				
	Summarized financial position				
	Current assets	Non-current assets	Current liabilities	Non-current liabilities	Equity
Associates					
A Holdings Corporation(*)	₩ 30,395,229,486	₩ 60,210,220,447	₩ 43,458,074,753	₩ 14,019,428,729	₩ 23,272,363,913
K-Fund I	1,181,306	457,201,049	81,362	-	458,300,993
Mirae Asset - Naver Asia Growth Investment Pte. Ltd. (*)	76,079,988	818,524,611	1,004,804	18,975,832	876,770,582
WEVERSE COMPANY Inc (*)	185,666,448	302,574,822	123,265,997	8,602,865	340,337,319
Joint ventures					
Mirai Fund Limited Liability Partnership(*)	19,324,823	91,337,904	4,123,056	5,656,654	91,382,875

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	2024					
	Revenue	Operating income	Net profit or loss	Other comprehensive income	Total comprehensive income (loss)	Dividend received
Associates						
A Holdings Corporation(*)	₩ 17,114,005,711	₩ 2,102,256,732	₩ 309,951,613	₩ 45,643,881	₩ 355,595,494	₩ 836,841,223
K-Fund I	25,536	(8,025,753)	(8,025,753)	-	(8,025,753)	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*)	1,547,715	7,789,376	8,350,358	-	8,350,358	-
WEVERSE COMPANY Inc (*)	322,722,349	(13,521,777)	(11,143,446)	(6,983,411)	(18,126,857)	-
Joint ventures						
Mirai Fund Limited Liability Partnership(*)	9,448,747	(3,238,416)	(74,796,417)	1,148,064	(73,648,353)	-

(*) Figures for these entities are based on the consolidated financial statements, and equity and net profit or loss for these entities include net profit attributable to the controlling shareholders only.

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

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

(*) Figures for these entities are based on the consolidated financial statements, and equity and net profit or loss for these entities include net profit attributable to the controlling shareholders only.

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D. Details of adjustments from financial information of associates and joint ventures to the book amount of investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024					
	Net asset(a)	Group's Ownership(%) (b)	Group's share of net asset(a*b)	Goodwill	Others(*2)	Carrying amount
Associates						
A Holdings Corporation(*1)(*3)	₩23,272,363,913	50.00	₩11,636,181,958	₩ 3,393,006,593	-	₩15,029,188,551
IPX Corporation (*1)	104,205,895	22.36	23,296,990	36,294,260	(11,472,716)	48,118,534
Netmania Co., Ltd.	4,199,412	27.17	1,141,150	-	-	1,141,150
BonAngels Pacemaker Fund	14,684,551	22.73	3,337,398	29,066	-	3,366,464
Korea Contents Mutual Aid Association	17,501,103	52.06	9,110,513	482,946	-	9,593,459
Arointech inc	1,913,380	29.85	571,158	74,227	-	645,385
NAVER KIP Cheer up! Gamers Fund	501,701	50.00	250,851	-	-	250,851
N Space Co., Ltd.(*1)	5,031,333	49.04	2,467,596	1,082,057	(239,675)	3,309,978
K-Fund I	458,300,993	74.81	342,868,573	-	-	342,868,573
Mirae Asset-NAVER New Growth Fund I	126,774,690	50.00	63,387,345	5,333	-	63,392,678
YG NAVER Contents & Lifestyle Fund	49,421,202	90.91	44,928,365	-	-	44,928,365
Soran Media Venture Fund	502,391	66.67	334,378	-	-	334,378
Mirae Asset-Naver Asia Growth Fund (*1)	523,020,832	16.67	87,170,139	-	-	87,170,139
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*1)	876,770,582	40.00	360,699,894	579,516	-	361,279,410
Alliance Internet Corp.	14,043,431	23.53	3,304,336	21,891	-	3,326,227
DHP private equity fund 3	564,979	25.16	142,133	-	-	142,133
Artificial Intelligence Research Institute	1,984,254	14.29	283,556	933,532	(1,217,088)	-
Smart Korea Naver-Stonebridge Rising Investment Association	22,774,809	37.74	8,594,268	-	-	8,594,268
Carousell Pte Ltd(*1)	149,173,704	8.22	12,262,078	48,644,730	(12,262,078)	48,644,730
Onestore Co., Ltd. (*1)	117,532,820	24.18	28,422,801	2,155,467	-	30,578,268
China Ventures Fund I, Limited Partnership(*1)	427,226,438	70.33	300,473,247	-	-	300,473,247
YN CULTURE & SPACE	58,742,489	24.98	14,673,394	227,984	-	14,901,378
WEVERSE COMPANY Inc.(*1)	340,337,319	44.50	151,447,877	203,060,260	(86,014,638)	268,493,499
Cafe24 Corp. (*1)	128,096,747	13.74	17,595,664	89,851,427	(75,825,262)	31,621,829
K-Fund II	180,167,160	39.25	70,708,412	-	-	70,708,412
FUTURE INNOVATION PRIVATE EQUITY FUND III(*1)	294,725,232	25.38	74,803,356	-	-	74,803,356
CHINA VENTURES FUND II, L.P.(*1)	366,620,355	25.00	91,882,027	-	-	91,882,027
ICART GROUP PTE. LTD.(*1)	(1,588,526)	10.89	(172,918)	19,775,505	(19,602,587)	-
Mirae Asset Partnership Growth Fund	3,507,109	90.00	3,156,398	-	-	3,156,398
TBT Global Growth Fund III	37,983,522	36.76	13,964,530	-	-	13,964,530
STL 18th Private Equity Fund	87,265,029	22.20	19,370,706	-	-	19,370,706
Smart Spring Fund	20,158,851	35.71	7,199,590	-	-	7,199,590
Makma	626,453	22.00	137,862	635,585	-	773,447
AXIS Co.,LTD	(4,255,498)	23.65	(1,006,425)	-	1,006,425	-
Studio Horang Co., Ltd.	523,838	41.50	217,410	-	-	217,410
The Grimm entertainment Co.,Ltd.	(5,999,044)	34.98	(2,098,495)	682,760	1,415,735	-
Big Picture Comics Co., Ltd.	4,122,091	35.00	1,442,799	429,678	-	1,872,477
JQ COMICS Co., Ltd.	224,614	35.06	78,750	235,998	-	314,748
ZK Studio Co., Ltd.	465,259	40.00	186,104	158,411	-	344,515

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Su Comics Co., Ltd.	869	40.00	348	217,011	-	217,359
Studio Mul Co., Ltd.	6,802,405	35.00	2,380,952	1,988,555	-	4,369,507
A2Z Inc.(*1)	101,301,579	26.53	26,879,358	29,185,261	(15,547,514)	40,517,105
Sam Studio Co., Ltd.	1,967,814	35.00	688,766	231,578	-	920,344
Only Won Entertainment Co., Ltd.	596,707	35.00	208,857	175,181	-	384,038
Studio hohoe Co.,Ltd.	2,333,828	33.02	770,648	-	-	770,648
GEULGGUN	(96,734)	22.22	(21,496)	113,070	-	91,574
Studio 389 Co., Ltd.	(619,241)	30.02	(185,902)	56,209	129,693	-
Yumistudio Co., Ltd.	6,001,202	35.00	2,100,518	-	-	2,100,518
J Peul Media Co., Ltd.	8,084,756	25.00	2,021,190	12,956,754	(6,670,928)	8,307,016
Cinamon. Inc	(4,926,560)	19.97	(983,826)	226,690	757,136	-
Studio Paran Inc.	582,933	35.06	204,405	458,468	-	662,873
BY4M Studio Co., Ltd. (*1)	52,918,310	1.63	860,796	2,113,091	-	2,973,887
A2Z-IP Fund	15,616,568	20.00	3,123,314	-	(1,843,228)	1,280,086
SHINE PARTNERS CO., LTD.	2,561,453	5.56	142,417	672,558	(287,758)	527,217
Vi-Frost (*1)	(2,771,661)	15.87	(439,862)	2,074,402	(1,536,827)	97,713
Studio Ppuri Co., Ltd.	10,480,884	20.00	2,096,177	1,133,969	(1,514,954)	1,715,192
XTORM CO., LTD	(215,782)	25.00	(53,946)	45,901	8,045	-
SGRSoft Co., Ltd.	(1,484,021)	10.88	(161,453)	524,247	-	362,794
Fast Cowell Private Equity Fund	3,086,439	21.13	652,064	4,345	-	656,409
LaiQu Technology (ShenZhen) Company Limited	1,003,995	21.30	213,836	-	(213,836)	-
Pala Inc	(1,819,835)	43.22	(786,592)	-	786,592	-
SpringCamp Inc.	22,289,796	45.00	10,030,408	-	-	10,030,408
Springcamp-KIF Early Stage Fund	15,233,504	20.51	3,124,821	-	-	3,124,821
Seno Corporation	130,019	45.00	58,509	63,544	-	122,053
Sasom Company Limited	2,565,977	31.60	810,849	1,617,488	(2,428,337)	-
Gorilla NCore Metaverse 1	53,847,509	37.68	20,291,860	-	(8,526,512)	11,765,348
Chicment Co., Ltd.	549,356	30.00	164,806	2,771,542	-	2,936,348
CravingCollector Inc.	723,850	42.47	307,448	3,208,738	(2,792,611)	723,575
Purpleduck Corp.	94,783	76.92	72,907	1,205,955	-	1,278,862
Studio 1991	589,656	30.07	177,310	48,481	-	225,791
STUDIO YELL Co.	(4,417)	35.00	(1,546)	71,708	-	70,162
Shake Hands Sdn Bhd(*1)	1,251,308	22.47	281,145	2,024,852	(2,305,997)	-
YLAB Corporation(*1)	31,852,387	9.32	2,969,924	3,039,510	-	6,009,434
Genius studio Corp.	(113,082)	35.00	(39,580)	130,880	-	91,300
PT Karunia International Citra Kencana	737,271	40.29	297,019	3,746,748	-	4,043,767
TeamPlus Corp	7,308,976	43.13	3,151,996	3,603,257	-	6,755,253
Bravo Beaver Incheon	1,308,903	23.64	309,377	42,363	-	351,740
Silicon Cube Co.,Ltd	1,316,242	41.36	544,398	-	(544,398)	-
LOCUS CORPORATION (*1)	5,563,943	22.04	1,226,029	10,186,584	(3,597,234)	7,815,379
Jakga Company Inc.	(19,056,569)	49.21	(9,376,828)	14,815,439	(1,558,000)	3,880,611
NAMOO ACTORS CO., Ltd.	4,450,426	20.00	890,090	5,429,397	-	6,319,487
CELSYS,Inc.	92,406,537	10.13	9,357,817	16,610,272	-	25,968,089
No.9 Inc	5,963,500	9.10	542,678	4,131,134	-	4,673,812
Playlist Corporation	(10,904,670)	50.00	(5,452,264)	61,847,566	(30,835,268)	25,560,034
NAVER Z CO.,LTD.	(242,324,674)	49.90	(120,919,645)	336,763,671	(54,216,232)	161,627,794
Havit Corporation	(2,921,050)	28.57	(834,544)	-	834,544	-
Joint ventures						
Mirai Fund Limited Liability Partnership(*1)	91,382,875	90.00	82,244,587	-	-23,712,145	58,532,442
Cineplay Co., Ltd	266,746	49.00	130,705	-	-	130,705
China Lab Co.,Ltd.	2,000,077	49.00	980,038	-	-	980,038
Designpress Co., Ltd.(*1)	1,485,756	49.00	728,020	-	-	728,020
Inter Biz Co., Ltd.	2,015,400	49.00	987,546	-	-	987,546
Agro Plus Co., Ltd.	1,186,866	49.00	581,565	-	-	581,565
Sseom Lab Co., Ltd.	2,248,610	49.00	1,101,819	-	-	1,101,819
Animal and Human Story Inc.	(377,103)	49.00	(184,780)	-	184,780	-
Law&Media Co., Ltd.	456,588	49.00	223,728	-	-	223,728
Yeopeul Co., Ltd.	3,238,344	49.00	1,586,788	-	-	1,586,788

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School Jaem Co., Ltd.	1,320,098	49.00	646,848	-	-	646,848
Studio TooN Corp	6,547,507	49.00	3,208,278	28,686	-	3,236,964
STUDIO WHITE Limited Liability Partnership	2,783,161	40.01	1,113,543	-	-	1,113,543

(*1) Figures for these entities are based on the consolidated financial statements, and equity and net profit or loss for these entities include net profit attributable to the controlling shareholders only.

(*2) Others include recognized amounts for preferred shares, recognition of impairment loss and others.

(*3) For equity-method accounting, the Group recognized fair value of identifiable intangible assets of associates amounting to ₩ 3,588 billion upon acquisition of the investments in associates, and the balance of intangible assets included in net assets after amortization is ₩ 1,629 billion as of December 31, 2024.

December 31, 2023						
	Net asset(a)	Group's Ownership(%) (b)	Group's share of net asset(a*b)	Goodwill	Others(*2)	Carrying amount
Associates						
A Holdings Corporation(*1)(*3)	₩23,870,907,672	50.00	₩11,935,453,836	₩ 3,402,958,721	-	₩15,338,412,557
IPX Corporation(formerly, LINE friends corporation)(*1)	123,183,009	22.36	27,539,645	37,648,193	(11,472,716)	53,715,122
Netmania Co., Ltd.	4,238,822	27.17	1,151,858	-	-	1,151,858
SYNAP SOFT CORP.	33,880,365	13.19	4,469,364	250,467	-	4,719,831
BonAngels Pacemaker Fund Korea Contents	12,029,244	22.73	2,733,919	29,066	-	2,762,985
Mutual Aid Association	17,434,359	51.96	9,058,808	581,550	-	9,640,358
Arointech inc	1,735,854	29.85	518,165	74,227	-	592,392
NAVER KIP Cheer up! Gamers Fund	487,501	50.00	243,750	-	-	243,750
N Space Co., Ltd.(*1)	3,611,024	49.04	1,771,012	1,082,057	(363,454)	2,489,615
K-Fund I	406,441,378	74.81	304,070,856	-	-	304,070,856
Mirae Asset-NAVER New Growth Fund I	184,643,826	50.00	92,321,913	5,333	-	92,327,246
YG NAVER Contents & Lifestyle Fund	51,302,282	90.91	46,638,439	-	-	46,638,439
Digital Media Partners II, L.P.(*1)	8,850,588	26.88	2,379,084	-	-	2,379,084
Soran Media Venture Fund	889,388	66.67	592,926	-	-	592,926
Mirae Asset-Naver Asia Growth Fund (*1)	490,146,558	16.67	81,691,093	-	-	81,691,093
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.(*1)	831,096,573	41.07	341,345,309	579,516	-	341,924,825
Alliance Internet Corp.	11,644,556	23.53	2,739,895	68,950	-	2,808,845
DHP private equity fund 3	564,979	25.16	142,133	-	-	142,133
Artificial Intelligence Research Institute	3,402,494	14.29	486,216	933,532	(1,419,748)	-
SMEJ Plus INC	33,712,438	30.07	10,137,307	19,924,513	(21,506,528)	8,555,292
Smart Korea Naver-Stonebridge Rising Investment Association	19,460,874	37.74	7,343,726	-	-	7,343,726
Carousell Pte Ltd(*1)	185,755,027	8.23	15,294,393	42,668,377	(9,703,591)	48,259,179
Do Ventures Fund I, I-A(*1)	58,030,943	22.59	13,106,741	-	-	13,106,741
Onestore Co., Ltd.(*1)	133,170,699	24.54	32,677,444	2,187,123	-	34,864,567
China Ventures Fund I, Limited Partnership(*1)	364,578,014	70.33	256,411,893	-	-	256,411,893
YN CULTURE & SPACE	48,567,486	23.88	11,598,878	6,120	-	11,604,998
WEVERSE COMPANY Inc.(*1)	349,601,138	44.52	155,625,447	204,501,883	(86,045,175)	274,082,155
Cafe24 Corp. (*1)	92,503,766	14.81	13,701,559	98,374,779	(81,763,019)	30,313,319
K-Fund II	130,601,583	46.90	61,250,599	-	-	61,250,599

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FUTURE INNOVATION PRIVATE EQUITY FUND III(*1)	249,971,991	25.38	63,444,667	-	-	63,444,667
CHINA VENTURES FUND II, L.P.(*1)	312,927,602	50.08	156,724,512	-	-	156,724,512
ICART GROUP PTE. LTD.(*1)	(1,588,526)	10.89	(172,918)	19,775,505	(19,602,587)	-
Mirae Asset Partnership Growth Fund	3,524,830	90.00	3,172,347	-	-	3,172,347
TBT Global Growth Fund III	18,681,672	36.76	6,868,262	-	-	6,868,262
STL 18th Private Equity Fund	88,336,632	22.20	19,608,575	-	-	19,608,575
Makma	1,224,328	22.00	269,407	593,119	-	862,526
LINE NEXT Inc.	(21,492,340)	13.84	(2,973,928)	-	2,973,928	-
AXIS Co.,LTD	(3,111,035)	23.65	(735,760)	-	735,760	-
Studio Horang Co., Ltd.	764,995	41.50	317,499	754,624	(754,624)	317,499
The Grimm entertainment Co.,Ltd.	(2,463,797)	34.98	(861,848)	682,760	179,088	-
Big Picture Comics Co., Ltd.	3,948,814	35.00	1,382,149	429,678	-	1,811,827
JQ COMICS Co., Ltd.	(72,176)	35.06	(25,305)	235,998	-	210,693
ZK Studio Co., Ltd.	605,191	40.00	242,076	158,411	-	400,487
Su Comics Co., Ltd.	218,449	40.00	87,380	217,011	-	304,391
Studio Mul Co., Ltd.	5,845,797	35.00	2,046,124	1,988,555	-	4,034,679
A2Z Inc.(*1)	58,157,242	26.67	15,508,598	29,331,188	(15,547,514)	29,292,272
Sam Studio Co., Ltd.	2,184,693	35.00	764,678	231,578	-	996,256
Only Won Entertainment Co., Ltd.	733,169	35.00	256,621	175,181	-	431,802
Studio hohoe Co.,Ltd.	2,293,530	33.02	757,341	-	-	757,341
GEULGGUN	101,404	22.22	22,534	113,070	-	135,604
Studio 389 Co., Ltd.	(431,279)	30.02	(129,474)	56,209	73,265	-
Yumistudio Co., Ltd.	5,701,238	35.00	1,995,526	-	-	1,995,526
J Peul Media Co., Ltd.	6,182,820	25.00	1,545,705	12,956,754	(3,993,585)	10,508,874
Cinamon. Inc	(5,044,671)	19.97	(1,007,413)	226,690	780,723	-
Studio Paran Inc.	415,546	35.06	145,711	458,468	-	604,179
BY4M Studio Co., Ltd. (*1)	65,839,549	1.63	1,070,979	2,113,091	-	3,184,070
A2Z-IP Fund	15,897,141	20.00	3,179,429	-	(1,843,228)	1,336,201
SHINE PARTNERS CO., LTD.	2,207,718	5.56	109,207	655,451	(102,910)	661,748
Vi-Frost (*1)	(957,336)	15.87	(151,929)	2,074,402	(1,536,827)	385,646
Studio Ppuri Co., Ltd.	10,877,391	20.00	2,175,478	1,133,969	-	3,309,447
XTORM CO., LTD	(136,313)	25.00	(34,078)	45,901	-	11,823
SGRSOFT Co., Ltd.	(733,982)	10.88	(79,853)	524,247	-	444,394
Fast Cowell Private Equity Fund	4,185,820	21.13	884,328	4,345	-	888,673
LaiQu Technology (ShenZhen) Company Limited	943,051	21.30	200,856	-	(200,856)	-
Pala Inc	(1,903,456)	43.22	(822,735)	-	822,735	-
Seno Corporation	117,930	45.00	53,069	55,407	-	108,476
Sasom Company Limited	635,580	34.37	218,468	1,415,114	313,997	1,947,579
Gorilla NCORE Metaverse 1	54,964,502	37.68	20,712,786	-	-	20,712,786
VerseWork Co., Ltd.	(2,424,550)	46.25	(1,121,415)	588,951	532,464	-
ZEP Co.,Ltd.(*1)	4,663,438	22.01	1,026,333	-	-	1,026,333
Pinokio, Inc.	(552,772)	33.33	(184,257)	2,650,887	(2,466,630)	-
Chicment Co., Ltd.	695,205	30.00	208,561	2,771,542	-	2,980,103
Quokka Industries Inc.	1,290,685	33.33	430,228	2,634,720	(1,774,263)	1,290,685
Murple, Inc.	1,385,128	29.99	415,377	1,264,560	(294,809)	1,385,128
TAIL Start-up Fund I	4,767,368	40.00	1,906,947	-	-	1,906,947
CravingCollector Inc.	1,313,782	42.53	558,791	3,208,738	(2,453,747)	1,313,782
Contrau ventures fund no.1	7,815,569	24.69	1,929,770	24,106	-	1,953,876
Purpleduck Corp.	375,749	49.15	184,695	753,063	-	937,758
Studio 1991	530,051	30.07	159,386	48,481	-	207,867
Studio Dragon Japan CO., LTD.	27,142,911	30.00	8,142,873	-	-	8,142,873
STUDIO YELL Co.	48,162	35.00	16,857	71,708	-	88,565
Goodus Data, Inc	15,798,332	7.50	1,184,860	1,964,966	-	3,149,826
Shake Hands Sdn Bhd(*1)	1,466,604	22.47	329,518	1,709,029	-	2,038,547
YLAB Corporation(*1)	35,172,242	9.56	3,362,915	3,116,851	-	6,479,766
Genius studio Corp.	133,663	35.00	46,785	130,880	-	177,665

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PT Karunia						
International Citra	1,242,963	29.36	364,954	2,569,778	-	2,934,732
Kencana						
TeamPlus Corp	3,375,275	43.13	1,455,588	3,603,257	-	5,058,845
Bravo Beaver	924,296	26.00	240,317	46,600	-	286,917
Incheon						
Silicon Cube Co.,Ltd	876,904	41.36	362,687	-	(362,687)	-
Baecom Co., LTD	3,795,097	27.29	1,035,778	-	-	1,035,778
LOCUS						
CORPORATION (*1)	11,712,176	19.68	2,304,458	9,095,817	-	11,400,275
Playlist Corporation	(13,556,229)	50.00	(6,778,027)	61,847,566	(5,963,363)	49,106,176
OVERDARE, Inc.	47,909,327	15.00	7,186,399	-	-	7,186,399
Havit Corporation	(2,039,174)	28.57	(582,592)	-	582,592	-
Joint ventures						
Mirai Fund Limited						
Liability	162,132,254	90.00	145,919,026	-	(47,582,116)	98,336,910
Partnership(*1)						
Cineplay Co., Ltd	275,957	49.00	135,219	-	-	135,219
China Lab Co.,Ltd.	1,899,415	49.00	930,713	-	-	930,713
Designpress Co., Ltd.(*1)	1,795,097	49.00	879,598	-	-	879,598
Inter Biz Co., Ltd.	1,931,154	49.00	946,266	-	-	946,266
Agro Plus Co., Ltd.	1,560,842	49.00	764,813	-	-	764,813
Sseom Lab Co., Ltd.	2,230,068	49.00	1,092,734	-	-	1,092,734
Tech Plus Co., Ltd.	1,953,400	49.00	957,166	-	-	957,166
Animal and Human Story Inc.	(341,811)	49.00	(167,487)	-	167,487	-
Law&Media Co., Ltd.	471,026	49.00	230,803	-	-	230,803
Yeopeul Co., Ltd.	4,128,016	49.00	2,022,728	-	-	2,022,728
School Jaem Co., Ltd.	1,261,381	49.00	618,077	-	-	618,077
Studio TooN Corp	8,697,955	49.00	4,261,998	28,686	-	4,290,684

(*1) Figures for these entities are based on the consolidated financial statements, and equity and net profit or loss for these entities include net profit attributable to the controlling shareholders only.

(*2) Others include recognized amounts for preferred shares, recognition of impairment loss and others.

(*3) For equity-method accounting, the Group recognized fair value of identifiable intangible assets of associates amounting to ₩ 3,588 billion upon acquisition of the investments in associates, and the balance of intangible assets included in net assets after amortization is ₩ 1,789 billion as of December 31, 2023.

E. The Group has discontinued recognizing its share of losses in AXIS and seven other entities using the equity method as their book amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 4,561 million as of December 31, 2024.

F. The Group has discontinued recognizing its share of losses in Silicon Cube, LaiQu Technology (ShenZhen) Company Limited and four other entities using the equity method as their carrying amount is less than nil (0) due to accumulated losses. The unrecognized accumulated losses amount to ₩ 1,476 million as of December 31, 2024.

G. Financial assets at fair value through profit or loss of the Group include the investment where the Group has significant influence over the investee. The investment amounts to ₩ 70,897 million as of December 31, 2024 and net loss on valuation amounts to ₩3,248 million for the year ended December 31, 2024.

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16. Trade and Other Payables

Details of trade and other payables as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Financial liabilities				
Other payables	₩1,003,486,611	₩ 37,583,912	₩1,313,321,664	₩ 62,128,901
Accrued expenses	79,207,723	-	65,984,960	-
Deposits received	<u>1,406,656</u>	<u>27,401,432</u>	<u>9,426,984</u>	<u>2,677,332</u>
	1,084,100,990	64,985,344	1,388,733,608	64,806,233
Non-financial liabilities				
Accrued expenses	<u>474,731,511</u>	<u>26,296,042</u>	<u>449,454,284</u>	<u>37,725,740</u>
	<u>₩ 1,558,832,501</u>	<u>₩ 91,281,386</u>	<u>₩ 1,838,187,892</u>	<u>₩ 102,531,973</u>

17. Other Liabilities

Details of other liabilities as of December 31, 2024 and 2023 are as follow (Korean won in thousands):

	December 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Advances from customers	₩ 568,284,125	₩ -	₩ 497,538,620	₩ -
Unearned revenues	171,038,977	448,496	129,499,536	169,847
Withholdings	2,135,162,779	-	1,872,395,423	-
VAT withholdings	<u>172,115,821</u>	<u>-</u>	<u>162,073,881</u>	<u>-</u>
	<u>₩ 3,046,601,702</u>	<u>₩ 448,496</u>	<u>₩ 2,661,507,460</u>	<u>₩ 169,847</u>

18. Borrowings and Debentures

A. Details of borrowings as of December 31, 2024 and 2023 are as follows (Korean won in thousands and foreign currency in thousands):

				December 31, 2024		December 31, 2023		
	Financial Institution	Latest maturity	Interest rate (%)		Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Short-term borrowings								
Foreign currency	DAG Ventures VI, L.P.(*)	-	10.00	₩	2,965,744	HKD 15,667	₩ 2,585,978	HKD 15,667
Foreign currency	Goodwater Capital II, L.P.(*)	-	10.00		1,481,419	HKD 7,825	1,291,723	HKD 7,825
Foreign currency	Mistletoe Singapore Pte. Ltd.(*)	-	10.00		2,965,793	HKD 15,667	2,586,021	HKD 15,667
Foreign currency	SCC Growth IV Holdco A, Ltd.(*)	-	10.00		44,216,077	HKD 233,577	38,554,177	HKD 233,577
Foreign currency	SenseView Investment Limited (*)	-	10.00		7,414,834	HKD 39,170	6,465,359	HKD 39,170
Foreign currency	SNOW Limited Liability Partnership (*)	-	10.00		29,522,043	HKD 155,954	25,741,724	HKD 155,954
Local currency	Woori Bank	2024.03.26	4.60		-	-	100,000,000	-
Local currency	HSBC	2024.12.10	4.50		-	-	9,683,333	-

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	Financial Institution	Latest maturity	Interest rate (%)	December 31, 2024		December 31, 2023	
				Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Local currency	KEB Hana Bank	2024.03.26	4.59	-	-	100,000,000	-
Foreign currency	CitiBank	2025.04.15	TORF 3M+0.4	46,824,000	JPY 5,000,000	45,633,000	JPY 5,000,000
Local currency	IBK	2024.06.11	6.04	-	-	500,000	-
				135,389,910	JPY 5,000,000 HKD 467,860	333,041,315	JPY 5,000,000 HKD 467,860

Current portion of long-term borrowings

Local currency	Shinhan Bank	2024.12.19	4.46	-	-	15,625,000	-
Local currency	HSBC	2024.12.10	4.50	-	-	40,316,667	-
Foreign currency	BNP Paribas	2024.12.23	TIBOR 3M+0.55	-	-	136,899,000	JPY 15,000,000
Local currency	Shinhan Bank	2025.12.03	2.99	200,000,000	-	-	-
Local currency	KOSME	2025.02.17	2.00	-	-	33,240	-
Local currency	KOSME	2025.08.26	2.85	-	-	49,920	-
				200,000,000	-	192,923,827	JPY 15,000,000

Long-term borrowings

Local currency	Shinhan Bank	2024.12.19	4.46	-	-	31,250,000	-
Local currency	HSBC	2024.12.10	4.50	-	-	106,204,167	-
Foreign currency	Mizuho Bank	2028.09.25	TIBOR 3M+0.60	327,768,000	JPY 35,000,000	319,431,000	JPY 35,000,000
Foreign currency	SMBC Corporation	2028.09.25	TIBOR 3M+0.60	327,768,000	JPY 35,000,000	319,431,000	JPY 35,000,000
Foreign currency	MUFG Bank, Ltd.	2027.09.24	TIBOR 3M+0.59	207,523,968	JPY 22,160,000	202,245,456	JPY 22,160,000
Local currency	Shinhan Bank	2025.12.03	2.99	-	-	15,000,000	-
Local currency	KOSME	2025.02.17	2.00	-	-	5,540	-
Local currency	KOSME	2025.08.26	2.85	-	-	33,280	-
				863,059,968	JPY 92,160,000	993,600,443	JPY 92,160,000
					JPY 97,160,000		JPY 112,160,000
				₩ 1,198,449,878	HKD 467,860	₩ 1,519,565,585	HKD 467,860

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

B. Details of debentures as of December 31, 2024 and 2023 are as follows (Korean won in thousands and foreign currency in thousands):

	Issuer	Issue date	Latest maturity	Interest rate (%)	December 31, 2024		December 31, 2023	
					Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Debentures in won(4 th -1)		2021.02.25	2024.02.25	1.24	₩ -	-	₩ 250,000,000	-
Debentures in won(4 th -2)		2021.02.25	2026.02.25	1.60	450,000,000	-	450,000,000	-
Debentures in won(5 th -1)		2024.01.24	2027.01.24	3.79	170,000,000	-	-	-
Debentures in won(5 th -2)		2024.01.24	2029.01.24	3.84	30,000,000	-	-	-
Unsubordinated unsecured debentures in foreign currency	NAVER Corporation	2021.03.29	2026.03.29	1.50	1,176,000,000	USD 800,000	1,031,520,000	USD 800,000
		2021.05.12	2027.04.30	1.14	131,107,200	JPY 14,000,000	127,772,400	JPY 14,000,000
			2028.11.01	1.43	14,047,200	JPY 1,500,000	13,689,900	JPY 1,500,000
		2023.11.01	2030.11.01	1.76	14,047,200	JPY 1,500,000	13,689,900	JPY 1,500,000
			2035.11.01	2.41	28,094,400	JPY 3,000,000	27,379,800	JPY 3,000,000

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Less: Discount on debentures		USD	(2,517)		USD	(4,512)
	(6,007,284)	JPY	(160,418)	(8,370,847)	JPY	(211,834)
		USD	797,483		USD	795,488
	₩ 2,007,288,716	JPY	19,839,582	₩ 1,905,681,153	JPY	19,788,166
Less: Current portion of long-term debentures	-	-	(249,962,200)	-	-	-
Long-term debentures		USD	797,483		USD	795,488
	₩ 2,007,288,716	JPY	19,839,582	₩ 1,655,718,953	JPY	19,788,166

(2) Convertible bonds

	Issuer	Issue date	Latest maturity	Interest rate (%)	December 31, 2024	
					Carrying amount	
1st private convertible bond	KREAM Corporation	Jul. 31, 2024	Jul. 30, 2027	6.75	₩	15,392,013

(*) The Group classified and evaluated the convertible bonds above as financial liabilities at fair value through profit or loss.

C. Details of conditions of issuance of debentures as of December 31, 2024 are as follows:

(1) Debentures

Issuer	Category	Payment of principal and interest	Financial ratios maintenance (*)	Limitation on settlement of security right (*)	Limit on the sale of assets (*)	Limitation on changes in governance
NAVER Corporation	Debentures in won(4 th -2)	Interest paid quarterly and lump-sum repayment at maturity for principal	Debt ratio below 300%	Equity capital below 500%	Within 100% of total assets	Change in largest shareholder
	Debentures in won(5 th -1)					Exclusion from the group of companies restricted from mutual investment under the <i>Fair Trade Act</i>
	Debentures in won(5 th -2)					
	Unsubordinated unsecured bonds in foreign currency	Interest paid semi-annually and lump-sum repayment at maturity for principal	-	Restrictions on the settlement of security rights over a certain amount under contractual terms	Restriction on the sale of important property in the contract	Restriction on the merger and others under contractual terms

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

(2) Convertible bonds

Issuer	Category	1 st registered coupon on unsecured private convertible bond	
KREAM Corporation	Issue amount	₩	14,000,000,000
	Interest payment		Coupon rate 0%
	Yield to maturity		APR 6.75%
	Issue date		Jul. 31, 2024
	Latest maturity		Jul. 30, 2027
	Conversion price	₩	3,864,922
	Conversion request period	From the date 18 months after the issue date through the day preceding the maturity date	
	Refixing option conditions	1. When the price of paid-in capital increase or equity-linked bonds, including convertible bonds, is less than the conversion price	

Issuer	Category	1 st registered coupon on unsecured private convertible bond
		2. When the number of ordinary shares is changed due to share split, share merger or capital reduction without compensation
		3. When the number of issued shares is increased by bonus issue or stock dividends
		4. When an amount equal to 70% of the appraised value used to calculate the exchange ratio in the merger is less than the then-current conversion price
		5. When an amount equal to 70% of the offering price in case of IPO listing is less than the then-current conversion price
	Call option for issuer	Callable within the exercise period (Jul. 31, 2025 ~ Jan. 30, 2026) up to 30% of the issue price

19. Provisions

Details of provisions as of December 31, 2024 and 2023 and changes in provisions for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

A. As of December 31, 2024 and for the year ended period then ended

	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 1,561,272	₩ 18,023,677	₩ 1,247,753	₩ 20,832,702
Additional provisions	110,629	6,155,275	785,941	7,051,845
Amounts used	-	(818,701)	(119,434)	(938,135)
Reversal of unused amounts	-	(3,596,793)	(799,996)	(4,396,789)
Others (*)	49,478	870,165	453	920,096
Ending balance	₩ 1,721,379	₩ 20,633,623	₩ 1,114,717	₩ 23,469,719
Current	₩ 1,721,379	₩ 1,393,609	₩ 1,071,288	₩ 4,186,276
Non-current	-	19,240,014	43,429	19,283,443

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

B. As of December 31, 2023 and for the year ended period then ended

	Provision for litigation	Provision for restoration	Others	Total
Beginning balance	₩ 926,439	₩ 19,387,919	₩ 2,920,609	₩ 23,234,967
Additional provisions	628,500	3,071,316	1,414,361	5,114,177
Amounts used	-	(555,896)	(859,595)	(1,415,491)
Reversal of unused amounts	-	(3,601,864)	(5,552,871)	(9,154,735)
Others (*)	6,333	(277,798)	3,325,249	3,053,784
Ending balance	₩ 1,561,272	₩ 18,023,677	₩ 1,247,753	₩ 20,832,702
Current	₩ 1,561,272	₩ 3,336,252	₩ 1,230,850	₩ 6,128,374
Non-current	-	14,687,425	16,903	14,704,328

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

20. Post-employment Benefits

A. Defined benefit pension plans

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

(1) Details of net defined benefit liabilities as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024	December 31, 2023
Present value of funded defined benefit obligations	₩ 20,416,210	₩ 17,954,359
Present value of unfunded defined benefit obligations	755,078,710	602,539,895
	775,494,920	620,494,254
Fair value of plan assets	(12,808,383)	(12,602,060)
Net defined benefit liabilities	₩ 762,686,537	₩ 607,892,194

(2) Changes in net defined benefit obligations for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 620,494,254	₩ 590,728,332
Current service cost	100,686,067	113,183,027
Interest expense	34,457,329	34,526,155
Remeasurements:		
- Actuarial loss from change in demographic assumptions	10,281,718	2,872,999
- Actuarial loss (gain) from change in financial assumptions	49,238,110	(78,999,401)
- Actuarial loss (gain) from experience adjustments	(5,026,942)	(12,794,577)
Payments from plans:		
- Benefit payments	(22,969,268)	(24,716,129)
Others	(11,666,348)	(4,306,152)
Ending balance	₩ 775,494,920	₩ 620,494,254

(3) Changes in plan assets for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 12,602,060	₩ 13,330,367
Interest income	705,110	711,442
Remeasurements:		
- Return on plan assets (excluding amounts included in interest income)	(433,661)	(536,206)
Contribution:		
- Employee	-	-
Payments from plans:		
- Benefit payments	(65,126)	(307,356)
Other	-	(596,187)
Ending balance	₩ 12,808,383	₩ 12,602,060

20. Post-employment Benefits (cont'd)

(4) Details of plan assets as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024		December 31, 2023	
	Amount	Ratio(%)	Amount	Ratio(%)
Cash and cash equivalents and others	₩ 636,687	4.97	₩ 2,528,185	20.06
Securities and others	2,177,988	17.00	812,962	6.45
Others	9,993,708	78.03	9,260,913	73.49
	₩ 12,808,383	100.00	₩ 12,602,060	100.00

(5) The principal actuarial assumptions as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate	3.71% - 4.88%	4.81% - 5.96%
Salary growth rate	4.00% - 9.63%	3.32% - 10.31%

(6) The sensitivity analysis of the defined benefit liabilities affected by changes in the principal assumptions as of December 31, 2024 is as follows (Korean won in thousands):

	Impact on defined benefit obligation		
	Changes in assumption	Increase in assumption	Decrease in assumption
Discount rate	1% increase / decrease	₩ (90,601,607)	₩ 109,011,136
Salary growth rate	1% increase / decrease	105,971,891	(90,019,961)

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

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

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

There are no expected contributions to plan assets for the year ended December 31, 2024, and the weighted average duration of the defined benefit obligation ranges from 2.17 to 18.17 years.

B. Defined contribution pension plans

The operating expense recognized in relation to defined contribution plan for the year ended December 31, 2024 was ₩5,295 million (₩3,436 million in 2023).

20. Post-employment Benefits (cont'd)

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

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

Details of other short-term and long-term employee benefits as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short-term employee benefits	₩ 160,792,520	₩ 163,153,367
Other long-term employee benefits	20,374,427	18,503,872
	<u>₩ 181,166,947</u>	<u>₩ 181,657,239</u>

21. Issuance and Acquisition of Shares

A. The Company's total number of authorized shares is 300,000,000 shares. As of December 31, 2024, the Company has issued 158,437,008 ordinary shares (par value: ₩100 per share) and 9,507,713 treasury shares (excludes retired shares). The Company's share capital and share premium as of December 31, 2024 amount to ₩16,481,340 thousand and ₩132,920,605 thousand, respectively. The par value of outstanding shares amounting to ₩15,843,701 thousand differs from the share capital (₩16,481,340 thousand) due to the retirement of shares.

B. For the year ended December 31, 2024, the Company acquired 2,347,500 treasury shares for retirement of the treasury shares (acquisition cost: ₩405,123 million) and retired 3,971,586 treasury shares (acquisition cost: ₩333,599 million) accordingly. In addition, the Company disposed of 663,053 treasury shares (acquisition cost: ₩48,522 million) in relation to the exercise of employee stock options and the stock grants for the year ended December 31, 2024, recognizing a gain on disposal of treasury shares of ₩58,718 million.

22. Other Components of Equity

A. Other components of equity as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Treasury shares	₩ (875,629,791)	₩ (852,628,239)
Stock options	265,186,307	273,448,694
Loss on valuation of financial assets at fair value through other comprehensive income	(554,036,430)	(461,540,106)
Share of other comprehensive loss of associates and joint ventures	(1,463,341,270)	(1,856,684,103)
Revaluation surplus(*)	21,389,129	-
Gain on foreign exchange translation of overseas operations	690,279,328	328,045,272
Others	(28,071,916)	(28,071,916)
	<u>₩ (1,944,224,643)</u>	<u>₩ (2,597,430,398)</u>

(*) For the year ended December 31, 2024, as a result of a change in the intended use of certain assets, the Group reclassified some assets from property, plant, and equipment to investment properties. Upon fair value assessment, a revaluation surplus of ₩ 28,857 million (before tax effect) was recognized (see Note 14).

22. Other Components of Equity (cont'd)

B. Changes in treasury shares for each of the two years in the period ended December 31, 2024 are as follows:
(in number of shares)

	2024	2023
Beginning balance	11,794,852	14,067,367
Acquisition	2,347,500	-
Disposal (*)	(663,053)	(632,024)
Retirement	(3,971,586)	(1,640,491)
Ending balance	<u>9,507,713</u>	<u>11,794,852</u>

(*) Disposed due to exercise of stock options, provision of treasury shares (stock grants) and RSU.

23. Share-Based Payments

As of December 31, 2024, the Group entered into share-based payment agreements for the employees and directors of the Group upon the resolution of shareholders' meetings and the Board of Directors.

A. Stock option

(1) Equity-settled stock option

(A) Details of equity-settled stock options granted to employees as of December 31, 2024 are as follows:

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

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23. Share-Based Payments (cont'd)

	Granted on Mar. 27, 2020	Granted on Feb. 23, 2021	Granted on Feb. 23, 2021	Granted on Mar. 24, 2021
Granted shares	Shares of Naver corporation			
Vesting condition	More than three years of service from the grant date - Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	More than two years of service from the grant date	More than three years of service from the grant date	More than three years of service from the grant date
Exercisable period and condition		Five years from the exercisable date	Five years from the exercisable date	Five years from the exercisable date
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			
	Granted on Nov. 23, 2020	Granted on Oct. 7, 2021	Granted on Dec. 26, 2022	Granted on Feb. 28, 2023
Granted shares	Shares of WEBTOON Entertainment Inc			
Vesting condition	More than three years of service from the grant date - Initial public opening	More than three years of service from the grant date - Initial public opening	More than three years of service from the grant date - Initial public opening	More than three years of service from the grant date - Initial public opening
Exercisable period and condition	- Within 8 years from the grant date	- Within 8 years from the grant date	- Within 8 years from the grant date	- Within 8 years from the grant date
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			
	Granted on Nov. 22, 2023	Granted on Nov. 22, 2023	Granted on Jan. 15, 2024	Granted on May. 10, 2024
Granted shares	Shares of WEBTOON Entertainment Inc			
Vesting condition	More than three years of service from the grant date - Initial public opening	1/12 of consideration is vested every three month - Within 8 years from the grant date	More than three years of service from the grant date - Initial public opening	More than three years of service from the grant date - Initial public opening
Exercisable period and condition	- Within 8 years from the grant date		- Within 8 years from the grant date	- Within 8 years from the grant date
Authorized shares	Registered ordinary shares			
Granting method	Either issuance of shares or distribution of treasury shares			

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23. Share-Based Payments (cont'd)

	Granted on Sep. 30, 2022	Granted on Mar. 28, 2023	Granted on Mar. 26, 2024
Granted shares	Shares of Naver Financial Corporation		
Vesting condition	More than three years of service from the grant date	More than three years of service from the grant date	More than three years of service from the grant date
Exercisable period and condition	- IPO and market value over 10 trillion KRW	- IPO and market value over 10 trillion KRW	- IPO and market value over 10 trillion KRW
Authorized shares	Registered ordinary shares		
Granting method	Either issuance of shares or distribution of treasury shares		

(B) Changes in the number of equity-settled stock options and weighted average exercise prices for each of the two years in the period ended December 31, 2024 are as follows: (in number of shares)

	2024				
	Beginning unexercised balance	Granted	Exercised	Expired	Ending unexercised balance
Granted date					
Shares of Naver corporation					
2019.02.27	54,381	-	(4,596)	-	49,785
2019.03.22	366,410	-	(34,310)	-	332,100
2020.02.26	64,578	-	(1,960)	(583)	62,035
2020.02.26	726,400	-	(21,600)	(3,450)	701,350
2020.03.27	558,000	-	(12,200)	(6,000)	539,800
2021.02.23	72,927	-	-	(1,458)	71,469
2021.02.23	872,000	-	-	(15,000)	857,000
2021.03.24	672,000	-	-	(30,000)	642,000
	3,386,696	-	(74,666)	(56,491)	3,255,539
Weighted average exercise price (KRW)	₩ 267,765 ₩	- ₩	₩ 157,212 ₩	₩ 342,836 ₩	₩ 268,998
Shares of WEBTOON Entertainment Inc (*)					
2020.11.23	7,500,000	-	(67,159)	(43,050)	7,389,791
2021.10.07	842,430	-	(330)	(48,480)	793,620
2022.12.26	638,070	-	-	(20,970)	617,100
2023.02.28	99,210	-	-	-	99,210
2023.11.22	1,803,599	-	-	(12,990)	1,790,609
2024.01.15	-	1,500	-	-	1,500
2024.05.10	-	236,070	-	-	236,070
	10,883,309	237,570	(67,489)	(125,490)	10,927,900
Weighted average exercise price (USD)	USD 14 USD	22 USD	11 USD	16 USD	14
Shares of Naver Financial Corporation					
2022.09.30	405,120	-	-	(22,160)	382,960
2023.03.28	465,200	-	-	(25,700)	439,500
2024.03.26	-	380,000	-	(19,180)	360,820
	870,320	380,000	-	(67,040)	1,183,280

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Weighted average exercise price (KRW)	₩	93,250 ₩	93,250 ₩	- ₩	93,250 ₩	93,250
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(*) On June 26, 2024, the subsidiary WEBTOON Entertainment Inc conducted a stock split at a ratio of 30 shares per common share. The effect of the stock split has been retroactively applied to the beginning unexercised shares.

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

23. Share-Based Payments (cont'd)

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

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

WEBTOON Entertainment Inc								
	<u>Nov. 23,</u> <u>2020</u>	<u>Oct. 7,</u> <u>2021</u>	<u>Dec. 26,</u> <u>2022</u>	<u>Feb. 28,</u> <u>2023</u>	<u>Nov. 22,</u> <u>2023</u>	<u>Nov. 22,</u> <u>2023</u>	<u>Jan. 15,</u> <u>2024</u>	<u>May. 10,</u> <u>2024</u>
Risk-free interest rate	0.45	1.11	3.82	4.15	4.62	4.45	3.85	4.52
Expected maturity	5.5 years	5.5 years	5.5 years	5.5 years	3 years	5.5 years	5.5 years	5.5 years
Expected price volatility	61	57.37	31.50	31.70	32.20	35.10	35.20	34.60
Expected dividend yield	-	-	-	-	-	-	-	-
Stock price as of granted date	USD 11.03	USD 13.03	USD 32.30	USD 32.30	USD 20.33	USD 20.33	USD 20.33	USD 22.50
Fair value as of granted date	USD 5.86	USD 6.70	USD 11.80	USD 12.05	USD 5.61	USD 8.22	USD 8.00	USD 9.04
Exercise price	USD 11.03	USD 13.03	USD 32.30	USD 32.30	USD 20.33	USD 20.33	USD 20.33	USD 22.50

Naver Financial Corporation			
	<u>Sep. 30,</u> <u>2022</u>	<u>Mar. 28,</u> <u>2023</u>	<u>Mar. 26,</u> <u>2024</u>
Risk-free interest rate	2.75~5.54	3.06~3.49	3.30~3.45
Expected maturity	5.5 years	5.5 years	5.5 years
Expected price volatility	55.00	50.00	50.00
Expected dividend yield	-	-	-
Stock price as of granted date	₩ 81,833	₩ 87,750	₩ 91,103
Fair value as of granted date	₩ 12,018	₩ 7,655	₩ 2,687
Exercise price	₩ 93,250	₩ 93,250	₩ 93,250

In addition to the stock options mentioned above, the Group granted equity-settled stock options in regard to the shares in Snow Corporation, Cake Corporation, KREAM Corporation, MUNPIA INC, PROTON PARENT, INC., PAP Corporation and SODA inc., all of which are subsidiaries.

23. Share-Based Payments (cont'd)

(D) The amount of expenses recognized in relation to equity-settled stock options is ₩ 38,884 million (₩ 85,523 million in 2023).

(2) Cash-settled stock options

(A) Details of the cash-settled stock options granted as of December 31, 2024 are as the follows:

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

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

23. Share-Based Payments (cont'd)

(B) Changes in the number of cash-settled stock options and weighted average exercise prices for each of the two years in the period ended December 31, 2024 are as follows (in number of shares):

Granted date	2024				
	Beginning unexercised balance	Granted	Exercised	Expired	Ending unexercised balance
2019.02.27	69,191	-	(3,678)	-	65,513
2019.03.22	119,250	-	(16,700)	-	102,550
2020.02.26	36,639	-	(686)	(583)	35,370
2020.02.26	186,650	-	(2,000)	(4,150)	180,500
2020.03.27	92,000	-	(20,000)	-	72,000
2020.04.30	6,330	-	(159)	(106)	6,065
2020.04.30	67,733	-	(1,606)	(553)	65,574
2021.02.23	25,623	-	-	(810)	24,813
2021.02.23	260,608	-	-	(11,000)	249,608
2021.03.24	154,000	-	-	(20,000)	134,000
	1,018,024	-	(44,829)	(37,202)	935,993
Weighted average exercise price (KRW)	₩ 255,330 ₩	- ₩	160,826 ₩	348,746 ₩	256,143

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

23. Share-Based Payments (cont'd)

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

		<u>Feb. 26, 2020</u>	<u>Feb. 26, 2020</u>	<u>Mar. 27, 2020</u>	<u>Apr. 30, 2020</u>
Risk-free interest rate		2.75	2.62	2.64	2.73
Expected maturity		2.05 years	3.15 years	3.24 years	2.23 years
Expected price volatility		26.31	26.31	26.31	26.31
Expected dividend yield		0.35	0.35	0.35	0.35
Share price at the end of period	₩	198,900 ₩	198,900 ₩	198,900 ₩	198,900
Fair value of stock options at the end of period	₩	39,994 ₩	48,176 ₩	48,824 ₩	41,486
Exercise price	₩	186,000 ₩	186,000 ₩	186,000 ₩	186,000
		<u>Apr. 30, 2020</u>	<u>Feb. 23, 2021</u>	<u>Feb. 23, 2021</u>	<u>Mar. 24, 2021</u>
Risk-free interest rate		2.66	2.59	2.81	2.80
Expected maturity		3.33 years	3.05 years	4.15 years	4.23 years
Expected price volatility		26.31	26.31	26.31	26.31
Expected dividend yield		0.35	0.35	0.35	0.35
Share price at the end of period	₩	198,900 ₩	198,900 ₩	198,900 ₩	198,900
Fair value of stock options at the end of period	₩	49,516 ₩	7,043 ₩	12,457 ₩	10,840
Exercise price	₩	186,000 ₩	362,500 ₩	362,500 ₩	384,500

(D) The amount of income recognized in relation to cash-settled stock options is ₩3,557 million for the year ended December 31, 2024 (₩55,935 million of expenses for the year ended December 31, 2023).

B. Treasury share payment (stock grant)

The Group distributed treasury shares amounting to ₩ 78,940 million without consideration to employees for the year ended December 31, 2024 (in number of shares and Korean won):

		<u>Issued on Jan. 2,</u>	<u>Issued on Jul. 1, 2024</u>
		<u>2024</u>	
Distribution value per share	₩	227,500 ₩	162,900
Total number of shares distributed		170,397	246,620

23. Share-Based Payments (cont'd)

C. Restricted Stock Unit

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

	<u>Issued on May. 31, 2022</u>	<u>Issued on Mar. 31, 2023</u>
Granted shares	Common shares of Naver corporation	Common shares of Naver corporation
Total number of RSU	247,254 shares	369,672 shares
Total amount of RSU	₩ 62,603 million (Stock price as of granted date: ₩ 288,000)	₩ 66,608 million (Stock price as of granted date: ₩ 202,000)
Exercise price	Nil (Exercise price under current shared-based payments system: nil)	Nil (Exercise price under current shared-based payments system: nil)
Vesting condition	Servicing at the exercisable date and meeting some market conditions	Servicing at the exercisable date and meeting some market conditions
Exercisable date	Payment effect of RSU will occur on March 31, 2023, March 31, 2024 and March 31, 2025	Payment effect of RSU will occur on March 31, 2024, March 31, 2025 and March 31, 2026
	<u>Issued on Mar. 31, 2024</u>	<u>Issued on Jul. 31, 2024</u>
Granted shares	Common shares of Naver corporation	Common shares of Naver corporation
Total number of RSU	173,158 shares	254,066 shares
Total amount of RSU	₩ 21,554 million (Stock price as of granted date: ₩ 187,400)	₩ 44,207 million (Stock price as of granted date: ₩ 174,000)
Exercise price	Nil (Exercise price under current shared-based payments system: nil)	Nil (Exercise price under current shared-based payments system: nil)
Vesting condition	Servicing at the exercisable date and meeting some market conditions	Servicing at the exercisable date and meeting some market conditions
Exercisable date	Payment effect of RSU will occur on March 31, 2025, March 31, 2026 and March 31, 2027	Payment effect of RSU will occur on March 31, 2025, March 31, 2026 and March 31, 2027
	<u>Issued in 2024</u>	
Granted shares	Common shares of WEBTOON Entertainment Inc	
Total number of RSU	2,783,197 shares	
Exercise price	Nil (Exercise price under current shared-based payments system: nil)	
Vesting condition	Servicing at the exercisable date and (or) meeting financial performance requirements	

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

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

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Naver Corporation				
	Mar. 31, 2024	Mar. 31, 2024	Jul 31, 2024	
Risk-free interest rate	3.29	3.29	-	
Expected maturity	3 years	3 years	-	
Expected price volatility	25.00	25.00	-	
Expected dividend yield	0.20	0.20	-	
Stock price as of granted date	₩ 187,400	₩ 187,400	₩ 174,000	
Fair value as of granted date	₩ 104,944	₩ 136,802	₩ 174,000	

(3) The amount of expenses recognized in relation to RSU is ₩ 103,492 million (₩ 49,909 million in 2023).

24. Retained Earnings

Retained earnings as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024	December 31, 2023
Legal reserves(*)	₩ 8,240,670	₩ 8,240,670
Voluntary reserves	13,909,234	13,909,234
Retained earnings before appropriation	<u>25,942,811,657</u>	<u>24,522,209,147</u>
	<u>₩ 25,964,961,561</u>	<u>₩ 24,544,359,051</u>

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

25. Operating Expenses

Details of operating expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Salaries and wages(*)	₩ 1,809,623,702	₩ 1,701,418,940
Share-based payment expenses	138,820,103	191,366,696
Employee benefits	276,923,543	283,092,999
Travel	18,412,380	17,262,223
Depreciation	401,190,497	318,745,708
Depreciation of right-of-use assets	207,389,297	209,266,600
Amortization	64,935,803	54,327,054
Communication	244,019,198	225,474,382
Utility	44,143,944	32,880,754
Taxes and dues	31,290,294	32,970,647
Rental	7,904,834	9,977,248
Commission	3,652,946,464	3,425,214,365
Advertising	1,599,360,016	1,479,801,562
Insurance	4,435,212	2,556,601
Freight	58,766,395	46,054,880
Supplies	22,935,677	14,500,608
Training	11,647,566	8,807,522
Others	163,710,901	128,104,518
	<u>₩ 8,758,455,826</u>	<u>₩ 8,181,823,307</u>

(*) Expenses related to stock grants amounting to ₩ 80,180 million for the year ended December 31, 2024 (₩ 80,462 million in 2023) are included.

26. Other Income and Other Expenses

A. Details of other income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Rental income	₩ 3,491,703	₩ 836,340
Foreign currency exchange gain	38,249,116	61,815,043
Gain on disposal of property, plant and equipment	5,316,723	2,897,328
Gain on disposal of intangible assets	-	210,979
Gain on disposal of right-of-use-assets	123,217,574	655,561
Gain on disposal of investments in subsidiaries	509,393,614	67,695,975
Gain on disposal of investments in associates	31,826,021	53,019,427
Others	21,037,855	19,357,687
	<u>₩ 732,532,606</u>	<u>₩ 206,488,340</u>

26. Other Income and Other Expenses (cont'd)

B. Details of other expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024		2023
Foreign currency exchange loss	₩ 213,308,401	₩	101,427,971
Social contribution expenses	52,488,516		74,870,451
Miscellaneous loss	8,574,447		27,287,299
Non-operating commission	18,432,591		11,288,158
Impairment loss on investments in associates and joint ventures	56,992,785		20,988,964
Impairment loss on intangible assets	150,200,046		34,221,915
Loss on disposal of investments in subsidiaries	3,569,002		1,561,870
Loss on disposal of investments in associates	60,008,479		120,401,195
Others	24,900,438		8,957,837
	<u>₩ 588,474,705</u>	₩	<u>401,005,660</u>

27. Finance Income and Finance Costs

A. Details of finance income for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024		2023
Dividend income	₩ 20,457,869	₩	35,691,552
Gain on foreign currency exchange	100,093,110		50,160,479
Gain on valuation of financial assets at fair value through profit or loss	323,086,902		264,360,615
Gain on valuation of financial liabilities at fair value through profit or loss	13,471,793		150,358,039
Gains on of derivative transactions	2,543,085		1,634,500
	<u>₩ 459,652,759</u>	₩	<u>502,205,185</u>

B. Details of finance costs for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024		2023
Interest expenses	₩ 104,881,380	₩	127,077,551
Loss on foreign currency exchange	72,058,828		53,271,413
Loss on valuation of financial assets at fair value through profit or loss	329,798,630		474,727,748
Loss on valuation of financial liabilities at fair value through profit or loss	63,315,669		14,705,041
Loss on derivative transactions	573,185		3,446,800
Others	8,238,370		9,538,960
	<u>₩ 578,866,062</u>	₩	<u>682,767,513</u>

28. Income Tax Expense

A. Income tax expense for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Current tax		
Current tax on profit for the year	₩ 614,165,000	₩ 628,468,876
Adjustments for current tax attributable to prior years	1,588,673	8,895,199
Deferred tax		
Origination and reversal of temporary differences	(229,036,295)	(143,157,753)
Effect of changes in income tax rate	3,490,740	2,172,233
Income tax expense	<u>₩ 390,208,118</u>	<u>₩ 496,378,555</u>

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

	2024	2023
Profit before income tax expense	₩ 2,322,184,491	₩ 1,481,396,318
Income tax expense at statutory tax rates applicable to profits in the respective countries	668,665,370	380,608,231
Adjustments		
Income not taxable	(199,918,926)	(25,766,003)
Expenses not deductible for tax purposes	22,985,864	43,981,043
Tax credits	(17,742,115)	(1,511,683)
Changes in unrealizable deferred tax asset	(140,545,077)	59,809,111
Adjustments for current tax attributable to prior years	1,588,673	8,895,199
Change in deferred tax attributable to the corporate tax rate	3,490,740	2,172,233
Effects of tax on non-distributed proceeds	-	417,367
Effects of consolidated tax return	(183,134)	(1,639,802)
Global minimum tax payable	2,671,649	-
Others	49,195,074	29,412,859
Income tax expense	<u>₩ 390,208,118</u>	<u>₩ 496,378,555</u>

The effective tax rate of the Group was 16.80% for the year ended December 31, 2024 (33.51% in 2023).

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28. Income Tax Expense (cont'd)

C. Income tax effect relating to components of other comprehensive income (loss) for each of the two years in the period ended December 31, 2024 is as follows (Korean won in thousands):

	2024			2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (124,898,250)	₩ 30,990,863	₩ (93,907,387)	₩ 42,950,127	₩ (11,414,699)	₩ 31,535,428
Remeasurements of the net defined benefit liabilities	(54,926,547)	13,736,466	(41,190,081)	88,384,773	(21,546,133)	66,838,640
Revaluation surplus	28,857,432	(7,468,303)	21,389,129	-	-	-
Gain on foreign exchange translation of overseas operations (*)	426,508,290	-	426,508,290	151,777,835	-	151,777,835
Shares of other comprehensive income of associates and joint ventures(*)	411,870,610	(17,898,455)	393,972,155	(554,753,743)	39,024,576	(515,729,167)
	<u>₩ 687,411,535</u>	<u>₩ 19,360,571</u>	<u>₩ 706,772,106</u>	<u>₩ (271,641,008)</u>	<u>₩ 6,063,744</u>	<u>₩ (265,577,264)</u>

(*) The Group did not recognize deferred tax assets and liabilities for gain on foreign exchange translation of overseas operations and share of other comprehensive income of subsidiaries and associates that arise from the investment in subsidiaries and associates not held for sale as of December 31, 2024.

D. Income tax effects that are charged or credited directly to equity for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024			2023		
	Before tax	Tax effect	After tax	Before tax	Tax effect	After tax
Gain (loss) on disposal of treasury shares	₩ 79,234,600	₩ (20,516,612)	₩ 58,717,988	₩ 77,325,622	₩ (20,059,552)	₩ 57,266,070
Gain (loss) on disposal of financial assets at fair value through other comprehensive income	(11,326,188)	3,241,217	(8,084,971)	5,618,319	(689,574)	4,928,745
Stock options	(8,174,449)	(87,938)	(8,262,387)	69,522,344	(1,303,888)	68,218,456
	<u>₩ 59,733,963</u>	<u>₩ (17,363,333)</u>	<u>₩ 42,370,630</u>	<u>₩ 152,466,285</u>	<u>₩ (22,053,014)</u>	<u>₩ 130,413,271</u>

E. The analysis of deferred tax assets and liabilities as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deferred tax assets		
Deferred tax asset to be recovered within 12 months	₩ 177,506,637	₩ 165,748,959
Deferred tax asset to be recovered after more than 12 months	<u>389,487,750</u>	<u>276,217,651</u>
	566,994,387	441,966,610
Deferred tax liabilities		
Deferred tax liability to be recovered within 12 months	(85,090,792)	(86,524,361)
Deferred tax liability to be recovered after more than 12 months	<u>(936,002,019)</u>	<u>(1,025,484,194)</u>
	<u>(1,021,092,811)</u>	<u>(1,112,008,555)</u>
Deferred tax assets (liabilities), net	<u>₩ (454,098,424)</u>	<u>₩ (670,041,945)</u>

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28. Income Tax Expense (cont'd)

F. Changes in deferred tax assets and liabilities for each of the two years in the period ended December 31, 2024 without taking into consideration the offsetting of balances within the same tax jurisdiction are as follows (Korean won in thousands):

	2024						
	Beginning balance	Statement of profit or loss	Other comprehensive Income (loss)	Equity	Business combination and disposal	Difference in exchange rates	Ending balance
Deferred income tax liabilities							
Financial assets at fair value through profit or loss	₩ (96,418,272)	₩ 17,577,622	₩ -	₩ -	₩ -	₩ 21	₩ (78,840,629)
Investments in subsidiaries and associates	(883,430,363)	37,296,403	(17,898,455)	-	-	-	(864,032,415)
Revaluation surplus	-	-	(7,468,303)	-	-	-	(7,468,303)
Others	(132,159,920)	90,601,759	-	-	(28,762,425)	(430,878)	(70,751,464)
	(1,112,008,555)	145,475,784	(25,366,758)	-	(28,762,425)	(430,857)	(1,021,092,811)
Deferred income tax assets							
Financial assets at fair value through other comprehensive income	163,555,924	(878,801)	30,990,863	-	-	(1,857)	193,666,129
Provision for impairment	6,556,156	16,201,705	-	-	-	2,429	22,760,290
Intangible assets	8,204,395	(7,373,725)	-	-	-	(121)	830,549
Accrued expenses	88,959,170	19,763,022	-	-	-	39,676	108,761,868
Unearned revenues	34,104,647	7,123,734	-	-	-	-	41,228,381
Net defined benefit liabilities	139,587,044	33,354,738	13,736,466	-	-	-	186,678,248
Tax losses and tax credit carryforward	570,883	11,908,200	-	-	-	278,488	12,757,571
Stock options	428,391	(29,102)	-	(87,938)	-	-	311,351
	441,966,610	80,069,771	44,727,329	(87,938)	-	318,615	566,994,387
Deferred income tax assets(liabilities), net							
	₩ (670,041,945)	₩ 225,545,555	₩ 19,360,571	₩ (87,938)	₩ (28,762,425)	₩ (112,242)	₩ (454,098,424)

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28. Income Tax Expense (cont'd)

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

G. The Group did not recognize deferred tax assets and liabilities for the deductible temporary differences amounting to ₩ 2,876,941 million (₩ 3,017,350 million in 2023) and taxable temporary differences amounting to ₩ 2,032,984 million (₩ 1,776,362 million in 2023) from the investments in subsidiaries and associates which are not held for sale, respectively, and did not recognize deferred tax assets for tax losses amounting to ₩ 1,506,525 million (₩ 2,717,065 million in 2023) which are not recoverable because of the uncertainty of future taxable income of the subsidiaries.

H. The Group is subject to the global minimum tax under Pillar Two Model Rules.

Among the jurisdictions where the Group's subsidiaries are located, the effective tax rates in the United Kingdom and Australia are below 15%, resulting in additional tax liabilities under the global minimum tax rules. The additional amount recognized as income tax expense during the current period totals ₩2,671,649 thousand.

As the Group applies the temporary exception providing relief from accounting for deferred taxes in relation to Pillar Two income taxes, any Pillar Two income tax charges shall be accounted for as current income tax as incurred.

29. Earnings per Share

A. Basic earnings per share for each of the two years in the period ended December 31, 2024 are as follows:

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

	2024	2023
Profit attributable to the controlling shareholders of the Group	₩ 1,923,237,257	₩ 1,012,321,528
Less: dividend on preferred shares	<u>(10,336,955)</u>	<u>(10,352,931)</u>
	₩ 1,912,900,302	₩ 1,001,968,597
Weighted average number of ordinary shares outstanding	150,593,639	150,427,724
Basic earnings per share (in Korean won)	₩ 12,702	₩ 6,661

B. Weighted average numbers of ordinary shares outstanding for each of the two years in the period ended December 31, 2024 are calculated as follows (in number of shares):

	2024	
	Numbers of ordinary shares outstanding	Cumulative shares
Beginning balance	150,613,742	55,124,629,572
Acquisitions of treasury shares	(2,347,500)	(175,540,000)
Disposal of treasury shares	<u>663,053</u>	<u>168,182,623</u>
		<u>55,117,272,195</u>

(*) Weighted average number of ordinary shares outstanding: $55,117,272,195 \div 366 \text{ days} = 150,593,639 \text{ shares}$

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

(*) Weighted average number of ordinary shares outstanding: $54,906,119,275 \div 365 \text{ days} = 150,427,724 \text{ shares}$

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

	2024	2023
Profit attributable to the ordinary shareholders of the Group	₩ 1,912,900,302	₩ 1,001,968,597
Increase (decrease) in profit (loss) to reflect dilutive effect resulting from assumed conversion of potential ordinary shares	<u>(17,295,840)</u>	<u>(9,910,524)</u>
	₩ 1,895,604,462	₩ 992,058,073
Weighted average number of ordinary shares outstanding	150,593,639	150,427,724
Adjustments		
Stock option	<u>409,077</u>	<u>425,705</u>
Weighted average number of ordinary shares outstanding to calculate diluted earnings per share	151,002,716	150,853,429
Diluted earnings per share (in Korean won)	₩ 12,553	₩ 6,576

30. Dividends

A. Annual dividend (Record date: February 28, 2025 and December 31, 2023)

	2024	2023
Shares eligible for dividends(*)	149,058,997 Shares	150,613,742 Shares
Dividends per share (Korean won)	₩ 1,130	₩ 790
Cash dividends (Korean won in thousands)	₩ 168,436,667	₩ 118,984,856

(*) At the 25th Annual General Meeting of Shareholders, the Company amended its Articles of Incorporation to separate the record date for voting rights from the record date for dividends. The cash dividend record date for the 26th fiscal year is February 28, 2025.

B. Interim dividend (Record date: August 2, 2023)

The interim dividend on ordinary shares of ₩ 62,398 million was paid on August 22, 2023, upon the resolution of the Board of Directors on August 2, 2023. Meanwhile, no interim dividends were paid during the year ended December 31, 2024.

	2023
Shares eligible for dividends	150,355,868 Shares
Dividends per share (Korean won)	₩ 415
Cash dividends (Korean won in thousands)	₩ 62,397,685

31. Cash flow statements

A. Details of cash generated from operating activities and changes in assets and liabilities from operating activities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Profit for the year	₩ 1,931,976,373	₩ 985,017,762
Adjustments:		
Bad debt expense	11,698,853	4,727,294
Other bad debt expenses	16,564,844	2,350,267
Depreciation	401,190,497	318,745,708
Loss on valuation of investment properties	2,598,311	-
Depreciation of right-of-use assets	207,389,297	209,266,600
Amortization	64,935,803	54,327,054
Gain on foreign currency translation	(105,101,732)	(106,041,629)
Loss on foreign currency translation	221,815,676	59,681,150
Gain (loss) on foreign exchange	18,405,194	15,906,448
Gain on disposal of property, plant and equipment	(5,316,723)	(2,897,328)
Loss on disposal of property, plant and equipment	3,158,564	3,543,505
Impairment loss on property and equipment	-	2,784,252
Gain on disposal of right-of-use assets	(123,217,574)	(1,075,713)
Loss on disposal of right-of-use assets	2,489,369	-
Gain on disposal of intangible assets	-	(210,979)
Loss on disposal of intangible assets	81,918	27,446
Reversal of impairment losses on intangible assets	141,603,351	29,225,770
Gain on valuation of financial assets and liabilities at fair value through profit or loss	(336,558,695)	(389,357,004)
Loss on valuation of financial assets and liabilities at fair value through profit or loss	393,114,299	470,118,132
Gain on disposal of financial assets at fair value through profit or loss	-	(25,361,650)
Loss on disposal of financial assets at fair value through profit or loss	-	19,314,657
Gain on disposal of investments in associates and joint ventures	(541,219,635)	(120,715,402)
Loss on disposal of investments in associates and joint ventures	63,577,480	121,963,065
Impairment loss on investments in associates and joint ventures	56,992,785	20,988,964

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Share of profit of associates and joint ventures	(265,972,439)	(377,329,627)
Share of loss of associates and joint ventures	121,451,212	110,785,067
Share-based payment expenses	219,000,471	271,828,936
Post-employment benefits	136,265,110	156,887,500
Interest income	(173,555,227)	(101,111,135)
Interest expenses	104,881,380	127,077,551
Dividend income	(20,457,869)	(35,691,552)
Income tax expenses	390,208,118	496,378,555
Income with no other cash inflows	(3,052,075)	(9,757,728)
Change in operating assets and liabilities, net:		
Trade receivables	(2,827,538)	42,765,339
Inventories	(13,386,198)	(2,245,873)
Other receivables	133,998,000	(149,337,263)
Other current assets	6,157,640	41,830,522
Other non-current assets	(32,099,029)	(27,859,473)
Other payables	(237,339,932)	347,898,285
Long-term other payables	(14,057,825)	(1,099,704)
Accrued expenses	(30,089,765)	(200,499,292)
Long-term accrued expenses	(24,119,837)	(35,929,835)
Other current liabilities	379,830,806	393,003,402
Provisions	8,090,097	(41,766,101)
Net defined benefit liabilities	(21,810,691)	(5,412,250)
Others	(72,617)	(583,128)
	<u>₩ 3,087,220,047</u>	<u>₩ 2,672,160,565</u>

B. Significant transactions not affecting cash flows for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Reclassification of construction in progress	₩ 47,531,219	₩ 729,560,090
Other payables arising from acquisitions of property, plant and equipment	67,647,081	79,623,031
Increase in right-of-use assets	53,053,040	184,178,151
Other payables arising from acquisitions of intangible assets	849,703	120,930
Reclassification of current portion of long-term borrowings and debentures	257,565,943	445,862,173

C. Changes in liabilities arising from financing activities for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024							
	Liabilities from financing activities							
	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Dividend payable	Others	Total
Beginning balance	₩ 333,041,315	₩ 192,923,827	₩ 993,600,443	₩ 1,905,681,153	₩ 753,636,770	₩ -	₩ 715,214,731	₩ 4,894,098,239
Cash flows - proceeds	69,282,376	-	185,000,000	199,320,560	-	-	53,640,601	507,243,537
Cash flows - repayment	(280,100,349)	(252,536,610)	(79,902,083)	(250,000,000)	(227,133,188)	(118,984,856)	(3,642,062)	(1,212,299,148)
Recognized for the year	-	-	-	-	50,710,702	118,984,856	-	169,695,558
Current portion reclassification	-	257,565,943	(257,565,943)	-	-	-	-	-
Disposal	-	-	-	-	(3,989,409)	-	-	(3,989,409)
Changes in scope of consolidation	634,640	(83,160)	(24,960)	-	-	-	(197,751,216)	(197,224,696)
Amortization	-	-	-	3,210,879	-	-	-	3,210,879
Valuation	-	-	-	-	-	-	50,417,061	50,417,061
Others(*)	12,531,928	2,130,000	21,952,511	149,076,124	22,907,282	-	(14,048,465)	194,549,380
Ending balance	<u>₩ 135,389,910</u>	<u>₩ 200,000,000</u>	<u>₩ 863,059,968</u>	<u>₩ 2,007,288,716</u>	<u>₩ 596,132,157</u>	<u>₩ -</u>	<u>₩ 603,830,650</u>	<u>₩ 4,405,701,401</u>

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

31. Cash flow statements (cont'd)

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

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

32. Commitments and Contingencies

A. As of December 31, 2024, the Group has borrowing agreements with Kookmin Bank and 6 other Korean financial institutions, with an aggregated credit limit up to ₩ 705,000 million and an agreement on leased assets with KB Kookmin Card Co., Ltd. up to ₩ 384,142 million. Also, the Group has borrowing agreements with Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank and 4 others with an aggregated credit limit up to JPY 97,160 million and USD 180 million.

B. As of December 31, 2024, the Group is provided with guarantees of ₩ 237,812 million from Seoul Guarantee Insurance Company, Korea Software Financial Cooperative and others in relation to the performance guarantee, and guarantees of ₩ 1,013 million (available up to ₩ 4,900 million) from Shinhan Bank in relation to the payment guarantee. Also, the Group provides investments of ₩ 3,435 million as collaterals for payment guarantee from Korea Software Financial Cooperative.

C. As of December 31, 2024, customers' advance payments of ₩ 162,541 million, classified as cash and cash equivalents, are trusted to Shinhan Bank in accordance with the 'Guidelines for electronic financial service provider to protect user funds'.

D. As of December 31, 2024, the Group has entered into an agreement to compensate for some of the losses due to uncollected loans in relation to MIRAE ASSET CAPITAL CO., LTD.'s loans to small business owners.

E. As of December 31, 2024, the Group has entered into an agreement to allow deferred payment to be repaid at a later date only to subscribers of the Group's deferred payment service in accordance with the designation of innovative finance by the Financial Services Commission. The limit for the unused portion (off-balance sheet account) amount to ₩ 188,981 million as of December 31, 2024.

F. As of December 31, 2024, the Group has entered into a construction contract amounting to ₩ 482,091 million (outstanding amount: ₩ 40 million) with HYUNDAI ENGINEERING & CONSTRUCTION CO., LTD. in relation to a construction of cloud data center and others. Also, the Group has entered into contracts to acquire land amounting to ₩ 51,000 million (outstanding amount: ₩ 100 million).

32. Commitments and Contingencies (cont'd)

G. As of December 31, 2024, the Group is a defendant in 41 lawsuit cases filed with regard to patent infringement and compensation for damages (aggregate amount of the lawsuits: ₩ 9,143 million), and the Group is a plaintiff in 12 lawsuit cases filed with regard to compensation for damages (aggregate amount of the lawsuits: ₩ 29,473 million). The outcome of these cases is uncertain as of the reporting date, and the Group's management recognizes the provision in relation to the potential loss if these cases meet the condition for the recognition of the provision.

H. Details of significant capital commitments contracted in relation to funds owned by the Group as of December 31, 2024 are as follows (Korean won in thousands):

	Currency	Agreed amount	Accumulated investment	Outstanding amount
Vista Equity Partners Fund VIII-A, L.P.	USD	50,000,000	17,062,665	32,937,335
K-Fund II	EUR	100,000,000	80,898,845	19,101,155
General Atlantic Investment Partners 2021 LP	USD	150,000,000	133,797,813	16,202,187
TBT Global Growth Fund III	KRW	25,000,000	15,000,000	10,000,000
Mirae Asset-Naver Asia Growth Investment Pte. Ltd.	KRW	500,000,000	490,761,782	9,238,218

I. As of December 31, 2024, the Group has entered into executives and employees' group injury insurance and others with KB insurance Co., Ltd. and other insurers.

J. As of December 31, 2024, the Group holds shares of CJ Logistics Corporation, CJ ENM Co., Ltd. and Studio Dragon Corporation to reinforce and maintain strategic partnership with CJ corporate group affiliates. The shares acquired by the Group are subject to the right of first refusal agreement and call option agreement concluded between the Group and counterparties.

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

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

M. As of December 31, 2024, the Group provides time deposits of ₩ 57,200 million as collaterals for the employees' loans from financial institutions, JPY 1,250 million as collaterals for the Japanese electronic money. In addition, long and short-term financial instruments amounting to ₩ 13,760 million is deposited for shared corporate growth program, ₩ 35,973 million are pledged for the leasehold deposits. ₩ 1,800 million are pledged to Shinhan Bank for payment guarantees in relation to Naver Pay service and others; ₩ 500 million are pledged for restoration of leasehold facilities; and ₩ 400 million are pledged to Nonghyup Bank for the credit line with Nonghyup Card. As of December 31, 2024, the above financial instruments are restricted in use.

N. As of December 31, 2024, the Group entered into a mutual agreement on the right of first refusal and call option in relation to the Group's investments in MIRAE ASSET SECURITIES CO., LTD. (exchange of treasury shares). Sale of the shares held by the Group is restricted for a certain period.

O. In relation to the investments in Tving Co., Ltd. held by the Group, as of December 31, 2024, the Group has drag-along right that is exercisable in accordance with the contract terms. Sale of the shares held by the Group is restricted for a certain period.

32. Commitments and Contingencies (cont'd)

P. As of December 31, 2024, the Group and WEVERSE COMPANY Inc., the associate of the Group, have entered into an agreement on the right of first refusal and call option in relation to the acquisition of shares of WEVERSE COMPANY Inc. WEVERSE COMPANY Inc. can request the Group to sell its shares if certain conditions are satisfied. Sale of the shares held by the Group is restricted for a certain period.

Q. The Group grants put options that give investors the right to sell all or part of their shares to the Group in the event of a significant negative impact on the Group due to significant breach of contract or law in relation to certain RCPS (issue price: ₩ 345,803 million) issued by the Group.

R. In relation to RCPS issued by Playlist Corporation, an associate (issue price: ₩ 44,455 million), the Group grants put options that give investors the right to sell all or part of their shares to the Group in the event of a significant negative impact on the Group due to significant breach of contract or law.

S. In relation to shares in PROTON PARENT, INC., the Group grants put options that give non-controlling shareholder the right to sell all or part of their shares to the Group under the condition that certain criteria are met. The Group recognizes ₩ 14,494 million related thereto as "other payables" as of December 31, 2024.

T. The Group grants put options that give Premier Luna the right to sell all of the investment shares held by Premier Luna at a certain price if the Group neglects its duties as a major shareholder in connection with listing securities of MUNPIA INC. in public under a shareholders' agreement entered into with Premier Luna Inc.

U. Based on the resolution of the Board of Directors on February 1, 2024, the Group entered into a ₩ 100 billion loan agreement with NAVER Z CO., LTD., an associate of the Group. As of December 31, 2024, the Group has lent ₩ 60 billion under this agreement and plans to determine whether to provide an additional loan of ₩ 40 billion in 2025 depending on whether certain contractual conditions are met.

V. Other than those described in Note 32, as of December 31, 2024, the Group has entered into agreements that allow the Group to exercise the right of first refusal and drag-along right in relation to investments in associates and joint ventures, such as YN CULTURE & SPACE, Carousell Pte Ltd, J Peul Media Co., Ltd., and A2Z Inc.

33. Related Party Transactions

A. Details of subsidiaries as of December 31, 2024 and 2023 are described in Note 1.A, and details of associates and joint ventures as of December 31, 2024 and 2023 are described in Note 15.A.

B. Details of other related parties that have sales and other transactions or outstanding receivables/payables balances with the Group as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Other (*)	NAVER Connect Foundation, THE HAPPYBEAN FOUNDATION, DOHANDS Co., MESHKOREA Co., Studio Swing Bat Co., Ltd., Studio Pat Co., Ltd., HD Junction, Inc., FASSTO, NAVER Connect Foundation, Astron Security Co., Ltd., LINE Games Corporation, MYSTIC Story Inc., N3CLOUD INC., HUNIVERSE GLOBAL Co., Ltd.	ESPRESSO MEDIA CO., LTD., Lunasoft corp., MYSTIC Story Inc., Studio Pat Co., Ltd., HD Junction, Inc., Contents First Inc., MESHKOREA Co., Ltd., Studio Swing Bat Co., Ltd., DOHANDS Co.,Ltd Ubob Inc., LINE Games Corporation, THE HAPPYBEAN FOUNDATION, NAVER Cultural Foundation, NAVER Connect Foundation, FASSTO, Pig Inc., HUNIVERSE GLOBAL Co., Ltd., Astron Security Co., Ltd.

(*) Although these entities are not related parties of the Group in accordance with KIFRS 1024, they either belong to the same large-scale business group according to the *Monopoly Regulation and Fair Trade Act* or are the entities issuing compound financial instruments over which the Group is able to exercise significant influences.

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33. Related Party Transactions (cont'd)

C. Transactions with the related parties including operating revenues and operating expenses for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024			
	Operating revenue and others(*3)	Operating expenses and others(*3)	Purchase of non-current assets	Disposal of non-current assets
Associate:				
LY Corporation(*2)	₩ 213,395,132	₩ 84,084,352	₩ -	-
NAVER Z CO.,LTD.	9,489,872	46,130	1,916,080	22,237
Goodus Data, Inc.(*4)	7,704,835	2,374,549	-	-
LINE Plus Corporation(*2)	4,737,174	4,280,757	-	2,090
WEVERSE COMPANY Inc.	3,597,884	-	-	1,057,853
LINE Pay Plus Corporation(*2)	1,959,404	-	-	-
PayPayCorporation(*2)	1,910,005	683,549	-	-
IPX Corporation(*2)	1,331,387	25,110	-	-
Studio Paran Inc.	1,255,709	3,266,125	-	-
Cafe24 Corp.	1,158,480	25,704,918	-	-
LOCUS CORPORATION	808,444	6,252	-	-
LINE Taiwan Limited(*2)	482,876	2,077,742	-	-
PT Karunia Internasional Citra Kencana	474,151	209,336	-	-
REDICE Studio Inc.(*2)	432,313	13,246,304	-	-
Studio Mul Co., Ltd	426,924	3,103,129	-	-
LINE Company (Thailand) Limited(*2)	367,772	1,083,506	-	-
ZaiZai Entertainment Corp.(*2)	309,396	15,794	-	-
LINE Pay Corporation(*2)	302,619	26,376	-	-
Reverse Corp(*2)	274,040	8,303,589	-	-
LINE STUDIO Corporation(*2)	256,849	71,373	-	-
Sam Studio Co., Ltd.	255,892	873,899	-	-
LINE Biz Plus Corporation(*2)(*4)	231,101	-	-	-
LINE Financial Corporation(*2)	220,026	-	-	-
IZE PRESS LLC.(*2)	219,571	-	-	-
SGRSOFT Co., Ltd.	160,631	333,987	-	-
The Grimm entertainment Co.,Ltd	149,019	13,095,124	-	-
LINE Pay Taiwan Limited(*2)	137,185	1,423	-	-
J Peul Media Co., Ltd.	134,697	9,099,732	-	-
Big Picture Comics Co., Ltd.	125,482	1,130,667	-	-
Beijing Metaverse China Technology Corporation(*2)	120,094	276,579	-	-
BY4M Studio Co., Ltd.	111,076	244,120	-	-
Studio 389 Co., Ltd.	108,146	3,168,374	-	-
Studio hohoe Co.,Ltd.	107,497	1,299,824	-	-
Playlist Corporation	104,653	2,743,394	-	-
Yumi studio Co., Ltd.	104,496	1,023,757	-	-
ROKMEDIA(*2)	95,127	2,269,132	-	-
Only Won Entertainment Co., Ltd	65,713	877,631	-	-
YLAB CORPORATION	62,169	7,595,913	-	-
JQ COMICS Co., Ltd.	49,329	2,772,599	-	-
SYNAP SOFT CORP.(*4)	35,780	250,000	-	-
Vi-Frost	18,705	218,575	-	-
LY Communications Corporation(*2)	12,452	8,971,940	-	-
Chicment Co., Ltd.	9,912	564,053	-	-
Su Comics Co., Ltd.	9,284	220,063	-	-
GEULGGUN	8,828	229,483	-	-
Purpleduck Corp.	4,834	194,630	-	-
Onestore Co., Ltd.	2,856	1,697,909	-	-
SpringCamp Inc.	1,610	626,431	-	-
Studio Horang Co., Ltd.	477	17,500	200,000	-
Arointech inc	447	728,012	-	-
Studio1991	74	1,006,180	-	-
No.9 Inc.	-	307,893	-	-
BravoBeaver Incheon Corp.	-	431,808	-	-
Z Intermediate Global Corporation(*2)	-	471,273	-	-
PT.LINE PLUS INDONESIA(*2)	-	591,653	-	-
Noi Co., Ltd. (*2)	-	671,184	-	-
Makma	-	702,975	-	-
Breathe Company Corporation(*2)	-	715,628	-	-

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Others	318,954	256,573	-	-
Joint venture:				
Cineplay Co., Ltd	1,309	754,200	-	-
Inter Biz Co., Ltd.	699	427,398	-	-
Animal and Human Story Co., Ltd.	58	794,165	-	-
Tech Plus Co., Ltd.(*4)	6	358,000	-	-
Law&Media Co., Ltd.	-	321,338	-	-
Sseom Lab Co., Ltd.	-	340,500	-	-
School Jaem Co., Ltd.	-	454,149	-	-
Agro Plus Co., Ltd.	-	601,917	-	-
Designpress Co., Ltd.	-	613,052	-	-
Yeopeul Co., Ltd.	-	627,200	-	-
China Lab Co.,Ltd.	-	865,161	-	-
Others	29,883	47,370	-	-
Other:				
NAVER Connect Foundation(*1)	6,558,532	10,332,300	-	-
N3CLOUD INC.	1,875,638	163,551	-	-
THE HAPPYBEAN FOUNDATION (*1)(*5)	1,517,346	8,000,909	-	164,814
Contents First Inc.	1,093,686	933,021	-	-
LINE Games Corporation(*1)	158,372	-	-	-
NAVER Cultural Foundation (*1)(*4)(*5)	81,481	-	260,414	-
DOHANDS Co., Ltd	-	137,581	-	-
Others	146,507	144,823	-	-

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

(*2) The entities are subsidiaries of associates.

(*3) The amounts above exclude ₩ 15,871 million of receipt as revenue and ₩ 5,660 million of payment as expenses on behalf of the related parties.

(*4) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal and liquidation.

(*5) The entity was liquidated during the year ended December 31, 2024, and the business was transferred to HAPPYBEAN FOUNDATION.

		2023			
		Operating revenue and others(*3)	Operating expenses and others(*3)	Purchase of non-current assets	Disposal of non-current assets
Associate:					
LINE Corporation(*2)	₩	80,172,632	₩ 11,781,510	₩ -	₩ -
LY Corporation(formerly, Z Holdings Corporation)(*2)		22,371,827	14,421,189	-	-
Goodus Data, Inc.		6,397,588	1,460,429	-	-
LINE Plus Corporation(*2)		5,718,210	3,240,141	3,077	-
WEVERSE COMPANY Inc.		5,619,095	257,790	-	-
LINE Taiwan Limited(*2)		2,023,408	5,495,812	-	-
IPX Corporation(*2)		1,951,296	1,541,326	7,600	-
LINE Biz Plus Corporation(*2)		1,333,487	-	3,104	-
Studio 389 Co., Ltd.		1,168,237	4,363,459	-	-
Reverse Corp(*2)		1,071,869	7,613,454	-	-
LINE Pay Plus Corporation(*2)		1,035,647	-	-	-
J Peul Media Co., Ltd.		974,443	10,338,630	-	-
The Grimm entertainment Co.,Ltd		732,954	15,690,276	-	-
Studio Mul Co., Ltd		678,030	4,119,544	-	-
LOCUS CORPORATION		590,664	-	-	-
IZE PRESS LLC.(*2)		442,911	-	-	-
Only Won Entertainment Co., Ltd		424,365	1,790,062	-	-
Mirae Asset MAPS Private Placement Real Estate 62(*4)		399,969	7,247,354	-	-
LINE STUDIO Corporation(*2)		360,845	291,291	-	-
Cafe24 Corp.		335,656	25,565,836	-	-
LINE Pay Corporation(*2)		302,166	268,323	-	-
LINE Company (Thailand) Limited (*2)		280,669	890,156	-	-
YLAB CORPORATION		275,967	10,035,599	-	-

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LINE Financial Corporation(formerly, LINE Financial Plus Corporation)(*2)	273,746	-	-	-
REDICE Studio Inc.(*2)	252,852	6,576,227	115,385	-
Famous Studio Corp.	241,897	57,462,957	-	-
Vi-Frost	194,143	311,817	-	-
Sam Studio Co., Ltd.	180,574	996,054	-	-
SGRSOFT Co., Ltd.	179,137	326,585	-	-
Chicment Co., Ltd.	149,213	909,391	-	-
LINE PLAY Corporation(*2)	148,441	-	9,412	-
SHINE PARTNERS CO., LTD.	104,785	2,645,113	-	-
Sidus Corporation	104,472	11,166	-	-
Studio1991	85,941	820,499	-	-
ROKMEDIA(*2)	78,947	2,342,219	-	-
BY4M Studio Co., Ltd.	77,234	204,101	-	-
JQ COMICS Co., Ltd.	60,814	1,659,440	-	-
Playlist Corporation	59,542	2,235,994	-	471
MARKT Co.,Ltd.(*2)(*4)	42,039	11,369,683	-	-
Yumi studio Co., Ltd.	34,411	834,785	-	-
Studio hohoe Co.,Ltd.	24,004	1,118,217	-	-
R.I. Entertainment Co., Ltd. (formerly, REDICE Entertainment Co.)	22,831	176,357	-	-
Big Picture Comics Co., Ltd.	17,136	1,438,618	-	-
SYNAP SOFT CORP.	7,980	850,000	-	-
Purpleduck Corp.	5,500	645,230	-	-
Onestore Co., Ltd.	4,931	580,209	-	-
Su Comics Co., Ltd.	2,554	175,521	-	-
GEULGGUN	1,705	258,299	-	-
LY Communications Corporation(Formerly, LINE Fukuoka Corp.)(*2)	339	7,379,362	-	-
Arointech inc	260	819,606	-	-
ZK Studio Co., Ltd.	-	38,000	572,769	-
Noi Co., Ltd. (*2)	-	232,222	-	-
BravoBeaver Incheon Corp.	-	301,611	-	-
LINE VIETNAM COMPANY LIMITED(*2)(*4)	-	355,118	-	-
Future Creation NAVER-SB Startup Investment Fund(*4)	-	370,370	-	-
PT.LINE PLUS INDONESIA(*2)	-	457,397	-	-
Breathe Company Corporation(*2)	-	486,775	-	-
Makma	-	766,624	-	-
Others	363,243	219,111	-	-
Joint venture:				
Animal and Human Story Co., Ltd.	19,187	1,032,053	-	-
Inter Biz Co., Ltd.	682	840,231	-	-
Tech Plus Co., Ltd.	26	644,009	-	-
School Jaem Co., Ltd.	3	800,426	-	-
Sseom Lab Co., Ltd.	-	628,200	-	-
Yeopeul Co., Ltd	-	660,950	-	-
Law&Media Co., Ltd.	-	666,862	-	-
Designpress Co., Ltd.	-	754,111	-	-
China Lab Co.,Ltd.	-	834,544	-	-
Agro Plus Co., Ltd.	-	1,026,200	-	-
Cineplay Co., Ltd	-	1,036,700	-	-
Others	19,996	24,105	-	-
Other:				
NAVER Connect Foundation(*1)	7,927,356	13,337,212	-	-
THE HAPPYBEAN Foundation(*1)	1,959,808	10,576,780	-	667,463
Contents First Inc.	996,639	448,650	-	-
LINE Games Corporation(*1)	159,473	-	-	-
NAVER Cultural Foundation(*1)	128,257	-	-	259,592
Ubob Inc.	12,896	229,415	-	-
MYSTIC Story Inc.	743	266,577	-	-
Others	181,018	171,415	-	-

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

(*2) The entities are subsidiaries of associates.

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(*3) The amounts above exclude ₩ 10,896 million of receipt as revenue and ₩ 2,761 million of payment as expenses on behalf of the related parties.

(*4) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal or liquidation.

D. Outstanding balances of receivables due from and payables due to related parties as of December 31, 2024 and 2023 are as follows (Korean won in thousands):

	December 31, 2024			
	Receivables		Payables	
	Trade receivables	Other receivables and others(*2)	Other payables	Accrued expenses and others
Associate:				
LY Corporation (*3)	₩ 74,741,382	₩ 13,458,860	₩ 28,893,391	₩ 6,165,791
LINE Plus Corporation(*3)	734,459	968,772	2,772,353	225,509
NAVER Z CO.,LTD.	564,466	63,431,160	48,007	1,424,771
WEVERSE COMPANY Inc.	359,666	31,190,891	-	2,736,794
PayPayCorporation(*3)	350,154	-	66,362	-
LINE Pay Plus Corporation(*3)	211,251	120,024	-	-
Onestore Co., Ltd.	98,765	25,428	149,617	-
IPX Corporation	59,988	211,770	-	-
REDICE Studio Inc.(*3)	46,084	1,584,337	954,407	-
Reverse Corp.(*3)	43,532	150,585	503,602	-
LINE Taiwan Limited(*3)	38,124	-	590,625	18,247
LINE Financial Corporation(*3)	28,165	121,572	-	-
LINE STUDIO Corporation(*3)	26,107	233,578	-	-
JQ COMICS Co., Ltd.	16,416	25,660	243,910	-
Studio 389 Co., Ltd.	12,013	783,456	20,289	-
Playlist Corporation	6,288	38,479	946,000	-
Cafe24 Corp.	5,586	-	2,274,841	-
LOCUS CORPORATION	1,859	17,653,756	-	-
LY Communications Corporation(*3)	1,776	-	797,587	260,983
Genius studio Corp.	20	175,000	-	-
The Grimm entertainment Co.,Ltd	-	5,522,086	37,036	-
YLAB Corporation	-	2,697,347	137,007	-
J Peul Media Co., Ltd.	-	1,064,690	457,769	-
NAMOO ACTORS CO., Ltd.	-	315,600	-	-
Studio Paran Inc.	-	138,102	192,048	-
Creative Guild Co., Ltd. (*3)	-	134,416	17,767	-
ROKMEDIA(*3)	-	93,405	109,748	-
No.9 Inc.	-	-	712,722	35,770
Others(*4)	217,543	372,948	820,318	7,184
Joint venture:				
Inter Biz Co., Ltd	-	-	89,353	-
Others	2,186	73,703	111,477	-
Other:				
N3CLOUD INC.	1,387,539	-	169,916	-
NAVER Connect Foundation(*1)	987,562	30,388	4,296	-
THE HAPPYBEAN Foundation(*1)	149,318	544,849	1,486,415	135,729
Studio Pat Co., Ltd.	-	340,609	137	-
Others	108,675	50,449	53,093	-

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

(*2) Lease receivables are included.

(*3) The entities are subsidiaries of associates.

(*4) The balance of other receivables and others presents the amount after deducting the allowance for losses of ₩2,412 million.

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33. Related Party Transactions (cont'd)

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

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

(*2) Lease receivables are included.

(*3) The entities are subsidiaries of associates.

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33. Related Party Transactions (cont'd)

E. Fund transactions with the related parties for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024					
	Contributions in cash	Dividends received and others	Loans	Collections (*1)	Borrowings	Repayments(*1)
Associate:						
K-Fund II	₩ 23,662,346	₩ 13,241,436	₩ -	₩ -	₩ -	-
FUTURE INNOVATION PRIVATE EQUITY FUND III	10,347,250	-	-	-	-	-
TBT Global Growth Fund III	7,500,000	-	-	-	-	-
China Ventures Fund I, Limited Partnership	3,586,484	524,257	-	-	-	-
YN CULTURE & SPACE	3,230,765	-	-	-	-	-
CHINA VENTURES FUND II, L.P	2,070,860	-	-	-	-	-
K-Fund I	2,001,726	-	-	-	-	-
Smart Korea Naver- Stonebridge Rising	2,000,000	-	-	-	-	-
Do Ventures Fund I, I-A	1,333,500	-	-	-	-	-
Springcamp-KIF Early Stage Fund	1,200,000	-	-	-	-	-
Shake Hands Sdn Bhd	652,185	-	-	-	-	-
SpringCamp Early Stage Fund 1	150,000	-	-	-	-	-
A Holdings Corporation	-	836,841,223	-	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	-	17,685,996	-	-	-	-
Mirae Asset-NAVER New Growth Fund I	-	11,220,500	-	-	-	-
Studio Dragon Japan CO., LTD.	-	7,900,540	-	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd	-	2,450,000	-	-	-	-
BonAngels Pacemaker Fund	-	1,312,500	-	-	-	-
STL 18th Private Equity Fund	-	600,000	-	-	-	-
CELSYS, Inc.	-	353,688	-	-	-	-
Soran Media Venture Fund	-	282,637	-	-	-	-
Netmania Co., Ltd.	-	8,156	-	-	-	-
Arointech inc	-	8,000	-	-	-	-
NAVER Z CO., LTD(*3)	-	-	60,000,000	-	-	-
Z Intermediate Global Corporation(*2)	-	-	-	83,590,309	-	-
LINE Plus Corporation(*2)	-	-	-	8,215,546	-	-
WEVERSE COMPANY Inc.	-	-	-	4,104,502	-	-
PT Karunia Internasional Citra Kencana	-	-	-	130,380	-	-
Sasom Company Limited	-	-	-	130,380	-	-
ZaiZai Entertainment Corp.	-	-	-	-	1,142,580	2,275,020
Joint venture:						
STUDIO WHITE Limited Liability Partnership	1,066,396	-	-	-	-	-
Other:						
THE HAPPYBEAN Foundation	-	-	-	210,902	-	-
NAVER Cultural Foundation	-	-	-	48,114	-	-

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(*1) The amounts in relation to lease transaction are included.

(*2) This refers to the proceeds from the partial disposal of shares in NAVER Z CO., LTD.

(*3) In the case of lending transactions, the amounts include transactions that occurred prior to the exclusion from the consolidation scope.

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

(*1) The amounts in relation to lease transaction are included.

(*2) Amounts recovered by disposal of shares in LINE Conomi Corporation prior to the merger of the LINE Corporation are included.

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(*3) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal and liquidation.

(*4) The entities are subsidiaries of associates.

F. There is no payment guarantees provided by the Group to the related parties as of December 31, 2024.

G. Compensation to key management

The compensation paid or payable to key management (executive directors) for their services for each of the two years in the period ended December 31, 2024 is as follows (Korean won in thousands):

	2024	2023
Short-term employee benefits	₩ 3,135,000	₩ 2,630,000
Post-employment benefits	342,256	331,527
Share-based payment expenses	1,210,779	1,935,164

34. Business Combinations

In December 2023, the Group acquired 64.85% of shares with voting rights in SODA inc., whose main business is the operation of a commerce platform for limited-edition products in Japan. The acquisition of the shares was aimed at building a foundation to further enhance the capability as mail-order broker based on global business capabilities.

The summarized accounting treatment related thereto is as follows: (Korean won in thousands)

	Amount
I. Purchase consideration	
Cash and cash equivalents	₩ 101,402,398
Fair value of shares held before business combinations	108,625,015
	<u>₩ 210,027,413</u>
II. Non-controlling interests (*)	₩ 29,477,810
III. Identifiable assets acquired and liabilities assumed	
Assets	
Cash and cash equivalents	₩ 18,410,127
Trade and other receivables	13,280,127
Inventories	4,849,923
Other assets	7,398,575
Property, plant and equipment	2,388,476
Right-of-use-assets	21,264,035
Intangible assets	94,036,642
	<u>₩ 161,627,905</u>
Liabilities	
Trade and other payables	₩ 9,563,549
Current tax liabilities	21,697
Other Provisions	920,741
Lease liabilities	20,936,229
Other liabilities	19,026,729
Deferred tax liabilities	28,762,425
	<u>₩ 79,231,370</u>
Total identifiable net assets	<u>₩ 82,396,535</u>
IV. Goodwill	<u>₩ 157,108,688</u>

(*) Non-controlling interests were measured proportionately to the fair value of net identifiable assets.

35. Operating Segment Information

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

B. Operating revenues by service types for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024		2023	
	Operating revenue	Ratio (%)	Operating revenue	Ratio (%)
Search platform (*1)	₩ 3,946,165,724	36.8	₩ 3,589,060,852	37.1
Commerce (*2)	2,922,977,489	27.2	2,546,648,516	26.4
Fintech (*3)	1,508,406,518	14.0	1,354,766,599	14.0
Contents (*4)	1,796,421,189	16.7	1,732,983,532	17.9
Cloud (*5)	563,748,345	5.3	447,184,078	4.6
	₩ 10,737,719,265	100.0	₩ 9,670,643,577	100.0

(*1) Search and display and others

(*2) Commerce advertising, brokerage, sales and membership

(*3) Pay service and digital financing

(*4) Webtoon, SNOW and others

(*5) NCP, Works, Clova and others

C. The revenues from external customers by region for each of the two years in the period ended December 31, 2024 and non-current assets as of December 2024 and 2023 are as follows (Korean won in thousands):

	Revenue from external customers		Non-current assets (*)	
	2024	2023	December 31, 2024	December 31, 2023
Domestic	₩ 9,204,947,147	₩ 8,318,094,625	₩ 3,612,893,375	₩ 3,797,407,760
Japan	899,260,329	679,917,507	601,210,681	604,221,624
U.S.A	506,335,025	531,093,120	2,745,223,262	2,525,954,460
Others	127,176,764	141,538,325	87,038,952	95,326,843
	₩ 10,737,719,265	₩ 9,670,643,577	₩ 7,046,366,270	₩ 7,022,910,687

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

D. The revenue from contracts with customers by category for each of the two years in the period ended December 31, 2024 is as follows (Korean won in thousands):

	2024	2023
By timing of revenue recognition		
Recognized at a point in time	₩ 8,199,820,964	₩ 7,180,223,099
Recognized over time	2,537,898,301	2,490,420,478
	₩ 10,737,719,265	₩ 9,670,643,577

36. Information for Non-controlling Interests

A. The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Group for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

2024						
Non-controlling interest (%)	Accumulated non-controlling interests at the beginning of the year	Profit (Loss) allocated to non-controlling interests	Other comprehensive income (loss) allocated to non-controlling interests	Others(*)	Accumulated non-controlling interests at the end of the year	
WEBTOON Entertainment Inc and its subsidiaries	37.51 ₩	571,301,561 ₩	(54,477,684) ₩	69,580,694 ₩	372,487,045 ₩	958,891,616
Naver Financial Corporation	10.79 ₩	361,992,129 ₩	59,144,441 ₩	(1,878,944) ₩	2,749,078 ₩	422,006,704

(*) Others consist of changes due to stock options allocated to non-controlling interests, paid-in capital increases of subsidiaries, disposals and others.

2023						
Non-controlling interest (%)	Accumulated non-controlling interests at the beginning of the year	Profit (Loss) allocated to non-controlling interests	Other comprehensive income (loss) allocated to non-controlling interests	Others(*)	Accumulated non-controlling interests at the end of the year	
WEBTOON Entertainment Inc and its subsidiaries	28.80 ₩	370,125,518 ₩	(33,566,123) ₩	(212,820) ₩	234,954,986 ₩	571,301,561
Naver Financial Corporation	10.79 ₩	331,216,975 ₩	43,617,305 ₩	1,893,348 ₩	(14,735,499) ₩	361,992,129

(*) Others consist of changes due to stock options allocated to non-controlling interests, paid-in capital increases of subsidiaries, disposals and others.

B. Effects of transactions with non-controlling interests on the equity attributable to owners of the Parent Company for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	2024	2023
Subsidiaries' capital reduction with refund (*1)	₩ -	(68,409,384)
Subsidiaries' paid-in capital increase (*2)	95,477,313	-

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

(*2) During the year ended December 31, 2024, the subsidiary, WEBTOON Entertainment Inc, had an Initial Public Offering and a paid-in capital increase, in which NAVER U.Hub Inc. and certain individuals participated, resulting in an increase in ownership interest.

37. Assets Held for Sale

For the year ended December 31, 2023, the Group decided to sell land and buildings held and classified them as non-current assets held for sale. Details of the assets held for sale as of December 31, 2023 are as follows, of which the sale was completed for the year ended December 31, 2024 (Korean won in thousands):

	<u>December 31, 2023</u>
Land	₩ 8,599,628
Buildings	<u>202,740</u>

Audit opinion on internal control over financial reporting

The accompanying independent auditor's report on internal control over financial reporting is attached as a result of auditing the internal control over financial reporting of NAVER Corporation and its subsidiaries (the "Group") and the consolidated financial statements of the Group for the year ended December 31, 2024 in accordance with the Article 8 of the *Act on External Audit of Stock Companies*.

Attachments:

1. Independent auditor's report on internal control over financial reporting
2. Report on the Effectiveness of Internal Control over Financial Reporting for Consolidated

Independent auditor's report on internal control over financial reporting

(English translation of a report originally issued in Korean)

NAVER Corporation The Shareholders and Board of Directors

Opinion on internal control over financial reporting

We have audited the internal control over financial reporting ("ICFR") of NAVER Corporation (the "Company") and its subsidiaries (hereinafter referred to as the "Group") based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea (the "ICFR Committee") as of December 31, 2024.

In our opinion, the Group's ICFR has been designed and is operating effectively, in all material respects, as of December 31, 2024, in accordance with the Conceptual Framework for Design and Operation of ICFR.

We also have audited, in accordance with the Korean Standards on Auditing ("KSA"), the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including material accounting policy information, of the Group, and our report dated March 11, 2025 expressed unqualified opinion thereon.

Basis for opinion on ICFR

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

Responsibilities of management and those charged with governance for ICFR

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

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

Auditor's responsibilities for the audit of ICFR

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

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

ICFR definition and inherent limitations

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

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

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



March 11, 2025

This audit report is effective as of March 11, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the Group's ICFR and may result in modifications to this report.

Report on the Effectiveness of
Internal Control over Financial Reporting for consolidated

(English Translation of a Report Originally Issued in Korean)

To the Shareholders, Board of Directors, and Audit Committee of NAVER Corporation.

We, as the Chief Executive Officer("CEO") and the Internal Control over Financial Reporting Officer("ICFR Officer") of NAVER Corporation("the Company"), assessed the effectiveness of the design and operation of the Company's consolidated Internal Control over Financial Reporting("ICFR") for the year ending December 31, 2024.

Design and operation of ICFR for consolidated is the responsibility of the Company's management, including the CEO and the ICFR officer.

We assessed whether the Company effectively designed and operated its ICFR for consolidated to prevent and detect errors or frauds which may cause a misstatement in consolidated financial statements to ensure preparation and disclosure of reliable financial information.

We used the '*Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*' established by the Operating Committee of Internal Control over Financial Reporting in Korea(the "ICFR Committee") as the criteria for design and operation of the Company's ICFR for consolidated. And we conducted an evaluation of ICFR for consolidated based on the '*Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting*' established by the ICFR Committee.

Based on our assessment, we concluded that the Company's ICFR for consolidated is designed and operated effectively as of December 31, 2024, in all material respects, in accordance with the '*Conceptual Framework for Designing and Operating Internal Control over Financial Reporting*'.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings of the readers, and we have reviewed and verified this report with sufficient care.

February 6, 2025

Chief Executive Officer

Soo Yeon Choi

 (signature)

ICFR Officer

Namsun Kim

 (signature)