

# **NAVER Corporation**

Separate 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 separate financial statements of NAVER Corporation (the "Company"), which comprise the separate statements of financial position as of December 31, 2024 and 2023 and the separate statements of comprehensive income, separate statements of changes in equity and separate statements of cash flows for each of the two years in the period ended December 31, 2024, and the notes to the separate financial statements, including material accounting policy information.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its 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 Company'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 separate financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the separate financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key audit matters**

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

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

The Company 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 Company'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 Company's total operating revenues and (ii) there is a risk of potential material misstatement related to search advertisement service revenue due to various and complex systems involved in recognition and measurement of such revenue.

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

- 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) Fair value of investment properties - valuation**

The Company leases its office building "Green Factory" to an outside party and classifies the building and land as investment property based on the proportion of the building and land that is leased. The Company measures its investment properties at fair value.

We determined that there is a significant risk of material misstatement in the accounting for the fair value of investment properties because the amounts of investment properties valued at fair value and revaluation differences are significant and management's judgment and estimation are involved in the selection of valuation methods, assumptions applied, and comparable transactions to determine the fair value of the investment properties. Therefore, we determined that the accounting for the fair value of investment properties (valuation) is a key audit matter.

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

- Obtain an understanding of the accounting policies, processes, and internal controls over fair value measurement of investment properties.
- Evaluate the design and operation of internal control over fair value measurement of investment properties.
- Evaluate the qualification and career history of external experts engaged by management to assess their capability and independence in connection with the fair value measurement of investment properties.
- Utilize external experts to assess the methodology and valuation models used for the fair value measurement.
- Utilize external experts to assess the assumptions and data used in fair value measurement and assess the calculation results.

### **(3) Impairment testing of investments in subsidiaries - valuation**

As described in Note 14 to the separate financial statements, investments in PROTON PARENT, INC. presented in the separate financial statements, account for a significant portion of Company'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 investments in PROTON PARENT, 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 investments in PROTON PARENT, INC.
- Evaluate the design and operating effectiveness of internal controls relating to the impairment assessment of investments in PROTON PARENT, INC.
- 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 PROTON PARENT, INC.
- Compare assumptions applied in the impairment assessment of investments in PROTON PARENT, INC. (e.g., discount rate, growth rate, etc.) with those used by comparable entities in the same industry or historical data of impairment valuation.
- Involve our internal experts in assessing methodology of estimating amount recoverable from investments in PROTON PARENT, 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 PROTON PARENT, INC. and its subsidiaries' business plan is consistent with the business plan approved by management of the Company.

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

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

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

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

#### **Auditor's responsibilities for the audit of the separate financial statements**

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

evidence that is sufficient and appropriate to provide a basis for our 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate financial statements of the current 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 separate financial statements and may result in modifications to this report.

# **NAVER Corporation**

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

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

Su yeon, Choi  
Chief Executive Officer  
NAVER Corporation

**NAVER Corporation**  
**Separate statements of financial position**  
**as of December 31, 2024 and 2023**  
(Korean won)

	Notes	December 31, 2024	December 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6,7	₩ 886,721,942,097	₩ 961,792,099,745
Short-term financial instruments	6,7	1,929,168,662,223	209,845,859,123
Financial assets at fair value through profit or loss	5,6,7	1,005,553,511	835,010,447
Trade and other receivables	6,7	929,245,558,667	556,468,921,794
Inventories	-	672,629,633	598,811,254
Other current assets	9	30,848,469,645	31,429,377,417
		<u>3,777,662,815,776</u>	<u>1,760,970,079,780</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	₩ 1,676,426,142,472	₩ 1,998,637,275,912
Right-of-use-assets	11	29,616,082,992	32,550,792,480
Intangible assets	12	89,486,052,361	95,794,442,955
Investment properties	13	792,157,236,000	324,106,238,733
Long-term financial instruments	6,7	70,955,872,000	13,755,872,000
Financial assets at fair value through profit or loss	5,6,7	1,026,111,094,524	1,171,205,683,908
Financial assets at fair value through other comprehensive income	5,6,7	1,170,374,376,534	1,289,535,816,103
Investments in subsidiaries, associates and joint ventures	14	8,360,262,679,039	8,449,634,768,760
Deferred tax assets	27	176,745,897,214	260,483,230,398
Trade and other receivables	6,7,11	416,843,661,998	59,813,472,319
Other non-current assets	9	10,469,105,923	23,503,775,347
		<u>13,819,448,201,057</u>	<u>13,719,021,368,915</u>
<b>Total assets</b>		<u><b>₩ 17,597,111,016,833</b></u>	<u><b>₩ 15,479,991,448,695</b></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4,6,15	₩ 626,894,088,863	₩ 588,730,568,669
Current tax liabilities	4,6,17	200,000,000,000	282,111,807,168
Current portion of long-term borrowings	4,6,17	-	136,899,000,000
Current portion of long-term debentures	-	311,190,549,450	249,962,199,849
Provisions	18	32,556,086,841	41,326,854,368
Lease liabilities	4,6,11	47,264,692,720	46,811,707,988
Other current liabilities	16	434,890,103,854	385,046,773,779
		<u>1,652,795,521,728</u>	<u>1,730,888,911,821</u>
<b>Non-current liabilities</b>			
Trade and other payables	4,6,15	₩ 52,235,285,341	₩ 34,975,906,329
Debentures	4,6,17	2,007,288,715,797	1,655,718,953,449
Long-term borrowings	4,6,17	-	15,000,000,000
Net defined benefit liabilities	19	366,858,699,906	285,765,168,276
Provisions	18	11,802,856,713	10,280,136,124
Lease liabilities	4,6,11	259,413,621,583	294,272,911,773
Other non-current liabilities	16	60,763,860	2,263,419,793
		<u>2,697,659,943,200</u>	<u>2,298,276,495,744</u>
<b>Total liabilities</b>		<u><b>₩ 4,350,455,464,928</b></u>	<u><b>₩ 4,029,165,407,565</b></u>
<b>Equity</b>			
Share capital	20	₩ 16,481,339,500	₩ 16,481,339,500
Capital surplus	20	1,249,691,454,012	1,187,190,629,495
Other components of equity	21	(884,636,950,607)	(1,132,456,364,024)
Retained earnings	23	12,865,119,709,000	11,379,610,436,159
<b>Total equity</b>		<u><b>13,246,655,551,905</b></u>	<u><b>11,450,826,041,130</b></u>
<b>Total liabilities and equity</b>		<u><b>₩ 17,597,111,016,833</b></u>	<u><b>₩ 15,479,991,448,695</b></u>

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



**NAVER Corporation**  
**Separate statements of comprehensive income**  
**for each of the two years in the periods ended December 31, 2024**  
(Korean won)

	Notes	2024	2023
<b>Operating revenue</b>	33	₩ 6,180,892,084,942	₩ 5,609,799,005,883
<b>Operating expenses</b>	24	(4,275,633,762,007)	(3,896,593,637,516)
<b>Operating profit</b>		<b>1,905,258,322,935</b>	<b>1,713,205,368,367</b>
Other income	25	218,991,719,312	446,969,797,378
Other expenses	25	(352,222,007,094)	(291,024,593,787)
Interest income	6	74,235,048,922	30,427,335,760
Finance income	6,26	973,373,098,568	382,420,762,027
Finance costs	6,26	(346,526,466,036)	(349,606,103,473)
<b>Profit before income tax</b>		<b>2,473,109,716,607</b>	<b>1,932,392,566,272</b>
Income tax expense	27	(504,405,230,244)	(518,079,718,340)
<b>Profit for the year</b>		<b>₩ 1,968,704,486,363</b>	<b>₩ 1,414,312,847,932</b>
<b>Other comprehensive income (loss):</b>			
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		₩ (76,525,734,184)	₩ 27,312,585,101
Gain (Loss) on disposal of equity instruments at fair value through other comprehensive income		(9,276,275,198)	1,968,598,642
Revaluation surplus		336,074,369,351	-
Remeasurements of net defined benefit liabilities		(21,334,680,498)	45,424,555,459
		<u>228,937,679,471</u>	<u>74,705,739,202</u>
<b>Total comprehensive income for the year, net of tax</b>		<b>₩ 2,197,642,165,834</b>	<b>₩ 1,489,018,587,134</b>
<b>Earnings per share</b>			
Basic earnings per ordinary share		₩ 13,073	₩ 9,402
Diluted earnings per ordinary share		13,038	9,375

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

**NAVER Corporation**  
**Separate 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	Total
<b>As of January 1, 2023</b>		₩ 16,481,339,500	₩ 1,123,109,857,937	₩ (1,388,661,591,817)	₩ 10,098,890,207,847	₩ 9,849,819,813,467
Total comprehensive income for the year:	-					
Profit for the year	-	-	-	-	1,414,312,847,932	1,414,312,847,932
Gain on valuation of equity instruments at fair value through other comprehensive income	6,27	-	-	27,312,585,101	-	27,312,585,101
Gain on disposal of equity instruments at fair value through other comprehensive income	6,27	-	-	-	1,968,598,642	1,968,598,642
Remeasurements of net defined benefit liabilities	19,27	-	-	-	45,424,555,459	45,424,555,459
Transactions with shareholders recognized directly in equity	-	-	-	-	(62,397,685,220)	(62,397,685,220)
Dividends	29	-	-	-	-	-
Transaction of share-based payment	-	-	61,712,784,537	110,304,554,191	-	172,017,338,728
Retirement of treasury shares	20	-	-	118,588,088,501	(118,588,088,501)	-
Capital changes due to business combination	-	-	2,367,987,021	-	-	2,367,987,021
<b>As of December 31, 2023</b>	-	₩ 16,481,339,500	₩ 1,187,190,629,495	₩ (1,132,456,364,024)	₩ 11,379,610,436,159	₩ 11,450,826,041,130
<b>As of January 1, 2024</b>		₩ 16,481,339,500	₩ 1,187,190,629,495	₩ (1,132,456,364,024)	₩ 11,379,610,436,159	₩ 11,450,826,041,130
Total comprehensive income for the year:	-					
Profit for the year	-	-	-	-	1,968,704,486,363	1,968,704,486,363
Loss on valuation of equity instruments at fair value through other comprehensive income	6,27	-	-	(76,525,734,184)	-	(76,525,734,184)
Loss on disposal of equity instruments at fair value through other comprehensive income	6,27	-	-	-	(9,276,275,198)	(9,276,275,198)
Revaluation surplus	27	-	-	336,074,369,351	-	336,074,369,351
Remeasurements of net defined benefit liabilities	19,27	-	-	-	(21,334,680,498)	(21,334,680,498)
Transactions with shareholders recognized directly in equity	-	-	-	-	-	-
Dividends	29	-	-	-	(118,984,856,180)	(118,984,856,180)
Transaction of share-based payment	-	-	62,500,824,517	59,794,087,704	-	122,294,912,221
Acquisition of treasury shares	20	-	-	(405,122,711,100)	-	(405,122,711,100)
Retirement of treasury shares	20	-	-	333,599,401,646	(333,599,401,646)	-
<b>As of December 31, 2024</b>	-	₩ 16,481,339,500	₩ 1,249,691,454,012	₩ (884,636,950,607)	₩ 12,865,119,709,000	₩ 13,246,655,551,905

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

**NAVER Corporation**  
**Separate statements of cash flows**  
**for each of the two years period ended December 31, 2024**  
(Korean won)

	2024	2023
<b>Cash flows from operating activities</b>		
Cash generated from operations	₩ 2,278,808,099,734	₩ 2,063,508,775,400
Interest received	55,944,475,065	34,693,397,170
Interest paid	(49,900,500,157)	(80,349,537,434)
Dividends received	759,554,623,970	191,541,688,548
Income taxes paid	(490,749,957,905)	(581,548,458,718)
<b>Net cash provided by operating activities</b>	<b>2,553,656,740,707</b>	<b>1,627,845,864,966</b>
<b>Cash flows from investing activities</b>		
Increase in short-term financial instruments	₩ (4,259,249,862,223)	₩ (1,078,047,059,123)
Decrease in short-term financial instruments	2,533,398,059,123	1,381,832,836,005
Acquisition of financial assets at fair value through profit or loss	(99,293,212,338)	(81,571,658,446)
Proceeds from disposal of financial assets at fair value through profit or loss	158,531,882,804	165,770,599,303
Acquisition of property, plant and equipment	(74,180,158,287)	(376,981,552,710)
Proceeds from disposal of property, plant and equipment	1,143,916,805	8,505,742,733
Collection of lease receivables	11,209,254,608	6,377,143,955
Acquisition of intangible assets	(2,696,801,832)	(27,284,019,731)
Proceeds from disposal of intangible assets	1,848,657,534	317,626,531
Acquisition of financial assets at fair value through other comprehensive income	-	(699,224,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,401,873,711	74,257,364,106
Acquisition of investments in subsidiaries and associates	(117,522,092,591)	(1,913,103,961,106)
Proceeds from disposal of investments in subsidiaries and associates	141,405,946,656	436,095,808,872
Increase in short-term loans	(410,500,000,000)	(250,403,838,435)
Collection of short-term loans	10,000,000	155,073,334,557
Increase in long-term loans	(60,000,000,000)	-
Collection of long-term loans	59,343,864,000	-
Increase in long-term financial instruments	(53,200,000,000)	-
Cash inflows from other investing activities	1,224,268,450	83,967,336,000
Cash outflows from other investing activities	(59,702,749)	(3,622,749,205)
<b>Net cash used in investing activities</b>	<b>(2,166,184,106,329)</b>	<b>(1,419,516,270,694)</b>
<b>Cash flows from financing activities</b>		
Increase in current borrowings	₩ -	₩ 763,260,000,000
Repayments of current borrowings	(139,029,000,000)	(947,236,800,000)
Increase in non-current borrowings	185,000,000,000	508,840,000,000
Repayments of non-current borrowings	-	(520,192,000,000)
Proceeds from issuance of debentures	199,320,560,000	176,512,823,880
Repayments of debentures	(250,000,000,000)	-
Repayments of lease liabilities	(36,795,152,379)	(36,878,822,598)
Payment of dividends	(118,984,856,180)	(62,397,685,220)
Cash inflows from stock-based compensations	62,717,016,652	28,003,591,900
Acquisition of treasury shares	(405,122,711,100)	-
Cash inflows from other financing activities	47,545,047,158	2,270,768,000
Cash outflows from other financing activities	(24,288,924,558)	(1,914,678,849)
<b>Net cash used in financing activities</b>	<b>(479,638,020,407)</b>	<b>(89,732,802,887)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>	<b>17,095,228,381</b>	<b>1,397,163,625</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(75,070,157,648)</b>	<b>119,993,955,010</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>961,792,099,745</b>	<b>841,798,144,735</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>₩ 886,721,942,097</b>	<b>₩ 961,792,099,745</b>

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

## 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.

## 2. Material Accounting Policies

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

### A. Basis of Preparation of the Separate Financial Statements

The Company prepares 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 separate financial statements have been translated into English from Korean financial statements. In the event of any differences in interpreting the financial statements or the independent auditor’s report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

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

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

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

### B. Changes in Accounting Policy and Disclosures

#### (1) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for the annual reporting periods beginning on or after January 1, 2024. The Company 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 separate financial statements.

## 2. Material Accounting Policies (cont'd)

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

#### **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 separate 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 separate financial statements.

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

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 Company's financial statements are disclosed below.

#### **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 Company's separate financial statements.

## 2. Material Accounting Policies (cont'd)

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

#### **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 Company 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 separate financial statements based on the initial assessment performed but the assessment has not been completed.

#### **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 separate financial statements.

## **2. Material Accounting Policies (cont'd)**

### **C. Subsidiaries, Associates and Joint ventures**

The financial statements of the Company are the separate financial statements prepared in accordance with KIFRS 1027 *Separate Financial Statements*. Investments in subsidiaries, associates and joint ventures are recognized at cost under the direct equity method. However, carrying amounts of those investments based on previously applied Accounting Standards for Non-Public Entities in the Republic of Korea (KGAAP) at transition date to KIFRS are deemed to be cost at the date of transition to KIFRS. All dividends from subsidiaries, associates and joint venture should be recognized in profit or loss within separate financial statements once the right to receive payments has been established.

### **D. Foreign Currency Translation**

#### **(1) Functional and presentation currency**

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which each entity operates (the "functional currency"). The separate financial statements are presented in Korean won.

#### **(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.

### **E. Financial Assets**

#### **(1) Classification**

The Company 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 Company'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 Company 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 Company 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. Material Accounting Policies (cont'd)**

### **E. Financial Assets (cont'd)**

#### **(2) Measurement**

At initial recognition, the Company 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.

##### **① Debt instruments**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company 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 Company subsequently measures all equity investments at fair value. Where the Company'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 Company's right to receive payments is established.

## **2. Material Accounting Policies (cont'd)**

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 separate 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.

### **(3) Impairment**

The Company 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 Company 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 Company 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 Company 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 Company has transferred substantially all the risks and rewards of ownership.

If a transfer does not result in derecognition because the Company has retained substantially all the risks and rewards of ownership of the transferred asset, the Company 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 separate 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 Company 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.

## 2. Material Accounting Policies (cont'd)

### H. Inventories

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

### I. 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:

	<u>Useful life</u>		<u>Useful life</u>
Buildings	30 years	Equipment	3~5 years
Structures	10 years	Machinery	3~5 years
Vehicles	5 years	Others	4~5 years

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

### J. 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.

### K. Intangible Assets

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 Company amortizes intangible assets with a limited useful life using the straight-line method over the following periods:

	<u>Useful life</u>		<u>Useful life</u>
Industrial rights	5 years	Others	5 to 30 years
Software	5 years		

## **2. Material Accounting Policies (cont'd)**

### **L. 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 Company 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.

### **M. Impairment of Non-financial Assets**

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. 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 that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

### **N. Trade Payables and Other Payables**

These amounts represent liabilities for goods and services provided to the Company 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.

### **O. Financial Liabilities**

#### **(1) Classification and measurement**

The Company'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 Company 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 separate 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)**

### **O. 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 Company 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 separate 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.

### **P. Provisions**

Provision for litigation, loyalty programs, restoration, and greenhouse gas emission obligations are recognized when the Company 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.

## **2. Material Accounting Policies (cont'd)**

### **Q. 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 Company 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 separate financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

The Company 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 Company 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 Company 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 Company has a legally enforceable right to offset and intends to settle on a net basis.

The global minimum tax payable under the Pillar Two Model Rules legislation is subject to the provisions of KIFRS 1012. As the Company 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.

## **2. Material Accounting Policies (cont'd)**

### **R. Employee Benefits**

#### **(1) Post-employment benefits**

The Company operates defined benefit pension plans.

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

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

#### **(2) Share-based payments**

The Company has granted stock options to employees of the Company, 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 Company 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 Company 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 Company 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 Company 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 Company 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 Company recognizes service cost, net interest on long-term employee benefits and remeasurements as profit or loss for the year.

## **S. Revenue Recognition**

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

The Company allocates transaction prices based on relative individual selling prices if several performance obligations are identified in a single contract.

### **(1) Advertisement**

The Company has an obligation to provide advertisement services over the contract period. Accordingly, the Company recognizes the allocated transaction price for each performance obligation over the service period as revenue. However, the Company 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 Company provides the option to additionally select the goods or services when providing advertisement services to its customers, in which the Company 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 Company 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 Company sells that good or service separately in similar circumstances and to similar customers.

### **(2) Contents services**

The Company 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 Company provides digital contents and there is no unsatisfied performance obligations which could affect the usage of the digital contents already provided, the Company considers that the right of using of contents has transferred to the customers and recognizes revenue when customers uses the contents. However, the Company 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.

### **(3) Sales commission**

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

## **T. Leases**

### **① Lessor**

Lease income from operating leases where the Company 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 Company 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 Company 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 Company is lessee, the Company 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 Company. The Company 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 Company should consider a termination penalty in determining the period for which the contract is enforceable.

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 at the commencement date;
- amounts expected to be payable by the Company (the lessee) under residual value guarantees;
- exercise price of a purchase option if the Company (the lessee) is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company (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.



## **2. Material Accounting Policies (cont'd)**

### **T. Leases (cont'd)**

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 Company uses a build-up approach that starts with an interest rate that the Company 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 Company 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 Company 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.

### **U. 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 separate income statement.

## **V. 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 33). 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.

## **W. Approval of Issuance of the Financial Statements**

The separate 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 Company to make estimates and assumptions concerning the future. Management also needs to exercise judgement in applying the Company'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.

### **3. Material Accounting Estimates and Assumptions (cont'd)**

#### **A. Subsidiary, Associates and Joint ventures impairment**

The recoverable amount of investments in subsidiary, associates and joint ventures, which is measured for the impairment testing purposes, is determined based on value-in-use calculations.

#### **B. Income taxes**

The Company'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 27).

If certain portion of taxable income is not used for investments or increase in wages or dividends for certain periods, the Company 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 Company'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 Company 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 Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation based on the Company'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 19).

#### **F. Provisions**

As of December 31, 2024, the Company recognizes provisions for litigation, restoration and others. These provisions are estimated based on historical experience (see Note 18).

### **3. Material Accounting Estimates and Assumptions (cont'd)**

#### **G. Share-based payments**

The Company 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 Company 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 Company 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 22).

#### **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 Company, the following factors are normally the most relevant:

- if there are significant penalties to terminate (or not extend), the Company is typically reasonably certain to extend (or not terminate);
- if any leasehold improvements are expected to have a significant remaining value, the Company is typically reasonably certain to extend (or not terminate); and
- otherwise, the Company 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 Company 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 Company 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.

#### 4. Financial Risk Management

##### A. Financial Risk Management Factor

The Company'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 Company's overall risk management policies focuses on the volatility of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

##### (1) Market risk

##### (A) Foreign exchange risk

##### ① Foreign exchange risk

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

The Company'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			
Cash and cash equivalents	USD ₩	54,870,451 ₩	19,878,590
	JPY	537,553,773	313,430,333
	EUR	8,754,777	3,489,819
Shor-term financial instruments	JPY	93,648,000	-
Trade and other receivables	USD	7,344,796	4,181,963
	JPY	29,317,308	105,900,550
	EUR	191,351	907,367
Financial assets at fair value through profit or loss	USD	398,989,747	569,282,370
	JPY	1,626,963	1,277,300
	EUR	143,191,376	127,441,624
Financial assets at fair value through other comprehensive income	USD	44,834,740	52,220,471
	JPY	31,690,220	62,658,598
Financial liabilities			
Trade and other payables	USD	9,454,700	5,694,829
	JPY	13,075,170	718,885
	EUR	11,041,532	10,813,085
Borrowings and debentures	USD	1,172,300,045	1,025,701,709
	JPY	185,793,717	317,497,672

#### 4. Financial Risk Management (cont'd)

##### ② Sensitivity analysis

The impact of changes in Korean won by 5% against foreign currencies with all other variables held constant on the post-tax profit and equity as of December 31, 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	₩ (26,516,231)	₩ (16,120,373)	₩ (24,866,312)	₩ (14,198,660)
	Weakened	26,516,231	16,120,373	24,866,312	14,198,660
JPY / KRW	Strengthened	17,048,599	3,768,012	18,214,799	6,073,848
	Weakened	(17,048,599)	(3,768,012)	(18,214,799)	(6,073,848)
EUR / KRW	Strengthened	5,192,332	4,453,747	5,192,332	4,453,747
	Weakened	(5,192,332)	(4,453,747)	(5,192,332)	(4,453,747)

##### (B) Price risk

The Company is exposed to equity securities price risk that arises from investments held by the Company, 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 separate statement of financial position.

The impact of increases/decreases of the stock index of each country by 5% with all other variables held constant on the Company'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, 2024	December 31, 2023	December 31, 2024	December 31, 2023
<b>Listed equity security</b>					
Korea	Increase	₩ -	₩ -	₩ 32,469,141	₩ 37,444,366
	Decrease	-	-	(32,469,141)	(37,444,366)
Japan	Increase	-	-	1,166,200	2,305,836
	Decrease	-	-	(1,166,200)	(2,305,836)
Indonesia	Increase	-	-	1,101,187	1,269,506
	Decrease	-	-	(1,101,187)	(1,269,506)

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 Company 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 on floating rate deposits and borrowings. The Company's objective of interest rate risk management lies in maximizing corporate value by minimizing uncertainty from interest rates fluctuations and net interest expense.

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The Company 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 Company's post-tax profit and equity as of December 31, 2024 and 2023 is as follows (Korean won in thousands):

	<b>Impact on post-tax profit</b>		<b>Impact on equity</b>	
	<b>December 31, 2024</b>	<b>December 31, 2023</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Increase	₩ -	₩ (100,758)	₩ -	₩ (100,758)
Decrease	-	100,758	-	100,758

**(2) Credit Risk**

The Company 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 Company 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):

<b>December 31, 2024</b>				
	<b>Less than 6 months past due and within due</b>	<b>More than 6 months past due</b>	<b>More than 1 year past due</b>	<b>Total</b>
Trade receivables and other receivables				
Expected loss rate	0.59%	85.98%	100.00%	1.88%
Gross carrying amount	₩ 469,049,430	₩ 69,595	₩ 6,084,277	₩ 475,203,302
Loss allowance	2,774,242	59,840	6,084,277	8,918,359

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<b>December 31, 2023</b>				
	<b>Less than 6 months past due and within due</b>	<b>More than 6 months past due</b>	<b>More than 1 year past due</b>	<b>Total</b>
Trade receivables and other receivables				
Expected loss rate	0.07%	73.89%	100.00%	1.37%
Gross carrying amount	₩ 496,148,172	₩ 136,985	₩ 6,435,471	₩ 502,720,628
Loss allowance	357,425	101,223	6,435,471	6,894,119

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):

	<b>2024</b>	<b>2023</b>
Beginning balance	₩ 6,894,119	₩ 6,348,529
Increase in loss allowance recognized in profit or loss during the year	2,025,415	545,590
Receivables written off during the year as uncollectible	(1,175)	-
Ending balance	₩ 8,918,359	₩ 6,894,119

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):

	<b>2024</b>	<b>2023</b>
Impairment loss		
Change in loss allowance	₩ 2,025,415	₩ 514,539

**(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):

	<b>2024</b>	<b>2023</b>
Beginning balance	₩ 5,328	₩ 5,328
Increase in loss allowance recognized in profit or loss during the year	-	-
Ending balance	₩ 5,328	₩ 5,328

All of these financial assets measured at amortized cost are considered to have low credit risk, and their loss allowance provision are recognized as 12-month expected losses during the year. The Company 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.

**(C) Financial assets at fair value through profit or loss**

The Company 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.



#### 4. Financial Risk Management (cont'd)

##### (D) 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):

	<b>2024</b>	<b>2023</b>
Trade receivables and other receivables	₩ 2,025,415	₩ 545,590

##### (3) Liquidity Risk

The Company monitors rolling forecasts of the Company'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 Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company'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 Company has borrowing agreements with a limit of ₩ 565,000 million and USD 180 million for managing liquidity risk (see Note 31).

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

<b>December 31, 2024</b>					
	<b>Carrying amount</b>	<b>Contractual cash flow</b>	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>More than 5 years</b>
<b>Financial liabilities</b>					
Trade and other payables(*)	₩ 497,978,046	₩ 508,678,106	₩ 455,561,983	₩ 20,241,320	₩ 32,874,803
Borrowings and debentures	2,207,288,716	2,287,634,472	241,064,413	2,000,112,738	46,457,321
Lease liabilities	306,678,315	349,729,212	48,186,769	186,546,970	114,995,473
Financial guarantee contract	30,871,391	909,883,968	909,883,968	-	-
	<u>₩ 3,042,816,468</u>	<u>₩ 4,055,925,758</u>	<u>₩ 1,654,697,133</u>	<u>₩ 2,206,901,028</u>	<u>₩ 194,327,597</u>

(\*) Accrued expenses related to labor, etc. are not included.

<b>December 31, 2023</b>					
	<b>Carrying amount</b>	<b>Contractual cash flow</b>	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>More than 5 years</b>
<b>Financial liabilities</b>					
Trade and other payables(*)	₩ 458,659,677	₩ 461,595,350	₩ 432,728,829	₩ 26,219,462	₩ 2,647,059
Borrowings and debentures	2,057,580,153	2,139,076,289	414,221,295	1,678,678,140	46,176,854
Lease liabilities	341,084,620	395,684,851	47,707,193	185,829,883	162,147,775
Financial guarantee contract	39,657,492	934,641,683	934,641,683	-	-
	<u>₩ 2,896,981,942</u>	<u>₩ 3,930,998,173</u>	<u>₩ 1,829,299,000</u>	<u>₩ 1,890,727,485</u>	<u>₩ 210,971,688</u>

(\*) Accrued expenses related to labor, etc. are not included.

#### B. Capital Risk Management

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

#### 4. Financial Risk Management (cont'd)

The Company'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 debt	₩	4,350,455,465	₩	4,029,165,408
Total equity		13,246,655,552		11,450,826,041
Debt-to-Equity ratio		32.84%		35.19%

#### 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 Company 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
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	₩ 1,027,116,648	₩ 1,027,116,648	₩ 1,172,040,694	₩ 1,172,040,694
Financial assets at fair value through other comprehensive income	1,170,374,377	1,170,374,377	1,289,535,816	1,289,535,816
	<u>₩ 2,197,491,025</u>	<u>2,197,491,025</u>	<u>₩ 2,461,576,510</u>	<u>₩ 2,461,576,510</u>

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

- 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
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	₩ -	₩ 1,005,553	₩ 1,026,111,095	₩ 1,027,116,648
Equity instruments at fair value through other comprehensive income	943,927,396	-	226,446,981	1,170,374,377

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	<b>December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss	₩ -	₩ 835,010	₩ 1,171,205,684	₩ 1,172,040,694
Financial assets at fair value through other comprehensive income	1,114,665,975	-	174,869,841	1,289,535,816

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

The Company 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.

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

	<b>2024</b>		<b>2023</b>	
	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through comprehensive income</b>	<b>Financial assets at fair value through profit or loss</b>	<b>Financial assets at fair value through comprehensive income</b>
Beginning balance	₩ 1,171,205,684	₩ 174,869,841	₩ 1,345,111,602	₩ 164,979,532
Total profit or loss				
Amounts recognized in profit or loss	(88,122,539)	-	(69,513,431)	-
Amounts recognized in other comprehensive income	-	54,158,167	-	(6,791,625)
Acquisitions/Borrowings	99,730,823	-	81,571,964	699,224
Disposals/Repayments	(159,915,955)	(130,000)	(165,342,198)	(4,438,945)
Others(*)	3,213,082	-	(20,622,253)	20,621,638
Transferred to level 1		(2,452,027)	-	(199,983)
Ending balance	<u>₩ 1,026,111,095</u>	<u>₩ 226,446,981</u>	<u>₩ 1,171,205,684</u>	<u>₩ 174,869,841</u>

(\*) 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
<b>Financial assets at fair value through profit or loss</b>						
			Option pricing model	Underlying asset price, volatility of underlying assets	Volatility of the underlying assets	45.34% ~ 69.49%
Compound financial instruments and equity securities	₩ 454,166,463	3	Market approach	EV/SALES, PSR, PBR, PER	EV/SALES PSR PER	1.33 ~ 12.54 0.16 ~ 7.25 10.88
			Present value method	Recent transaction price, underlying asset price	-	-
	1,005,553	2	Present value method	Credit risk adjusted discount rate	-	-
Beneficiary certificates and funds	571,944,632	3	Market approach and others	Underlying asset price	(*)	(*)
<b>Financial assets at fair value through other comprehensive income</b>						
			Present value method	Recent transaction price	EV/SALES	1.41 ~ 3.64
Equity securities	226,446,981	3	method, market approach	price, EV/SALES, PSR and others	PSR	0.71 ~ 7.25

(\*) 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
<b>Financial assets at fair value through profit or loss</b>						
			Option pricing model	Underlying asset price, volatility of underlying asset	Volatility of the underlying assets	42.62% ~ 80.86%
			Market approach and others	EV/SALES, PSR, PBR, PER	EV/SALES PSR PER	0.42 ~ 11.32 0.16 ~ 5.92 11.24
Compound financial instruments and equity securities	₩ 416,735,527	3	Present value method	Recent transaction price, underlying asset price	-	-
			Present value method	Credit risk adjusted discount rate	-	-
Beneficiary certificates and funds	835,010	2				

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	754,470,157	3	Market approach and others	Underlying asset price	(*)	(*)
<b>Financial assets at fair value through other comprehensive income</b>						
			Present value method, market approach	Recent transaction price, EV/SALES, PSR and others	EV/SALES	1.51 ~ 2.01
Equity securities	174,869,841	3			PSR	0.96 ~ 5.92

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

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

The Company'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 Company'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
<b>Financial assets</b>								
Unlisted equity securities(*)	₩ 12,680,042	₩ 23,955,006	₩(12,254,478)	₩(23,529,441)	₩ 10,956,762	₩ 16,295,141	₩(10,916,787)	₩(16,255,166)

(\*) 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%.

## 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	₩ -	₩ -	₩ 886,721,942	₩ -	₩ 886,721,942
Long and short-term financial instruments(*2)	-	-	2,000,124,534	-	2,000,124,534
Financial assets at fair value through profit or loss	1,027,116,648	-	-	-	1,027,116,648
Trade and other receivables	-	-	976,460,500	369,628,720	1,346,089,220
Financial assets at fair value through other comprehensive income	-	1,170,374,377	-	-	1,170,374,377
	<u>₩ 1,027,116,648</u>	<u>₩ 1,170,374,377</u>	<u>₩ 3,863,306,976</u>	<u>₩ 369,628,720</u>	<u>₩ 6,430,426,721</u>

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

(\*2) Long and short-term financial instruments presented above include ₩ 13,760 million of deposits for cooperative growth program, ₩ 35,522 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. As of December 31, 2024, the financial instruments above are restricted in use.

	Financial liabilities		
	Financial liabilities at amortized cost	Other financial liabilities (*)	Total
Trade and other payables	₩ 497,978,046	₩ -	₩ 497,978,046
Current portion of long-term borrowings	200,000,000	-	200,000,000
Debentures	2,007,288,716	-	2,007,288,716
Lease liabilities	-	306,678,315	306,678,315
	<u>₩ 2,705,266,762</u>	<u>₩ 306,678,315</u>	<u>₩ 3,011,945,077</u>

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

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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	₩	- ₩	- ₩	961,792,100 ₩	- ₩	961,792,100
Long and short-term financial instruments(*2)		-	-	223,601,731	-	223,601,731
Financial assets at fair value through profit or loss	1,172,040,694	-	-	-	-	1,172,040,694
Trade and other receivables	-	-	583,547,925	32,734,469		616,282,394
Financial assets at fair value through other comprehensive income	-	1,289,535,816	-	-	-	1,289,535,816
	₩ 1,172,040,694	₩ 1,289,535,816	₩ 1,768,941,756	₩ 32,734,469	₩	4,263,252,735

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

(\*2) Long and short-term financial instruments presented above include ₩ 13,760 million of deposits for cooperative growth program, ₩ 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. As of December 31, 2023, the financial instruments above are restricted in use.

	Financial liabilities		
	Financial liabilities at amortized cost	Other financial liabilities (*)	Total
Trade and other payables	₩ 458,659,677	₩	- ₩ 458,659,677
Current portion of long-term borrowings	136,899,000		136,899,000
Long-term borrowings	15,000,000	-	15,000,000
Current portion of long-term debentures	249,962,200	-	249,962,200
Debentures	1,655,718,953	-	1,655,718,953
Lease liabilities	-	341,084,620	341,084,620
	<u>₩ 2,516,239,830</u>	<u>₩ 341,084,620</u>	<u>₩ 2,857,324,450</u>

(\*) 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):

	<b>2024</b>	<b>2023</b>
<b>Financial asset at fair value through profit or loss</b>		
Loss on valuation	₩ (87,951,996)	₩ (69,505,449)
Loss on derivative trading	-	(1,812,300)
Dividend income	4,962,913	21,225,014
<b>Financial asset at fair value through other comprehensive income</b>		
Dividend income	11,503,858	14,458,539
Gain (loss) on valuation through other comprehensive income	(104,534,321)	37,319,265
Gain (loss) on disposal (adjustment for reclassification)	(12,517,492)	2,658,173
<b>Financial assets at amortized cost</b>		
Interest income	69,283,615	29,146,103
Interest expense	(4,908,475)	-
Impairment loss	(2,025,415)	(545,590)
Gain (loss) on foreign exchange	33,092,015	(9,227,985)
<b>Financial liabilities at amortized cost</b>		
Interest expense	(44,469,500)	(67,156,213)
Loss on foreign exchange	(170,189,932)	(21,836,835)

## 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):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Non-current</b>		
Compound financial instruments and equity securities	₩ 454,166,463	₩ 416,735,527
Beneficiary certificates and funds	571,944,632	754,470,157
	1,026,111,095	1,171,205,684
<b>Current</b>		
Beneficiary certificates and funds, and others	₩ 1,005,553	₩ 835,010
	₩ 1,027,116,648	₩ 1,172,040,694

(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):

	<b>2024</b>	<b>2023</b>
Compound financial instruments and equity securities	₩ 35,698,328	₩ 78,051,991
Beneficiary certificates and funds	(123,650,324)	(147,557,440)
Derivatives	-	(1,812,300)
Total (*)	₩ (87,951,996)	₩ (71,317,749)

(\*) 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 comprises the following individual investments for each of the two years in the period ended December 31, 2024 (Korean won in thousands):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Listed equity securities	₩ 943,927,396	₩ 1,114,665,975
Unlisted equity securities	226,446,981	174,869,841
	<u>₩ 1,170,374,377</u>	<u>₩ 1,289,535,816</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 as of December 31, 2024 and 2023.

**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):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Trade receivables	₩ 426,937,432	₩ 417,490,581
Other receivables	48,265,870	85,230,047
Less: provision for impairment	(8,918,359)	(6,894,119)
	<u>₩ 466,284,943</u>	<u>₩ 495,826,509</u>

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

	<b>December 31, 2024</b>			<b>December 31, 2023</b>		
	<b>Current</b>	<b>Non-current</b>	<b>Total</b>	<b>Current</b>	<b>Non-current</b>	<b>Total</b>
Cash equivalents	₩ 886,721,942	₩ -	₩ 886,721,942	₩ 961,792,100	₩ -	₩ 961,792,100
Time deposits	1,929,169,862	70,960,000	2,000,129,862	209,847,059	13,760,000	223,607,059
Loans	410,520,000	55,091,525	465,611,525	59,352,900	-	59,352,900
Accrued income	19,970,210	-	19,970,210	2,906,969	-	2,906,969
Leasehold deposits	169,395	24,424,427	24,593,822	1,726,340	23,735,207	25,461,547
Other financial assets(*)	<u>53,445,494</u>	<u>316,183,226</u>	<u>369,628,720</u>	<u>4,830,509</u>	<u>27,903,960</u>	<u>32,734,469</u>
	3,299,996,903	466,659,178	3,766,656,081	1,240,455,877	65,399,167	1,305,855,044
Less: provision for impairment	(1,200)	(4,128)	(5,328)	(1,200)	(4,128)	(5,328)
	<u>₩3,299,995,703</u>	<u>₩ 466,655,050</u>	<u>₩3,766,650,753</u>	<u>₩1,240,454,677</u>	<u>₩ 65,395,039</u>	<u>₩1,305,849,716</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 Company's exposure to credit risk.

## 8. Contract Liabilities

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

	December 31, 2024	December 31, 2023
Customer loyalty programs	₩ 3,332,475	₩ 3,051,170
Contracts related to search platform service	181,575,155	160,329,700
Contracts related to commerce service	48,596,998	47,034,406
Contracts related to contents service	31,781,814	26,420,691
	<u>₩ 265,286,442</u>	<u>₩ 236,835,967</u>

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

B. The amounts recognized as revenue related to contract liabilities carried forward from prior periods for the years ended December 31, 2024 and 2023 are as follows (Korean won in thousands)

	2024	2023
Revenue recognized from the contract liabilities carried forward from prior periods attributable to:	₩ 236,835,967	₩ 216,763,821
Customer loyalty programs	3,051,170	2,637,055
Search platform service	160,329,700	145,856,637
Commerce service	47,034,406	45,486,985
Contents service	26,420,691	22,783,144

## 9. 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	₩ 15,667,751	₩ 2,000,000	₩ 12,960,869	₩ 11,331,828
Prepaid expenses	15,180,719	8,469,106	18,468,508	12,171,947
	<u>₩ 30,848,470</u>	<u>₩ 10,469,106</u>	<u>₩ 31,429,377</u>	<u>₩ 23,503,775</u>

## 10. 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	₩ 254,609,032	₩ -	254,609,032	₩ 320,127,329	₩ -	320,127,329
Buildings	1,376,674,984	(182,610,307)	1,194,064,677	1,602,931,356	(219,298,130)	1,383,633,226
Structures	240,284,046	(117,497,542)	122,786,504	249,086,651	(108,830,402)	140,256,249
Machinery	82,208,545	(25,183,984)	57,024,561	82,101,766	(8,733,532)	73,368,234
Vehicles	422,658	(412,991)	9,667	412,658	(412,658)	-
Equipment	136,708,990	(89,830,258)	46,878,732	132,361,041	(75,334,673)	57,026,368
Construction in progress	1,052,969	-	1,052,969	24,225,870	-	24,225,870
	<u>₩ 2,091,961,224</u>	<u>₩ (415,535,082)</u>	<u>₩ 1,676,426,142</u>	<u>₩ 2,411,246,671</u>	<u>₩ (412,609,395)</u>	<u>₩ 1,998,637,276</u>

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

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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):

<b>2024</b>								
	<b>Land</b>	<b>Buildings</b>	<b>Structures</b>	<b>Machinery</b>	<b>Vehicles</b>	<b>Equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Beginning balance, net	₩ 320,127,329	₩ 1,383,633,226	₩ 140,256,249	₩ 73,368,234	₩ -	₩ 57,026,368	₩ 24,225,870	
Acquisition/ Capital expenditures	1,579,739	27,855,349	6,162,692	106,779	10,000	11,044,865	26,375,168	73,134,592
Depreciation	-	(51,431,041)	(18,878,417)	(16,450,452)	(333)	(20,351,565)	-	(107,111,808)
Disposals	-	-	-	-	-	(2,926,207)	-	(2,926,207)
Reclassification	-	-	136,850	-	-	2,085,271	(2,222,121)	-
Others(*)	(67,098,036)	(165,992,857)	(4,890,870)	-	-	-	(47,325,948)	(285,307,711)
Ending balance, net	₩ 254,609,032	₩ 1,194,064,677	₩ 122,786,504	₩ 57,024,561	₩ 9,667	₩ 46,878,732	₩ 1,052,969	₩ 1,676,426,142

(\*) Alternatively recorded from tangible assets to investment property due to change in use during the year ended December 31, 2024.

<b>2023</b>							
	<b>Land</b>	<b>Buildings</b>	<b>Structures</b>	<b>Machinery</b>	<b>Equipment</b>	<b>Construction in progress</b>	<b>Total</b>
Beginning balance, net	₩ 278,055,131	₩ 889,948,949	₩ 44,645,456	₩ 1,320,095	₩ 61,923,257	₩ 479,884,404	₩ 1,998,637,276
Acquisition/ Capital expenditures(*1)	-	25,393,509	1,088,961	78,135,784	11,519,913	285,771,898	401,910,065
Depreciation	-	(43,174,493)	(14,323,801)	(6,087,645)	(18,965,037)	-	(82,550,976)
Disposals	(600,101)	(683,429)	-	-	(4,103,639)	(690,712)	(6,077,881)
Reclassification	89,587,518	523,522,913	108,845,633	-	7,537,936	(729,494,000)	-
Others(*2)	(46,915,219)	(11,374,223)	-	-	(886,062)	(11,245,720)	(70,421,224)
Ending balance, net	₩ 320,127,329	₩ 1,383,633,226	₩ 140,256,249	₩ 73,368,234	₩ 57,026,368	₩ 24,225,870	₩ 1,998,637,276

(\*1) Capitalized borrowing costs are included and the amount acquired from business transfer is ₩ 93 million for the year ended December 31, 2023.

(\*2) Increase or decrease due to account reclassification and acquisition tax refund are included.

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

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

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**11. Leases**

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
<b>Right-of-use assets(*1)</b>		
Properties	₩ 28,221,305	₩ 30,811,441
Vehicles	1,394,778	1,739,351
	<u>₩ 29,616,083</u>	<u>₩ 32,550,792</u>
<b>Lease receivables(*2)</b>		
Current	₩ 53,445,494	₩ 4,830,509
Non-current	316,183,226	27,903,959
	<u>₩ 369,628,720</u>	<u>₩ 32,734,468</u>
<b>Lease liabilities(*2)</b>		
Current	₩ 47,264,693	₩ 46,811,708
Non-current	259,413,622	294,272,912
	<u>₩ 306,678,315</u>	<u>₩ 341,084,620</u>

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

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

Additions to the right-of-use assets for the year ended December 31, 2024 amount to ₩ 865 million (2023 : ₩ 953 million).

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:

<b>Lease receivables (*)</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Within 1 year	₩ 56,096,769	₩ 5,006,782
More than 1 year but within 2 years	57,779,250	4,202,022
More than 2 years but within 3 years	59,512,108	4,327,810
More than 3 years but within 4 years	61,296,851	4,457,307
More than 4 years but within 5 years	63,135,033	4,590,625
More than 5 years	154,784,779	16,258,266
	<u>₩ 452,604,790</u>	<u>₩ 38,842,812</u>

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

<b>Lease liabilities (*)</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Within 1 year	₩ 48,186,769	₩ 47,707,193
More than 1 year but within 5 years	186,546,970	185,829,883
More than 5 years	114,995,473	162,147,775
	<u>₩ 349,729,212</u>	<u>₩ 395,684,851</u>

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

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B. Details of amounts recognized in the separate 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):

	<b>2024</b>	<b>2023</b>
<b>Depreciation of right-of-use assets</b>		
Properties	₩ 4,333,900	₩ 3,553,303
Vehicles	812,124	735,614
	<u>₩ 5,146,024</u>	<u>₩ 4,288,917</u>
Interest expense relating to lease liabilities (included in finance costs)	11,690,741	12,876,475
Expense relating to short-term leases and leases of low-value assets	694,930	1,169,935

The total cash outflow for leases for the year ended December 31, 2024, is ₩ 49,181 million (2023: ₩ 50,926 million), and the total cash inflow for leases for the year ended December 31, 2024, is ₩ 55,008 million (2023: ₩ 39,504 million).

## **12. Intangible Assets**

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

	<b>December 31, 2024</b>			<b>December 31, 2023</b>		
	<b>Acquisition cost</b>	<b>Accumulated amortization(*)</b>	<b>Carrying amount</b>	<b>Acquisition cost</b>	<b>Accumulated amortization(*)</b>	<b>Carrying amount</b>
Industrial rights	₩ 10,454,830	₩ (9,616,933)	₩ 837,897	₩ 9,907,380	₩ (9,370,401)	₩ 536,979
Software	58,517,266	(36,486,177)	22,031,089	57,922,250	(29,594,932)	28,327,318
Others	105,906,967	(39,289,901)	66,617,066	106,246,577	(39,316,431)	66,930,146
	<u>₩ 174,879,063</u>	<u>₩ (85,393,011)</u>	<u>₩ 89,486,052</u>	<u>₩ 174,076,207</u>	<u>₩ (78,281,764)</u>	<u>₩ 95,794,443</u>

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

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):

	<b>2024</b>			
	<b>Industrial rights</b>	<b>Software</b>	<b>Others</b>	<b>Total</b>
Beginning balance, net	₩ 536,979	₩ 28,327,318	₩ 66,930,146	₩ 95,794,443
Acquisition/ capital expenditures	547,449	595,016	1,555,115	2,697,580
Amortization	(246,531)	(6,891,245)	(562,964)	(7,700,740)
Disposals	-	-	(1,894,725)	(1,894,725)
Impairment/Reversal of impairment loss	-	-	589,494	589,494
Ending balance, net	<u>837,897</u>	<u>22,031,089</u>	<u>66,617,066</u>	<u>89,486,052</u>

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	<b>2023</b>			
	<b>Industrial rights</b>	<b>Software</b>	<b>Others</b>	<b>Total</b>
Beginning balance, net	₩ 496,316	₩ 6,274,680	₩ 65,681,314	₩ 72,452,310
Acquisition/ capital expenditures(*1)	253,920	25,678,758	3,113,134	29,045,812
Amortization	(211,854)	(3,617,750)	(880,320)	(4,709,924)
Disposals(*2)	(1,403)	(8,370)	(55,110)	(64,883)
Impairment/Reversal of impairment loss	-	-	1,867,199	1,867,199
Others(*3)	-	-	(2,796,071)	(2,796,071)
Ending balance, net	₩ 536,979	₩ 28,327,318	₩ 66,930,146	₩ 95,794,443

(\*1) The amount acquired due to business transfer is ₩ 99 million for the year ended December 31, 2023.

(\*2) The amount disposed due to business transfer is ₩ 1 million for the year ended December 31, 2023.

(\*3) The amount of increase and decrease in intangible assets due to the reclassification is included.

C. Amortization cost is classified as 'operating expenses' in the separate financial statements.

D. Total research and development costs recognized by the Company for the year ended December 31, 2024 amount to ₩ 623,045 million (2023: ₩ 635,717 million), which are expensed as 'operating expenses'.

E. Emission permits

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

<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>Total</b>
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):

	<b>2024</b>		<b>2023</b>	
	<b>Quantity</b>	<b>Amount</b>	<b>Quantity</b>	<b>Amount</b>
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	605	₩ 14,896	450	₩ 13,500

### 13. Investment properties

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

	<b>2024</b>	<b>2023</b>
Beginning balance	₩ 324,106,239	₩ 302,769,701
Transfers from property, plant and equipment (*1)(*2)	738,726,990	54,385,719
Disposals(*3)	(366,881,888)	-
Others(*4)	-	372,295
Valuation	96,205,895	(33,421,476)
Ending balance	₩ 792,157,236	₩ 324,106,239

(\*1) Includes ₩ 285,307 million transferred from property, plant and equipment due to change in use, including buildings, etc., and revaluation surplus of ₩ 453,419 million. The fair value of investment properties is calculated based on valuations performed by Karam Appraisal Co. Ltd., an external independent real estate appraiser with appropriate qualifications and experience in real estate valuation in the region.

(\*2) Account transferred from intangible assets due to change of use during the year ended December 31, 2023.

(\*3) Changed from operating lease to finance lease due to a contract change during the year ended December 31, 2024.

(\*4) Increased due to change in unit cost of reinstatement during the year ended December 31, 2023.

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 Company recognizes gain or loss on valuation of investment properties as other expenses in the separate financial statements.

D. Income and expenses in relation to investment property for each of the two years in the period ended December 31, 2024 are as follows (Korean won in thousands):

	<b>2024</b>	<b>2023</b>
Rental income from investment property	₩ 26,636,781	₩ 33,193,572
Loss on valuation of investment property	25,023,377	33,421,476
Gain on valuation of investment property	121,229,272	-

### 14. Investments in Subsidiaries, Associates and Joint Ventures

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

					December 31, 2024	December 31, 2023
					Ownership (%)	Carrying amount
Subsidiary:	Primary business	Location	Closing month			
NAVER Cloud Corporation	Cloud service management	Korea	December	100.00	201,671,235	200,856,299
NAVER I&S Corp.	Business support, workforce supply, and employee dispatch	Korea	December	100.00	28,031,186	28,031,186
N Visions Co., Ltd.	Exhibition and performance planning business	Korea	December	100.00	1,452,802	1,452,802
NAVER CHINA CORPORATION	Software development and distribution	China	December	100.00	11,807,060	11,807,060
Snow Corporation	Camera and communication application development service	Korea	December	90.00	647,003,283	647,003,283

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					December 31, 2024	December 31, 2023
					Ownership (%)	Carrying amount
Primary business	Location	Closing month				
Alpha Next Media Innovation Fund (formerly, SB Next Media Innovation Fund)	Investment	Korea	December	96.30	139,845,023	139,845,023
NAVER LABS Corporation	New technology development and research	Korea	December	100.00	11,590,139	34,209,855
NAVER-KTB Audio Contents Fund	Investment	Korea	December	99.00	29,714,850	29,714,850
SpringCamp Early Stage Fund 1	Investment	Korea	December	99.00	21,780,000	39,600,000
SpringCamp Early Stage Fund 2	Investment	Korea	December	91.95	35,859,197	60,000,000
NAVER U.Hub Inc (*8)(*12)	Global business support	U.S.A	December	100.00	70,614,600	-
NAVER BAND Inc(*8)	North America community service marketing	U.S.A	December	-	-	-
NAVER France SAS	Europe IT investment and research and development	France	December	100.00	374,138,444	374,138,444
NAVER WEBTOON COMPANY Corporation (*6)	Webtoon service development and management	Korea	December	100.00	-	-
NAVER J.Hub Corporation	Global business support	Japan	December	100.00	1,148,207,685	1,148,207,685
TBT Global Growth Fund I	Investment	Korea	December	89.91	56,777,047	72,228,024
Audiensori Corporation	Audio content production and distribution	Korea	December	100.00	5,811,601	5,811,601
NAVER VIETNAM COMPANY LIMITED	Online live broadcast service and local marketing	Vietnam	December	99.96	50,849,396	50,849,396
NAVER Financial Corporation (*3)	Electronic financial business	Korea	December	89.21	29,654,166	29,654,166
WEBTOON Entertainment Inc.	Webtoon service development and management	U.S.A	December	60.64	1,866,924,522	1,867,298,241
Do Ventures Annex Fund, LP	Investment	U.S.A	December	99.00	5,532,867	5,426,801
SVA Soda (*5)	Investment	Korea	December	1.43	1,300,888	1,359,790
Smart Spring Fund (*4)	Investment	Korea	December	-	-	10,000,000
NAVER Synergy Fund (formerly, Naver-Quantum Contents 1 Fund)	Investment	Korea	December	98.81	6,250,000	6,250,000
NAVER HANDS Corporation	Standard workplace operation for the disabled	Korea	December	50.80	63,500	63,500
NAVER WP I, L.P. (*10)	Managing local business	U.S.A	December	-	-	2,807,628
NAVER WP II, LLC (*10)	Managing local business	U.S.A	December	-	-	-
SVA Content Media Private Equity Fund II	Investment	Korea	December	98.83	70,395,030	70,395,030
NW MEDIA CONTENTS INC.	Contents production	U.S.A	December	100.00	17,818,369	17,818,369
KREAM Corporation (*7)	Sneakers trading platform operations	Korea	December	4.87	47,052,422	47,052,422
PROTON PARENT, INC.	Investment	U.S.A	December	99.27	1,735,303,734	1,735,303,734
					6,615,449,046	6,637,185,189
<b>Associate:</b>						
Netmania Co., Ltd.	Software development and distribution	Korea	December	27.17	161,829	161,829
SYNAP SOFT CORP. (*9)	Software development and distribution	Korea	December	-	-	624,995
BonAngels Pacemaker Fund	Investment	Korea	December	22.73	750,000	750,000
Korea Contents Mutual Aid Association (*1)	Mutual Aid Association	Korea	December	52.00	10,000,000	10,000,000
Arointech inc	Software development and distribution	Korea	December	29.85	500,000	500,000
NAVER KIP Cheer up! Gamers Fund	Investment	Korea	December	50.00	243,000	243,000
Digital Media Partners II, L.P. (*9)	Investment	Cayman Islands	December	-	-	3,321,036
N Space Co., Ltd.	Space service business	Korea	December	49.04	1,700,006	1,700,006
Onestore Co., Ltd.	E-Commerce business	Korea	December	24.18	29,497,707	29,497,707
Mirae Asset - NAVER New Growth Fund I	Investment	Korea	December	50.00	6,062,676	17,283,176



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				Closing month	December 31, 2024	December 31, 2023
					Ownership (%)	Carrying amount
Primary business	Location					
K-Fund I (*1)	Investment	France	December	74.81	154,191,772	152,190,046
YG NAVER Contents & Lifestyle Fund (*1)	Investment	Korea	December	90.91	50,000,000	50,000,000
Soran Media Venture Fund (*1)	Investment	Korea	December	66.67	464,536	747,173
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	Investment	Singapore	December	40.00	232,776,219	250,462,215
Mirae Asset-Naver Asia Growth Fund (*2)	Investment	Korea	December	16.67	61,543,650	63,993,650
China Ventures Fund I, Limited Partnership (*1)	Investment	Canada	December	70.33	109,886,075	106,299,591
CHINA VENTURES FUND II, L.P.	Investment	Cayman Islands	December	25.00	56,747,022	110,279,895
Alliance Internet Corp.	Revenue support for internet business start-up	Korea	December	23.53	200,000	200,000
DHP private equity fund 3 Artificial Intelligence Research Institute (*2)(*6)	Investment	Korea	December	25.16	160,898	160,898
YN CULTURE & SPACE (*12)	AI technology investment	Korea	December	14.29	-	-
Do Ventures Fund I, I-A (*9)	Record production and planning	Korea	December	24.98	15,000,000	11,769,235
SMEJ Plus INC (*9)	Investment	Cayman Islands	December	-	-	10,540,700
Carousell Pte Ltd (*2)	Global fanship related investment	Japan	December	-	-	14,873,626
Smart Korea Naver-Stonebridge Rising Investment Association	Platform Investment	Singapore	December	8.22	74,862,910	74,862,910
Silicon Cube Co.,Ltd (*6)	Investment	Korea	December	37.74	10,000,000	8,000,000
A Holdings Corporation	Applied software development and distribution	Korea	December	41.36	-	-
IPX Corporation	Mobile service development	Japan	March	42.25	221,372,599	221,372,599
WEVERSE COMPANY Inc.	Character and doll wholesale and retail	Korea	March	22.36	71,593,000	71,593,000
K-Fund II	Content production	Korea	December	44.50	411,884,049	411,884,049
Cafe24 Corp. (*2)	Investment	France	December	39.25	75,518,269	65,097,357
FUTURE INNOVATION PRIVATE EQUITY FUND III	Hosting and related service	Korea	December	13.74	39,689,366	39,689,366
ICART GROUP PTE. LTD. (*2)(*6)	Investment	Korea	December	25.38	59,528,050	49,180,800
Mirae Asset Partnership Growth Fund I (*1)	Online daily necessities and fresh food platforms	Singapore	December	5.91	-	-
TBT Global Growth Fund III	Investment	Korea	December	90.00	4,500,000	4,500,000
LINE NEXT Inc (*11)	Investment	Korea	December	36.76	15,000,000	7,500,000
STL 18th Private Equity Fund	Applied Software development and distribution	U.S.A	December	-	-	2,092,721
Smart Spring Fund (*4)	Investment	Korea	December	22.20	20,000,000	20,000,000
	Investment	Korea	December	35.71	10,000,000	-
					1,743,833,633	1,811,371,580
<b>Joint venture:</b>						
Cineplay Co., Ltd.	Online information service and online advertising	Korea	December	49.00	98,000	98,000
Designpress Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
China Lab Co.,Ltd.	Database and online information service	Korea	December	49.00	98,000	98,000
Yeopeul Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
Inter Biz Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000

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	Primary business	Location	Closing month	December 31, 2024		December 31, 2023
				Ownership (%)	Carrying amount	
School Jaem Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
Agro Plus Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
Sseom Lab Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
Tech Plus Co., Ltd. (*10)	Online information service and internet contents business	Korea	December	-	-	98,000
Animal and Human Story Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
Law&Media Co., Ltd.	Online information service and internet contents business	Korea	December	49.00	98,000	98,000
					<u>980,000</u>	<u>1,078,000</u>
					<u>₩ 8,360,262,679</u>	<u>₩ 8,449,634,769</u>

(\*1) As of December 31, 2024, although the Company owns more than 50% ownership in the investee, the Company does not have control over these entities by virtue of agreements and classifies it as associates.

(\*2) As of December 31, 2024, although the Company owns less than 20% ownership in the investees, the Company has significant influence over these entities by virtue of agreements and classifies them as associates.

(\*3) The Company's ownership in NAVER Financial Corporation is based on the number of shares with voting right.

(\*4) Classified as an associate due to the loss of control over Smart Spring Fund during the current period ended December 31, 2024.

(\*5) Although the Company owns less than 50% ownership in SVA Soda, a joint venture, the Company is considered to have control over this entity since KREAM Corporation, a subsidiary of the Company, owns 98.1% ownership of the entity is included. As a result, SVA Soda has been classified as subsidiary.

(\*6) The carrying amount is nil (0) because the Company recognized impairments of total acquisition amount due to accumulated losses.

(\*7) Although the Company owns less than 50% ownership in the KREAM Corporation, the Company is considered to have control over the entity since the Company has significant influence over the entity considering 38.82% of stakes in the entity held by Snow Corporation, a subsidiary of the Company, and the composition of shareholders and Boards of Directors. Therefore, KREAM Corporation is classified as a subsidiary.

(\*8) NAVER BAND Inc. was merged into NAVER U. Hub Inc. during the current period ended on December 31, 2024.

(\*9) Disposed during the current period ended December 31, 2024.

(\*10) Liquidated during the current period ended December 31, 2024.

(\*11) Classification changed to non-current financial assets at fair value through profit or loss due to the loss of significant influence over LINE NEXT Inc. during the current period ended December 31, 2024.

(\*12) The Company acquired additional shares through participation in a paid-in capital increase during the current period ended December 31, 2024.

B. Changes in investments in subsidiaries, associates and joint ventures for each of the year ended December 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024	2023
Beginning balance	₩ 8,449,634,769	₩ 6,679,788,696
Acquisition	126,453,598	2,023,116,580
Disposals (*1)	(167,413,665)	(292,356,496)
Impairment loss (*2)	(46,760,519)	(88,698,559)
Reversal of impairment loss	-	3,019,839
Others (*3)	(1,651,504)	124,764,709
Ending balance	<u>₩ 8,360,262,679</u>	<u>₩ 8,449,634,769</u>

(\*1) The amount of partial disposal of the shares in CHINA VENTURES FUND II, L.P. is ₩ 55,604 million, the disposal amount of Digital Media Partners II, L.P. is ₩ 3,321 million, the disposal amount of Do Ventures Fund

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I-A, LP is ₩ 11,874 million, the disposal amount of SYNAP SOFT CORP. is ₩ 625 million, and the disposal amount of SMEJ Plus INC is ₩ 14,874 million during the current period ended December 31, 2024.

(\*2) During the year ended December 31, 2024, asset impairment losses were recognized as the carrying value exceeded the recoverable amount due to continued operating losses of NAVER LABS and SpringCamp Early Stage Specialized Investment Fund No. 2.

(\*3) The amount reclassified as financial assets at fair value through profit or loss is ₩ 2,093 million during the current period ended December 31, 2024.

## 15. 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
<b>Financial Liabilities</b>				
Other payables	₩ 444,891,494	₩ -	₩ 423,527,930	₩ -
Accrued expenses	7,576,677	-	5,449,659	-
Deposits received	3,093,812	42,416,063	3,737,577	25,944,511
	455,561,983	42,416,063	432,715,166	25,944,511
<b>Non-financial Liabilities</b>				
Accrued expenses	171,332,106	9,819,222	156,015,403	9,031,395
	₩ 626,894,089	₩ 52,235,285	₩ 588,730,569	₩ 34,975,906

## 16. Other Liabilities

Details of other liabilities 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
Advances from customers	₩ 298,236,119	₩ -	₩ 265,912,657	₩ -
Unearned revenues	36,882,133	60,764	29,850,313	2,263,420
Withholdings	6,377,606	-	6,013,872	-
VAT withholdings	93,394,246	-	83,269,932	-
	₩ 434,890,104	₩ 60,764	₩ 385,046,774	₩ 2,263,420

## 17. 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
<b>Current portion of long-term borrowings</b>							
Foreign currency	BNP Paribas	Dec. 23. 2024	TIBOR 3M+0.55	₩ -	JPY -	₩ 136,889,000	JPY 15,000,000
Local currency	Shinhan Bank	Dec. 03. 2025	2.99	200,000,000	-	-	-
<b>Long-term borrowings</b>							
Local currency	Shinhan Bank	Dec. 03. 2025	2.99	-	-	15,000,000	-
Total				₩ 200,000,000	JPY -	₩ 151,889,000	JPY 15,000,000

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B. Details of debentures 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	
	Issue date	Latest maturity	Interest rate (%)	Carrying amount	Foreign currency amount	Carrying amount	Foreign currency amount
Debentures in won(4 <sup>th</sup> -1)	Feb. 25. 2021	Feb. 25. 2024	1.24	₩ -	- ₩	250,000,000	-
Debentures in won(4 <sup>th</sup> -2)	Feb. 25. 2021	Feb. 25. 2026	1.60	450,000,000	-	450,000,000	-
Debentures in won(5 <sup>th</sup> -1)	Jan. 24. 2024	Jan. 24. 2027	3.79	170,000,000	-	-	-
Debentures in won(5 <sup>th</sup> -2)	Jan. 24. 2024	Jan. 24. 2029	3.84	30,000,000	-	-	-
Unsubordinated unsecured debentures in foreign currency	Mar. 29. 2021	Mar. 29. 2026	1.50	1,176,000,000	USD 800,000	1,031,520,000	USD 800,000
	Nov. 1. 2023	Apr. 30. 2027	1.14	131,107,200	JPY 14,000,000	127,772,400	JPY 14,000,000
		Nov. 01. 2028	1.43	14,047,200	JPY 1,500,000	13,689,900	JPY 1,500,000
		Nov. 01. 2030	1.76	14,047,200	JPY 1,500,000	13,689,900	JPY 1,500,000
		Nov. 01. 2035	2.41	28,094,400	JPY 3,000,000	27,379,800	JPY 3,000,000
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)	-
				USD 797,483		USD 795,488	
Long-term debentures				₩ 2,007,288,716	JPY 19,839,582	₩ 1,655,718,953	JPY 19,788,166

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

	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
Debentures in won(4 <sup>th</sup> -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 In cases where companies restricted from mutual investment are excluded under the <i>Fair Trade Act</i>
Debentures in won(5 <sup>th</sup> -1)					
Debentures in won(5 <sup>th</sup> -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.

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**18. 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):

<b>December 31, 2024 and 2024</b>					
	<b>Provision for litigation</b>	<b>Provision for restoration</b>	<b>Others</b>	<b>Total</b>	
Beginning balance	₩ 926,439	₩ 10,836,592	₩ 39,843,959	₩ 51,606,990	
Reversal of unused amounts	-	-	(9,539,860)	(9,539,860)	
Additional provisions	-	1,206,143	1,162,216	2,368,359	
Amounts used	-	(58,513)	(18,032)	(76,545)	
Ending balance	₩ 926,439	₩ 11,984,222	₩ 31,448,283	₩ 44,358,944	
Current	₩ 926,439	₩ 181,365	₩ 31,448,283	₩ 32,556,087	
Non-current	-	11,802,857	-	11,802,857	

  

<b>December 31, 2023 and 2023</b>					
	<b>Provision for litigation</b>	<b>Provision for restoration</b>	<b>Others</b>	<b>Total</b>	
Beginning balance	₩ 926,439	₩ 10,620,125	₩ 555,779	₩ 12,102,343	
Reversal of unused amounts	-	(535,463)	(2,836,362)	(3,371,825)	
Additional provisions	-	1,064,309	42,162,373	43,226,682	
Amounts used	-	(312,379)	(37,831)	(350,210)	
Ending balance	₩ 926,439	₩ 10,836,592	₩ 39,843,959	₩ 51,606,990	
Current	₩ 926,439	₩ 556,456	₩ 39,843,959	₩ 41,326,854	
Non-current	-	10,280,136	-	10,280,136	

## 19. Net Defined Benefit Liabilities

### A. Defined benefit pension plans

The Company 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):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Present value of funded defined benefit obligations	₩ 12,744,328	₩ 11,498,215
Present value of unfunded defined benefit obligations	364,416,816	284,340,828
	377,161,144	295,839,043
Fair value of plan assets	(10,302,444)	(10,073,875)
Net defined benefit liabilities	₩ 366,858,700	₩ 285,765,168

(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):

	<b>2024</b>	<b>2023</b>
Beginning balance	₩ 295,839,043	₩ 326,292,683
Current service cost	45,159,029	48,585,187
Interest expense	16,583,448	17,038,236
Remeasurements:		
- Actuarial loss from change in demographic assumptions	5,550,099	1,880,655
- Actuarial gain from change in financial assumptions	24,962,646	(43,982,002)
- Actuarial loss (gain) from experience adjustments	(2,040,178)	(19,494,477)
Payments from plans:		
- Benefit payments	(8,920,992)	(9,791,946)
Transfer to / from subsidiaries	28,049	(976,323)
Business transfer effect	-	(23,712,970)
Ending balance	₩ 377,161,144	₩ 295,839,043

(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):

	<b>2024</b>	<b>2023</b>
Beginning balance	₩ 10,073,875	₩ 10,245,029
Interest income	566,923	531,483
Remeasurements:		
- Return on plan assets (excluding amounts included in interest income)	(311,406)	(434,446)
Payments from plans:		
- Benefit payments	(26,948)	(268,191)
Ending balance	₩ 10,302,444	₩ 10,073,875

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

	<b>December 31, 2024</b>		<b>December 31, 2023</b>	
	<b>Amount</b>	<b>Ratio(%)</b>	<b>Amount</b>	<b>Ratio(%)</b>
Cash and cash equivalents	₩ 1,187,269	11.5	₩ 107,790	1.1
Securities	522,565	5.1	812,962	8.1
Government bonds	3,180,066	30.9	2,975,823	29.5
Public finance bonds	5,412,544	52.5	6,177,300	61.3
	<u>₩ 10,302,444</u>	<u>100.00</u>	<u>₩ 10,073,875</u>	<u>100.00</u>

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Discount rate	4.66%	5.81%
Salary growth rate	6.34%	6.93%

(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):

	<b>Impact on defined benefit obligation</b>		
	<b>Changes in assumption</b>	<b>Increase in assumption</b>	<b>Decrease in assumption</b>
Discount rate	1% increase / decrease	₩ (44,441,039)	₩ 53,363,818
Salary growth rate	1% increase / decrease	51,949,280	(44,213,396)

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 principle 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 is 13.68 years.

#### B. 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):

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Other short-term employee benefits	₩ 60,018,136	₩ 54,371,844
Other long-term employee benefits	9,721,672	8,989,304
	<u>₩ 69,739,808</u>	<u>₩ 63,361,148</u>

## 20. Issuance and Acquisition of Shares

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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.

## **21. Other Components of Equity**

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Treasury shares	₩ (875,629,791)	₩ (852,628,239)
Stock options	265,186,307	253,913,977
Loss on valuation of financial assets at fair value through other comprehensive income	(549,429,723)	(472,903,988)
Revaluation surplus (*)	336,074,369	-
Others	(60,838,113)	(60,838,114)
	<u>₩ (884,636,951)</u>	<u>₩ (1,132,456,364)</u>

(\*) For the year ended December 31, 2024, the Company reclassified certain assets from intangible assets to investment property due to change in use and recognized a revaluation gain of ₩ 453,419 million (prior to deducting corporate tax effect) (see Note 13).

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):

	<b>2024</b>	<b>2023</b>
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 restricted stock units ("RSU").



## 22. Share-Based Payments

As of December 31, 2024, the Company entered into share-based payment agreements for the employees and directors of the Company 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			
	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			

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	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 - Successful IPO execution	More than three years of service from the grant date - Successful IPO execution	More than three years of service from the grant date - Successful IPO execution	More than three years of service from the grant date - Successful IPO execution
Exercisable period and condition	- Eight years from the exercisable date	- Eight years from the exercisable date	- Eight years from the exercisable date	- Eight years from the exercisable date
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						
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Transfer from/to associates	Ending unexercised balance
Shares of Naver corporation						
2019.02.27	46,780	-	(3,908)	-	200	43,072
2019.03.22	293,250	-	(30,810)	-	(600)	261,840
2020.02.26	56,725	-	(1,695)	(477)	(212)	54,341
2020.02.26	630,500	-	(16,500)	(3,450)	1,000	611,550
2020.03.27	444,000	-	(12,000)	(6,000)	-	426,000
2021.02.23	63,234	-	-	(1,188)	(243)	61,803
2021.02.23	753,000	-	-	(11,000)	(5,000)	737,000
2021.03.24	580,000	-	-	(30,000)	4,000	554,000
	2,867,489	-	(63,913)	(52,115)	(855)	2,749,606
Weighted average exercise price (KRW)	₩ 269,835	₩ -	₩ 156,457	₩ 341,544	₩ 314,432	₩ 271,138

2024						
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Transfer from/to associates	Ending unexercised balance
Shares of WEBTOON Entertainment Inc.						
2020.11.23	2,863,260	-	-	-	-	2,863,260
2021.10.07	18,900	-	-	-	-	18,900
2022.12.26	10,530	-	-	(690)	-	9,840
2023.02.28	51,000	-	-	-	-	51,000
	2,943,690	-	-	(690)	-	2,943,000
Weighted average exercise price (USD)	USD 11	USD -	USD -	USD 32	USD -	USD 11

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<b>2023</b>						
<b>Granted date</b>	<b>Beginning unexercised balance</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Transfer from/to associates</b>	<b>Ending unexercised balance</b>
Shares of Naver corporation						
2019.02.27	56,604	-	(4,244)	(37)	(5,543)	46,780
2019.03.22	382,760	-	(33,210)	-	(56,300)	293,250
2020.02.26	68,959	-	(3,692)	(394)	(8,148)	56,725
2020.02.26	797,500	-	(58,000)	(6,000)	(103,000)	630,500
2020.03.27	548,000	-	(26,000)	-	(78,000)	444,000
2021.02.23	75,114	-	-	(1,782)	(10,098)	63,234
2021.02.23	914,000	-	-	(26,000)	(135,000)	753,000
2021.03.24	<u>707,000</u>	<u>-</u>	<u>-</u>	<u>(33,000)</u>	<u>(94,000)</u>	<u>580,000</u>
	3,549,937	-	(125,146)	(67,213)	(490,089)	2,867,489
Weighted average exercise price (KRW)	₩ 267,893	₩ -	₩ 169,468	₩ 356,382	₩ 269,364	₩ 269,835

<b>2023</b>						
<b>Granted date</b>	<b>Beginning unexercised balance</b>	<b>Granted</b>	<b>Exercised</b>	<b>Expired</b>	<b>Transfer from/to associates</b>	<b>Ending unexercised balance</b>
Shares of WEBTOON Entertainment Inc.						
2020.11.23	2,832,270	-	-	-	30,990	2,863,260
2021.10.07	-	-	-	-	18,900	18,900
2022.12.26	-	-	-	-	10,530	10,530
2023.02.28	<u>-</u>	<u>51,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,000</u>
	2,832,270	51,000	-	-	60,420	2,943,690
Weighted average exercise price (USD)	USD 11	USD 32	USD -	USD -	USD 15	USD 11

(C) The Company 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)

<b>NAVER Corporation</b>								
	<b>2019.02.27</b>	<b>2019.03.22</b>	<b>2020.02.26</b>	<b>2020.02.26</b>	<b>2020.03.27</b>	<b>2021.02.23</b>	<b>2021.02.23</b>	<b>2021.03.24</b>
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

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	<b>WEBTOON Entertainments Inc.</b>			
	<b>2020.03.27</b>	<b>2021.02.23</b>	<b>2021.02.23</b>	<b>2021.03.24</b>
Risk-free interest rate	0.45	1.11	3.82	4.15
Expected maturity	5.5 years	5.5 years	5.5 years	5.5 years
Expected price volatility	61.00	57.37	31.50	31.70
Expected dividend yield	-	-	-	-
Stock price as of granted date	USD 11.03	USD 13.03	USD 32.30	USD 32.30
Fair value as of granted date	USD 5.86	USD 6.70	USD 11.80	USD 12.05
Exercise price	USD 11.03	USD 13.03	USD 32.30	USD 32.30

(D) The amount of expenses recognized in relation to equity-settled stock options is ₩ 6,553 million (2023: ₩ 44,219 million) and the amount recognized as an investment and reimbursement in a subsidiary is ₩ 441 million (2023: ₩ 2,616 million) for the year ended December 31, 2024.

**(2) Cash-settled stock options**

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

	<b>Granted on 2019.02.27</b>	<b>Granted on 2019.03.22</b>	<b>Granted on 2020.02.26</b>	<b>Granted on 2020.02.26</b>	<b>Granted on 2020.03.27</b>
Granted by	Certain subsidiaries of NAVER Corporation				
Vesting condition	More than two years' service from the grant date	More than three years' service from the grant date	More than two years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater

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	Granted on 2020.04.30	Granted on 2020.04.30	Granted on 2021.02.23	Granted on 2021.02.23	Granted on 2021.03.24
Granted by	Certain subsidiaries of NAVER Corporation				
Vesting condition	More than two years' service from the grant date	More than three years' service from the grant date	More than two years' service from the grant date	More than three years' service from the grant date	More than three years' service from the grant date
Exercisable period and condition	Five years from the exercisable date	- Five years from the exercisable date - If daily closing price for ten consecutive days immediately preceding the exercising date or during the exercisable period are ₩ 192,000 or greater	-Five years from the exercisable date	-Five years from the exercisable date	-Five years from the exercisable date

(B) Changes in the number of cash-settled stock options and weighted average exercise prices for the years ended December 31, 2024 and 2023 are as follows: (in number of shares)

2024						
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Transfer from/to associates	Ending unexercised balance
2019.02.27	5,128	-	(160)	-	601	5,569
2019.03.22	4,750	-	(1,000)	-	1,000	4,750
2020.02.26	2,703	-	-	-	583	3,286
2020.02.26	3,000	-	-	-	-	3,000
2020.03.27	4,000	-	-	-	-	4,000
2020.04.30	530	-	-	(53)	106	583
2020.04.30	2,106	-	-	-	4,500	6,606
2021.02.23	1,755	-	-	(27)	351	2,079
2021.02.23	14,027	-	-	-	500	14,527
2021.03.24	6,000	-	-	-	-	6,000
	43,999	-	(1,160)	(80)	7,641	50,400
Weighted average exercise price (KRW)	₩ 263,785 ₩	- ₩	₩ 130,710 ₩	₩ 245,569 ₩	₩ 193,968 ₩	₩ 256,292

2023						
Granted date	Beginning unexercised balance	Granted	Exercised	Expired	Transfer from/to associates	Ending unexercised balance
2019.02.27	4,660	-	(354)	-	822	5,128
2019.03.22	4,750	-	-	-	-	4,750
2020.02.26	2,120	-	(159)	-	742	2,703
2020.02.26	2,106	-	-	-	894	3,000
2020.03.27	4,000	-	-	-	-	4,000
2020.04.30	530	-	-	-	-	530
2020.04.30	2,000	-	-	-	106	2,106
2021.02.23	1,539	-	-	-	216	1,755
2021.02.23	10,108	-	-	(27)	3,946	14,027

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2021.03.24	6,000	-	-	-	-	6,000
	37,813	-	(513)	(27)	6,726	43,999
Weighted average exercise price (KRW)	₩ 257,916 ₩	- ₩	146,598 ₩	362,500 ₩	288,239 ₩	263,785

(C) The Company 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)

	<b>NAVER Corporation</b>							
	<b>2020.02.26</b>	<b>2020.02.26</b>	<b>2020.03.27</b>	<b>2020.04.30</b>	<b>2020.04.30</b>	<b>2021.02.23</b>	<b>2021.02.23</b>	<b>2021.03.24</b>
Risk-free interest rate	2.75	2.62	2.64	2.73	2.66	2.59	2.81	2.80
Expected maturity	2.05years	3.15 years	3.24 years	2.23 years	3.33 years	3.05 years	4.15 years	4.23 years
Expected price volatility	26.31	26.31	26.31	26.31	26.31	26.31	26.31	26.31
Expected dividend yield	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
Share price at the end of period	₩ 198,900 ₩	₩ 198,900 ₩	₩ 198,900 ₩	₩ 198,900 ₩	₩ 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 ₩	₩ 49,516 ₩	₩ 7,043 ₩	₩ 12,457 ₩	₩ 10,840 ₩
Exercise price	₩ 186,000 ₩	₩ 186,000 ₩	₩ 186,000 ₩	₩ 186,000 ₩	₩ 186,000 ₩	₩ 362,500 ₩	₩ 362,500 ₩	₩ 384,500 ₩

(D) The amount of revenue recognized in relation to cash-settled stock options is ₩488 million for the year ended December 31, 2024 (₩1,240 million of expenses for the year ended December 31, 2023).

**B. Treasury share payment (stock grant)**

The Company distributed treasury shares amounting to ₩ 39,580 million (2023: ₩ 38,519 million) without consideration to employees for the year ended December 31, 2024 (in number of shares and Korean won):

	<b>Issued on 2024.01.02</b>	<b>Issued on 2024.07.01</b>
Distribution value per share	₩ 227,500 ₩	₩ 162,900 ₩
Total number of shares distributed	85,108	124,115

**C. Restricted Stock Unit**

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

	<b>Issued on May 31, 2022</b>	<b>Issued on Mar. 31, 2023</b>
Granted shares	Common shares of Naver corporation	Common shares of Naver corporation
Total number of RSU	192,959 shares	256,974 shares
Total amount of RSU	₩ 48,595 million (Stock price as of granted date: ₩ 288,000)	₩ 45,801 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

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	<b>Issued on Mar. 31, 2024</b>	<b>Issued on Jul. 31, 2024</b>
Granted shares	Common shares of Naver corporation	Common shares of Naver corporation
Total number of RSU	132,106 shares	169,499 shares
Total amount of RSU	₩ 16,210 million (Stock price as of granted date: ₩ 187,400)	₩ 29,493 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

(2) The amount of expenses recognized in relation to RSU is ₩ 37,801 million (2023: ₩ 33,867 million) for the year ended December 31, 2024.

(3) The Company 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)

<b>NAVER Corporation</b>									
	<b>2022.05.31</b>	<b>2022.05.31</b>	<b>2022.05.31</b>	<b>2023.03.31</b>	<b>2023.03.31</b>	<b>2023.03.31</b>	<b>2024.03.31</b>	<b>2024.03.31</b>	<b>2024.07.31</b>
Risk-free interest rate	1.77	1.77	-	3.80	3.80	-	3.29	3.29	-
Expected maturity	3 years	3 years	-	3 years	3 years	-	3 years	3 years	-
Expected price volatility	35.00	35.00	-	35.00	35.00	-	25.00	25.00	-
Expected dividend yield	0.20	0.20	-	0.20	0.20	-	0.20	0.20	-
Stock price as of granted date	₩ 288,000	₩ 288,000	₩ 288,000	₩ 202,000	₩ 202,000	₩ 202,000	₩ 187,400	₩ 187,400	₩ 174,000
Fair value as of granted date	₩ 175,680	₩ 221,760	₩ 288,000	₩ 139,380	₩ 155,540	₩ 202,000	₩ 104,944	₩ 136,802	₩ 174,000

## 23. Retained Earnings

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Legal reserves(*)	₩ 8,240,670	₩ 8,240,670
Voluntary reserves	13,909,234	13,909,234
Retained earnings before appropriation	12,842,969,805	11,357,460,532
	<u>₩ 12,842,969,805</u>	<u>₩ 11,379,610,436</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.

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B. The appropriation of retained earnings for each of the two years in the period ended December 31, 2024 is as follows (Korean won in thousands):

	<b>2024</b>	<b>2023</b>
Expected appropriation date/ Actual appropriation date	(Expected appropriation date: March 26, 2025)	(Actual appropriation date: March 26, 2024)
Unappropriated retained earnings carried over from prior year	₩ 11,238,475,676	₩ 10,076,740,304
Profit for the year	1,968,704,486	1,414,312,848
Gain (loss) on disposal of equity instruments at fair value through other comprehensive income	(9,276,275)	1,968,599
Remeasurements of the defined benefit liabilities	(21,334,680)	45,424,555
treasury shares	(333,599,402)	(118,588,089)
Interim dividends	-	(62,397,685)
Retained earnings available for appropriation	₩ 12,842,969,805	₩ 11,357,460,532
Dividends		
Dividends per share: 2024: ₩ 1,130 (1,130%), 2023: ₩790 (790%)	168,436,667	118,984,856
Appropriation of retained earnings	₩ 168,436,667	₩ 118,984,856
Unappropriated retained earnings to be carried forward	₩ 12,674,533,138	₩ 11,238,475,676

## 24. 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):

	<b>2024</b>	<b>2023</b>
Salaries and wages(*)	₩ 643,166,273	₩ 594,106,898
Employee benefits	102,403,406	107,136,455
Share-based payment expenses	43,865,691	79,326,193
Depreciation	107,111,808	82,550,976
Depreciation of right-of-use assets	5,146,024	4,288,917
Amortization	7,700,740	4,709,924
Utility	40,299,173	29,335,508
Taxes and dues	6,957,245	9,863,188
Commission	2,536,559,644	2,310,827,076
Advertising	740,669,003	637,645,768
Supplies	3,089,776	2,456,856
Others	38,664,979	34,345,879
	₩ 4,275,633,762	₩ 3,896,593,638

(\*) Expenses related to stock grants amounting to ₩ 42,278 million for the year ended December 31, 2024(2023: ₩ 40,054 million) are included.



## **25. 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):

	<b>2024</b>	<b>2023</b>
Rental income	₩ 39,188,544	₩ 44,581,032
Foreign currency exchange gain	24,016,712	46,006,312
Gain on disposal of property, plant and equipment	423,603	891,850
Gain on disposal of intangible assets	-	79,619,318
Gain on disposal of investments in subsidiaries and associates	-	129,763,159
Gain on disposal of investments in associates	21,379,046	135,801,160
Valuation gain on investment property	121,229,272	-
Others	1,173,269	10,306,966
	<u>₩ 218,991,719</u>	<u>₩ 446,969,797</u>

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):

	<b>2024</b>	<b>2023</b>
Foreign currency exchange loss	₩ 175,680,857	₩ 78,468,296
Social contribution expenses	55,261,246	78,567,512
Miscellaneous loss	891,101	3,596,729
Non-operating commission	7,841,794	6,355,218
Impairment loss on investments in subsidiaries and associates	46,760,519	88,698,559
Loss on valuation of investment properties	38,758,586	33,421,476
Others	2,004,527	1,549,755
	<u>₩ 352,222,007</u>	<u>₩ 291,024,594</u>

## **26. 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):

	<b>2024</b>	<b>2023</b>
Dividend income	₩ 762,022,733	₩ 183,511,787
Gain on foreign currency exchange	70,592,900	36,532,732
Gain on valuation of financial assets at fair value through profit or loss	140,757,466	160,741,743
Gains on derivative transactions	-	1,634,500
	<u>₩ 973,373,099</u>	<u>₩ 382,420,762</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):

	<b>2024</b>	<b>2023</b>
Interest expenses	₩ 61,449,380	₩ 80,381,886
Loss on foreign currency exchange	56,026,671	35,135,568
Loss on valuation of financial assets at fair value through profit or loss	228,709,462	230,247,192
Loss on derivative transactions	-	3,446,800
Others	340,952	394,657
	<u>₩ 346,526,466</u>	<u>₩ 349,606,103</u>

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**27. 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):

	<b>2024</b>	<b>2023</b>
Current tax		
Current tax on profits for the year	₩ 502,826,224	₩ 538,015,056
Adjustments for current tax attributable to prior years	(271,297)	(6,088,858)
Deferred tax		
Origination and reversal of temporary differences	2,401,996	(13,754,309)
Effect of changes in income tax rate	(551,693)	(92,171)
Income tax expense	<u>₩ 504,405,230</u>	<u>₩ 518,079,718</u>

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

	<b>2024</b>	<b>2023</b>
Profit before income tax expense	₩ 2,473,109,717	₩ 1,932,392,566
Income tax expense calculated at statutory tax rate	641,617,771	499,789,637
Adjustments:		
Non-taxable income	(184,720,541)	(28,969,701)
Non-deductible expenses	11,398,006	27,828,228
Change in reserve at beginning	(907,382)	5,501,115
Income not taxable	(4,654,637)	(1,326,729)
Changes in unrealizable deferred tax asset	24,950,611	21,691,103
Adjustment in respect of prior years	(271,297)	(6,088,858)
Change in deferred tax attributable to the corporate tax rate	(551,693)	(92,171)
Effects of consolidated tax return	(4,859,822)	(12,804,851)
Global minimum tax liability	2,671,649	-
Others	19,732,565	12,551,945
Income tax expense	<u>₩ 504,405,230</u>	<u>₩ 518,079,718</u>

The effective tax rate of the Company was 25.94% for the year ended December 31, 2024 (2023: 25.86%).

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):

	<b>2024</b>			<b>2023</b>		
	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>	<b>Before tax</b>	<b>Tax effect</b>	<b>After tax</b>
Gain (loss) on valuation of financial assets at fair value through other comprehensive income	₩ (104,534,321)	₩ 28,008,587	₩ (76,525,734)	₩ 37,319,265	₩ (10,006,680)	₩ 27,312,585
Remeasurements of the net defined benefit liabilities	(28,783,972)	7,449,292	(21,334,680)	61,161,378	(15,736,823)	45,424,555
Revaluation surplus	453,419,278	(117,344,909)	336,074,369	-	-	-
	<u>₩ 320,100,985</u>	<u>₩ (81,887,030)</u>	<u>₩ 238,213,955</u>	<u>₩ 98,480,643</u>	<u>₩ (25,743,503)</u>	<u>₩ 72,737,140</u>

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D. Income tax effect 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	₩ 79,234,599	₩ (20,516,612)	₩ 58,717,987	₩ 77,325,622	₩ (20,059,552)	₩ 57,266,070
Gain (loss) on disposal of financial assets at fair value through other comprehensive income	(12,517,492)	3,241,217	(9,276,275)	2,658,173	(689,574)	1,968,599
Stock options	11,272,330	-	11,272,330	66,185,752	(1,569,055)	64,616,697
	<u>₩ 77,989,437</u>	<u>₩ (17,275,395)</u>	<u>₩ 60,714,042</u>	<u>₩ 146,169,547</u>	<u>₩ (22,318,181)</u>	<u>₩ 123,851,366</u>

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

	December 31, 2024	December 31, 2023
<b>Deferred tax assets</b>		
Deferred tax asset to be recovered within 12 months	₩ 164,351,748	₩ 152,216,339
Deferred tax asset to be recovered after more than 12 months	<u>348,393,223</u>	<u>312,172,898</u>
	512,744,971	464,389,237
<b>Deferred tax liabilities</b>		
Deferred tax liability to be recovered within 12 months	(95,681,081)	(117,135,920)
Deferred tax liability to be recovered after more than 12 months	<u>(240,317,993)</u>	<u>(86,770,087)</u>
	(335,999,074)	(203,906,007)
Deferred tax assets (liabilities), net	<u>₩ 176,745,897</u>	<u>₩ 260,483,230</u>

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)	Ending balance
<b>Deferred income tax liabilities</b>				
Financial assets at fair value through profit or loss	₩ (93,389,679)	₩ 22,146,289	- ₩	(71,243,390)
Accrued income	(764,517)	(4,503,624)	-	(5,268,141)
Revaluated assets	-	-	(117,344,909)	(117,344,909)
Others	<u>(109,751,811)</u>	<u>(32,390,823)</u>	<u>-</u>	<u>(142,142,634)</u>
	(203,906,007)	(14,748,158)	(117,344,909)	(335,999,074)
<b>Deferred income tax assets</b>				
Investments in subsidiaries and associates	₩ 23,522,407	₩ (19,052,644)	- ₩	4,469,763
Provision for impairment	435,283	640,987	-	1,076,270
Intangible assets	4,232,313	(95,357)	-	4,136,956
Accrued expenses	39,984,617	3,732,546	-	43,717,163
Net defined benefit liabilities	73,527,377	13,966,362	7,449,292	94,943,031
Provisions	3,300,255	387,986	-	3,688,241
Financial assets at fair value through other comprehensive income	164,564,176	4,267	28,008,587	192,577,030
Depreciation	35,723,180	4,864,213	-	40,587,393
Others	<u>119,099,629</u>	<u>8,449,495</u>	<u>-</u>	<u>127,549,124</u>
	464,389,237	12,897,855	35,457,879	512,744,971
Deferred income tax assets (liabilities), net	<u>₩ 260,483,230</u>	<u>₩ (1,850,303)</u>	<u>₩ (81,887,030)</u>	<u>₩ 176,745,897</u>

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		2023				
		Beginning balance	Statement of profit or loss	Other comprehensive income (loss)	Equity	Ending balance
<b>Deferred income tax liabilities</b>						
Financial assets at fair value through profit or loss	₩	(98,343,025)	₩ 4,953,346	₩ -	₩ -	(93,389,679)
Accrued income		(1,503,426)	738,909	-	-	(764,517)
Others		(122,074,238)	12,322,427	-	-	(109,751,811)
		(221,920,689)	18,014,682	-	-	(203,906,007)
<b>Deferred income tax assets</b>						
Investments in subsidiaries and associates	₩	21,287,929	₩ 2,234,478	₩ -	₩ -	23,522,407
Provision for impairment		168,301	266,982	-	-	435,283
Intangible assets		7,409,536	(3,177,223)	-	-	4,232,313
Accrued expenses		39,723,304	261,313	-	-	39,984,617
Net defined benefit liabilities		81,508,690	7,755,510	(15,736,823)	-	73,527,377
Provisions		3,306,090	(5,835)	-	-	3,300,255
Financial assets at fair value through other comprehensive income		174,572,563	(1,707)	(10,006,680)	-	164,564,176
Depreciation		31,152,118	4,571,062	-	-	35,723,180
Stock options		6,168,367	(4,599,312)	-	(1,569,055)	-
Others		130,573,099	(11,473,470)	-	-	119,099,629
		495,869,997	4,168,202	(25,743,503)	(1,569,055)	464,389,237
<b>Deferred income tax assets(liabilities), net</b>						
	₩	273,949,308	₩ 13,846,480	₩ (25,743,503)	₩ (1,569,055)	₩ 260,483,230

G. The Company did not recognize deferred tax assets for the temporary differences amounting to ₩ 693,982 million (2023: ₩ 594,401 million) from the investments in subsidiaries / associates and others which are not subject to disposal.

H. The Company is subject to a global minimum tax under the Pillar 2 Model Rules. Among the jurisdictions in which the Company's subsidiaries are located, the effective tax rates in the United Kingdom and Australia are below 15%, resulting in a global minimum tax surcharge. During the year ended December 31, 2024, the additional amount recognized as income tax expense arising from the global minimum tax is ₩ 2,671,649 thousand.

As the Company 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.

## 28. Earnings per Share

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

Basic earnings per share from continuing operations (Korean won in thousands and in number of shares)

	2024	2023
Profit for the year attributable to ordinary shares	₩ 1,968,704,486 ₩	₩ 1,414,312,848
Weighted average number of ordinary shares	150,593,639	150,427,724
Basic earnings per share (in Korean won)	₩ 13,073 ₩	9,402

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B. Weighted average number 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):

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

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

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

(\*) Weighted average number of ordinary shares outstanding:  $54,906,119,275 \div 365 \text{ days} = 150,427,724$  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 Company has stock options as dilutive potential ordinary shares. For the stock options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company'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)

	<b>2024</b>	<b>2023</b>
Profit attributable to the ordinary shareholders of the Company	₩ 1,968,704,486	₩ 1,414,312,848
Weighted average number of ordinary shares outstanding	150,593,639	150,427,724
Adjustment details		
Stock option	<u>409,077</u>	<u>425,705</u>
Weighted average number of ordinary shares outstanding for calculating diluted earnings (loss) per share	151,002,716	150,853,429
Diluted earnings per share	₩ 13,038	₩ 9,375

## 29. Dividends

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

	<b>2024</b>	<b>2023</b>
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 25<sup>th</sup> 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 26<sup>th</sup> fiscal year is February 28, 2025.

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**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.

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

**30. 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):

	<b>2024</b>	<b>2023</b>
Profit for the year	₩ 1,968,704,486	₩ 1,414,312,848
Adjustments:		
Bad debt expense	2,025,415	545,590
Depreciation	107,111,808	82,550,976
Depreciation of right-of-use assets	5,146,024	4,288,917
Amortization of intangible assets	7,700,740	4,709,924
Gain on valuation of investment property	(121,229,272)	-
Loss on valuation of investment property	25,023,377	33,421,476
Gain on foreign currency translation	(70,378,864)	(55,192,732)
Loss on foreign currency translation	190,049,837	71,277,297
Gain (loss) on foreign currency transaction	17,432,459	15,914,931
Gain on disposal of property, plant and equipment	(423,603)	(891,850)
Loss on disposal of property, plant and equipment	1,385,793	1,171,173
Gain on disposal of right-of-use assets	(283,776)	(4,550)
Loss on disposal of right-of-use assets	290,699	47,700
Gain on disposal of intangible assets	-	(79,619,318)
Loss on disposal of intangible assets	28,034	3,976
Impairment loss on intangible assets	300,000	1,251,328
Reversal of impairment losses on intangible assets	(889,494)	(1,867,199)
Gain on valuation of financial assets and liabilities at fair value through profit or loss	(140,757,466)	(160,741,743)
Loss on valuation of financial assets and liabilities at fair value through profit or loss	228,709,462	230,247,192
Gain on disposal of investments in subsidiaries, associates and joint ventures	(21,379,046)	(265,564,319)
Loss on disposal of investments in subsidiaries, associates and joint ventures	38,758,586	367,049
Impairment loss on investments in subsidiaries, associates and joint ventures	46,760,519	88,698,559
Reversal of impairment losses on investments in subsidiaries, associates and joint ventures	-	(3,019,839)
Share-based payment expenses	86,144,133	119,380,336
Post-employment benefits	61,175,554	65,091,940
Interest income	(74,235,049)	(30,427,336)
Interest expenses	61,449,380	80,381,886
Dividend income	(762,022,733)	(183,511,787)
Income tax expenses	504,405,230	518,079,718
Income with no other cash inflows	(3,105,722)	6,726,857
Change in operating assets and liabilities, net:		
Trade receivables	(9,141,200)	12,971,847
Other receivables	41,005,449	101,463,969
Other current assets	8,479,900	15,122,974
Other non-current assets	2,505,693	471,382

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Other payables	22,180,330	(19,827,567)
Accrued expenses	14,001,735	(9,596,641)
Long-term accrued expenses	721,711	2,763,981
Other current liabilities	49,716,296	13,671,338
Other current financial liabilities	440,000	(1,391,275)
Provisions	(58,513)	(312,379)
Net defined benefit liabilities	(8,865,995)	(9,523,755)
Others	(73,817)	65,901
	<u>₩ 2,278,808,100</u>	<u>₩ 2,063,508,775</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):

	<u>2024</u>	<u>2023</u>
Reclassification of construction in progress	₩ 2,222,121	₩ 729,494,000
Other payables arising from acquisitions of property, plant and equipment	(1,045,565)	2,270,424
Reclassification of current portion of long-term prepaid expenses	1,197,149	2,366,794
Increase in investments in subsidiaries due to issue of stock option	814,936	4,346,257
Increase in right-of-use assets	864,515	952,781
Increase in investment properties	285,307,711	54,758,014
Other payables arising from acquisitions of intangible assets	778	(3,955)
Increase in financing lease receivables	347,766,613	-
Increase in investments in subsidiaries due to conversion of loans to equity investment	-	110,012,619
Increase of financial guarantee liabilities	590,708	42,055,451
Increase in receivables for disposal of investments in subsidiaries	67,315	-

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):

	<u>2024</u>						
	<u>Liabilities from financing activities</u>						
	<u>Current portion of long-term borrowings</u>	<u>Long-term borrowings</u>	<u>Debenture</u>	<u>Lease liabilities</u>	<u>Dividend payable</u>	<u>Other</u>	<u>Total</u>
Beginning balance	₩ 136,899,000	₩ 15,000,000	₩ 1,905,681,153	₩ 341,084,620	₩ -	₩ 28,767,088	₩ 2,427,431,861
Cash flows - proceeds	-	185,000,000	199,320,560	-	-	47,545,047	431,865,607
Cash flows - repayment	(139,029,000)	-	(250,000,000)	(36,795,152)	(118,984,856)	(23,851,362)	(568,660,370)
Recognized for the year	-	-	-	864,515	118,984,856	-	119,849,371
Current portion reclassification	200,000,000	(200,000,000)	-	-	-	-	-
Dispositions and changes	-	-	-	1,524,332	-	-	1,524,332
Amortization	-	-	3,210,879	-	-	508,983	3,719,862
Others (*)	2,130,000	-	149,076,124	-	-	(8,814,882)	142,391,242
Ending balance	<u>₩ 200,000,000</u>	<u>₩ -</u>	<u>₩ 2,007,288,716</u>	<u>₩ 306,678,315</u>	<u>₩ -</u>	<u>₩ 44,154,874</u>	<u>₩ 2,558,121,905</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.

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	2023							
	Liabilities from financing activities							
	Short-term borrowings	Current portion of long-term borrowings	Long-term borrowings	Debenture	Lease liabilities	Dividend payable	Other	Total
Beginning balance	₩ -	₩ 187,274,700	₩ 157,977,000	₩ 1,704,518,277	₩ 377,802,781	₩ -	₩ 27,262,845	₩ 2,454,835,603
Cash flows - proceeds	763,260,000	-	508,840,000	176,512,824	-	-	2,270,768	1,450,883,592
Cash flows - repayment	(773,337,000)	(173,899,800)	(520,192,000)	-	(36,878,823)	(62,397,685)	(1,498,298)	(1,568,203,606)
Recognized for the year	-	-	-	-	952,781	62,397,685	-	63,350,466
Current portion reclassification	-	155,559,000	(155,559,000)	-	-	-	-	-
Disposal	-	-	-	-	(792,119)	-	-	(792,119)
Amortization	-	-	-	2,794,103	-	-	625,978	3,420,081
Others (*)	10,077,000	(32,034,900)	23,934,000	21,855,949	-	-	105,795	23,937,844
Ending balance	₩ -	₩ 136,899,000	₩ 15,000,000	₩ 1,905,681,153	₩ 341,084,620	₩ -	₩ 28,767,088	₩ 2,427,431,861

(\*) 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. Commitments and Contingencies

A. As of December 31, 2024, the Company has borrowing agreements with Kookmin Bank and other 5 Korean financial institutions with an aggregated credit limit up to ₩ 565,000 million and the Company has loan commitments of \$1.8 million with Shinhan Bank and one other financial institution.

B. As of December 31, 2024, the Company has been provided with guarantees of ₩ 1,456 million from Seoul Guarantee Insurance Company and ₩ 813 million (available up to ₩ 4,700 million) from Shinhan Bank in relation to the performance and payment guarantee, respectively.

C. As of December 31, 2024, the Company 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 Company has entered into contracts to acquire land amounting to ₩ 51,000 million (outstanding amount: ₩ 100 million).

D. As of December 31, 2024, the Company is a defendant in 27 lawsuit cases filed with regard to unjust enrichment and compensation for damages (aggregate amount of the lawsuits: ₩ 8,109 million) and the Company is a plaintiff in 5 lawsuit cases filed with regard to compensation for damages (aggregate amount of the lawsuits: ₩ 27,999 million). The outcome of these cases is uncertain as at the reporting date and the Company's management recognizes the provision in relation to the potential loss if these cases meet the condition for the recognition of the provision.

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

	Agreed amount	Accumulated investment	Outstanding amount
Vista Equity Partners Fund VIII-A, L.P.	USD 50,000,000	USD 17,062,665	USD 32,937,335
K-Fund II	EUR 100,000,000	EUR 80,898,845	EUR 19,101,155
General Atlantic Investment Partners 2021 LP	USD 150,000,000	USD 133,797,813	USD 16,202,187
TBT Global Growth Fund No. 3	₩ 25,000,000	₩ 15,000,000	₩ 10,000,000
Mirae Asset-Naver Asia Growth Investment Pte. Ltd.	500,000,000	490,761,782	9,238,218

F. With the resolution of the Board of Directors on March 27, 2020 and the resolution of the Transparency Committee on April 13, 2020, the Company entered into a five-year payment guarantee agreement for NAVER J. Hub's JPY 5 billion borrowing from Citi Bank Japan. In addition, with the resolution of the Board of Directors on September 6, 2023, the Company has entered into a payment guarantee agreement for NAVER J. Hub's borrowings from Mizuho Bank, SMBC and MUFG. The borrowings covered by the payment guarantee agreement are JPY 35 billion for the 5-year Mizuho Bank borrowings, JPY 35 billion for the 5-year SMBC borrowings, and JPY 22.16 billion for the 4-year MUFG borrowings.



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

H. As of December 31, 2024, the Company holds shares of CJ Logistics Corporation, CJ ENM Co., Ltd. and Studio Dragon Corporation to reinforce and maintain strategic partnership with CJ corporate group affiliates. The shares acquired by the Group are restricted on disposal for a certain period, under the right of first refusal agreement and call option agreement concluded between the Group and counterparties.

I. With the resolution of the Board of Directors on March 16, 2021, the Company 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 Company entered into a mutual agreement for right of first refusal and call option. Sale of the shares held by the Company is restricted for a certain period.

J. With the resolution of the Board of Directors on August 10, 2021, the Company 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 Company entered into an agreement for the right of first refusal and right to nominate directors. Sale of the shares held by the Company is restricted for a certain period.

K. As of December 31, 2024, the Company provides time deposits of ₩ 57,200 million as collaterals for the employees' loans from financial institutions. In addition, the Company deposited ₩ 13,760 million for cooperation in partnership growth in short-term and long-term financial instruments. And the pledge has been established for the lease deposit of the affiliated company of ₩ 35,522 million. As of December 31, 2024, the above financial instruments are restricted in use.

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

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

N. As of December 31, 2024, the Company and WEVERSE COMPANY Inc., the associate of the Company, 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 Company to sell its shares if certain conditions are satisfied. Sale of the shares held by the Company is restricted for a certain period.

O. As of December 31, 2024, the Company and YN Culture & Space, which is the associate of the Company, have entered into an agreement on the right of first refusal and drag-along right in relation to the Company's shares in YN Culture & Space.

P. Based on the resolution of the Board of Directors on February 1, 2024, the Company entered into a ₩ 100 billion loan agreement with NAVER Z CO., LTD., an associate of the Company. As of December 31, 2024, the Company 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.

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**32. Related Party Transactions**

A. Details of subsidiaries, associates and joint ventures as of December 31, 2024 and 2023 are described in Note 14.A.

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

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Other (*)	HAPPYBEAN FOUNDATION, NAVER Connect Foundation, DOHANDS Co., Ltd., HD Junction Inc., FASSTO corp.	ESPRESSO MEDIA CO., LTD., MYSTIC Story Inc., HAPPYBEAN FOUNDATION, NAVER Cultural Foundation, NAVER Connect Foundation, HD Junction, Inc., Ubob Inc, DOHANDS Co, Ltd, FASSTO corp., Lunasoft corp.

(\*) Although these entities are not related parties of the Company 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 Company is able to exercise significant influences.

C. Transactions with the related parties including operating revenues and expenses for each of the year ended December 31, 2024 and 2023 are as follows (Korean won in thousands):

	<b>2024</b>					
	<b>Operating revenue and others (*3)</b>		<b>Operating expenses and others (*3)</b>		<b>Tangible/Intangible Assets</b>	
	<b>Operating revenue</b>	<b>Others</b>	<b>Operating expenses</b>	<b>Others</b>	<b>Purchase</b>	<b>Disposal</b>
<b>Subsidiary:</b>						
NAVER Cloud Corporation	₩ 34,766,899	₩ 25,638,494	₩ 882,723,405	₩ 254	₩ 158,081	₩ 89,352
NAVER Financial Corporation	17,839,294	2,938,992	105,108,759	7,957,036	55,734	91,591
NAVER WEBTOON Ltd.	1,300,149	7,674,341	70,380,504	-	31,993	1,596
CommPartners Corp.	73,346	-	16,658,941	-	-	-
Green Web Service Corp	109,983	-	39,826,434	-	-	-
InComms Corp	100,909	106,284	21,380,791	-	-	178
NAVER I&S Corp.	31,910	720,481	7,430,605	-	15,988	13,868
NAVER France SAS	-	1	36,634,181	-	-	-
N Tech Service Corp.	146,623	-	48,868,698	-	6,034	1,604
SNOW Corporation	145,984	3,188,696	3,596,430	-	15,584	35
NITService Corp.	41,521	9,136	1,926,353	-	-	-
NAVER LABS Corporation	128,886	2,916,696	34,643,763	-	545,798	55,973
NAVER Hands Corporation	152	78,375	2,084,087	-	-	-
NAVER CHINA CORPORATION	-	-	10,966,195	101	-	-
NAVER J.Hub Corporation	58,402	9,883,227	247,763	24	-	5,638
NAVER VIETNAM COMPANY LIMITED	-	-	7,295,181	-	-	-
LINE WORKS Corporation(formerly, Works Mobile Japan Corporation)	-	-	391,454	-	-	-
NAVER WEBTOON COMPANY Corporation	367	254	-	-	-	-
STUDIO LICO Corp.	38,013	103,743	98,000	-	-	-
Amuse Co., Ltd.(*5)	2,566	-	-	-	-	-
Audiensori Corporation	30,227	2,392	382,548	-	-	-
KREAM Corporation	61,263	1,295,636	-	-	737	219
Cake Corporation	15,607	274,815	22,161	-	1,105	-
WEBTOON Entertainment Inc	322,571	-	-	-	-	-
StudioN Corporation	369	-	-	-	-	-
Munpia inc.	2,868	-	-	-	-	-
NAVER U.Hub Inc	-	116,464	9,538,015	131	-	-
Chengdu NCC Technology Corporation	-	-	7,370,773	-	-	-
Poshmark, Inc.	700,254	-	-	-	-	-
Semicolon Studio Corp.	72	-	19	-	-	-
Namain Corporation	27	-	-	-	-	-
PAP Corporation	288	-	-	-	-	-
<b>Associate:</b>						
Naver Z Corporation (*4)	306,615	7,143,953	51,450	-	66,563	539

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	2024					
	Operating revenue and others (*3)		Operating expenses and others (*3)		Tangible/Intangible Assets	
	Operating revenue	Others	Operating expenses	Others	Purchase	Disposal
Cafe24 Corp.	1,141,243	-	7,605,734	-	-	-
WEVERSE COMPANY Inc.	20,620	1,163,571	-	72,325	-	-
Onestore Co., Ltd.	-	-	1,083,395	-	-	-
Arointech inc.	-	-	728,012	-	-	-
LINE Plus Corporation (*2)	277,734	-	2,966,029	-	-	2,090
LINE STUDIO Corporation (*2)	6,162	-	-	-	-	-
SYNAP SOFT CORP. (*5)	-	-	250,000	-	-	-
LINE VIETNAM COMPNAY LIMITED (*2)	-	-	49,957	-	-	-
LINE Taiwan Limited (*2)	169,930	-	-	2	-	-
FEEL WAY (*2)	54,348	-	-	-	-	-
ROKMEDIA (*2)	-	-	580	-	-	-
Playlist Corporation	2,066	-	2,743,394	-	-	-
LINE NEXT Inc.	45,880	-	-	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	-	-	-	7	-	-
RI Entertainment Inc. (*2)	-	-	69,817	-	-	-
IPX Corporation	2,114	-	6,409	-	-	-
CELSYS, Inc.	2,000	-	-	-	-	-
N Space Co., Ltd.	2,240	-	-	-	-	-
LY Corporation (*2)	79,008,553	-	12,151,479	-	-	-
LINE Play Co., Ltd. (*2)	211	-	-	-	-	-
YLAB Corporation	5,000	-	-	-	-	-
LINE Financial Corporation (*2)	1,850	-	-	-	-	-
LY Communications Corporation(*2)	-	-	137,301	-	-	-
LINE Pay Plus Corporation (*2)	7,500	-	-	-	-	-
<b>Joint venture:</b>						
Tech Plus Co., Ltd. (*5)	6	-	358,000	-	-	-
China Lab Co., Ltd.	-	-	865,161	-	-	-
Agro Plus Co., Ltd.	-	-	601,917	-	-	-
School Jaem Co., Ltd.	-	-	454,149	-	-	-
Animal and Human Story Co., Ltd.	58	-	794,165	-	-	-
Yeopeul Co., Ltd.	-	-	627,200	-	-	-
Cineplay Co., Ltd.	-	-	754,200	-	-	-
Inter Biz Co., Ltd.	699	-	427,398	-	-	-
Sseom Lab Co., Ltd.	-	-	340,500	-	-	-
Designpress Co., Ltd.	-	-	613,052	-	-	-
Law&Media Co., Ltd.	-	-	321,338	-	-	-
<b>Other:</b>						
NAVER Connect Foundation (*1)	343,550	3,523	305,360	10,000,000	-	-
HAPPYBEAN FOUNDATION (*1)(*7)	12,065	-	-	8,000,909	-	-
NAVER Cultural Foundation (*1)(*5)(*7)	172	-	-	-	-	-
Ubob Inc (*6)	-	-	-	27,500	-	-
Others	-	-	396,537	-	-	-

(\*1) Although these entities are not related parties of the Company in accordance with KIFRS 1024, they belong to the same large enterprise group according to the *Monopoly Regulation and Fair Trade Act* and the amount is transaction after belonging to the same large-scale business group.

(\*2) The entities are subsidiaries of associates.

(\*3) The amounts above exclude ₩ 544,561 million of receipt as revenue and ₩ 695,528 million of payment as expenses on behalf of the related parties.

(\*4) For the year ended December 31, 2024, the Company changed the entity's classification from subsidiary to associate.

(\*5) The amounts of the transaction before it was disposed of or liquidated during the year ended December 31, 2024.

(\*6) The amounts of the transaction before the loss or withdrawal of the right to appoint directors and exclusion from other related parties of the Company during the year ended December 31, 2024.

(\*7) The entity was liquidated during the year ended December 31, 2024, and the business was transferred to HAPPYBEAN FOUNDATION.

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**32. Related Party Transactions (cont'd)**

	2023					
	Operating revenue and others (*3)		Operating expenses and others (*3)		Tangible/Intangible Assets	
	Operating revenue	Others	Operating expenses	Others	Purchase	Disposal
<b>Subsidiary:</b>						
NAVER Cloud Corporation	₩ 29,777,440	₩ 17,940,462	765,960,240	₩ 263,301	₩ 131,124	₩ 3,425,984
NAVER Financial Corporation	17,656,184	2,616,834	90,571,413	10,240,510	31,250	110,273
WORKS MOBILE Corporation	953,618	2,058,525	18,053,875	39,955	-	8,782
NAVER WEBTOON Ltd.	1,289,339	8,260,391	83,748,199	154,670	25,373	53,247
CommPartners Corp.	31,091	-	14,667,486	-	-	962
Green Web Service Corp	43,838	-	42,254,153	-	-	718
InComms Corp	42,017	102,594	21,236,785	-	-	-
NAVER I&S Corp.	38,391	761,305	11,415,101	-	35,364	16,232
NAVER France SAS	-	144,341	35,927,514	102	-	-
N Tech Service Corp.	24,042	-	50,096,743	-	22,354	14,645
SNOW Corporation	79,165	2,796,519	1,662,157	51,996	8,751	45,247
NITService Corp.	6,183	34,368	1,768,555	-	-	12,391
NAVER LABS Corporation	83,031	2,601,596	1,131,378	-	14,172	49,797
NAVER Hands Corporation	-	88,389	2,122,718	1,522	-	-
NAVER CHINA CORPORATION	-	-	10,232,438	1,930	-	-
NAVER BAND Inc	-	-	4,815,868	-	-	-
NAVER J.Hub Corporation	4,558	3,425,830	358,875	230	-	-
NAVER VIETNAM COMPANY LIMITED	-	-	5,372,826	-	-	-
LINE WORKS Corporation(formerly, Works Mobile Japan Corporation)	999,516	-	407,520	-	-	-
NAVER Z CO.,LTD.	244,306	3,961,158	15,000	74,843	1,807	47,676
NAVER WEBTOON COMPANY Corporation	1,228	-	-	-	56	-
Amuse Co.,Ltd.	53,454	-	-	-	-	-
Audiensori Corporation	33,932	-	324,860	-	-	-
KREAM Corporation	25,744	1,214,600	-	21,379	285	12,880
Cake Corporation	26,487	580,659	29,432	10,971	17,892	3,773
WEBTOON Entertainment Inc	1,108,773	-	1,108,773	-	-	-
Super Labs Corporation	3,560	447,580	-	8,465	18,310	8,490
Chengdu NCC Technology Corporation	-	-	6,938,625	-	-	-
PROTON PARENT, INC	-	355,564	36	-	-	-
Semicolon Studio Corp.	37	-	76	-	-	-
Jakga Company Inc.	4,500	-	-	-	-	-
<b>Associate:</b>						
LINE Corporation (*2)	12,171,505	-	438,457	-	-	-
LINE Plus Corporation (*2)	151,409	30	1,596,693	-	-	3,402
MARKT Co.,Ltd. (*2)	-	-	9,989,517	-	-	-
SYNAP SOFT CORP.	-	-	850,000	-	-	-
Arointech inc	-	-	819,171	435	-	-
Cafe24 Corp.	335,113	-	8,900,576	-	-	-
IPX Corporation	3,034	-	964,948	-	-	-
WEVERSE COMPANY Inc	-	1,224,812	228	69,269	-	-
LINE Biz Plus Corporation (*2)	1,871	3,171	-	-	1,273	5,718
LINE STUDIO Corporation (*2)	2,503	369,103	-	-	-	-
LINE Financial Corporation (*2)	468	-	-	-	-	-
LINE PLAY Corporation. (*2)	16,320	-	-	-	9,412	-
LINE Conomi Corporation (*2)(*5)	-	18,579	-	-	-	-
Onestore Co., Ltd.	-	-	928	-	-	-
LINE NEXT Inc.	-	-	157	-	-	-
LINE VIETNAM COMPNAY LIMITED (*2)	-	-	355,118	-	-	-
LINE Taiwan Limited (*2)	81,535	-	1,726,134	-	-	-
LY Corporation(*2)	1,559,268	-	-	-	-	-
FEEL WAY (*2)	80,511	-	-	-	-	-
ROKMEDIA (*2)	-	-	1,394	-	-	-
Playlist Corporation (*4)	1,429	-	2,270,893	-	-	-
Sidus Corporation	17,717	-	24,586	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	-	-	-	20	-	-
China Ventures Fund I, Limited Partnership	-	-	-	7	-	-
RI Entertainment Inc (*2).	133,525	-	258,906	-	-	-

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	2023					
	Operating revenue and others (*3)		Operating expenses and others (*3)		Tangible/Intangible Assets	
	Operating revenue	Others	Operating expenses	Others	Purchase	Disposal
LY Communications Corporation(*2)	-	-	128,289	-	-	-
Teampus Corp.	1,818	-	-	-	-	-
Baecom Co., LTD.	1,466	-	-	-	-	-
MiraeAsset MAPS Private Placement Real Estate 62 (*5)	-	399,969	-	7,247,354	-	-
<b>Joint venture:</b>						
jobsN CO., Ltd	22,000	-	-	-	-	-
Cineplay Co., Ltd	-	-	1,036,700	-	-	-
Yeopeul Co., Ltd.	-	-	660,950	-	-	-
Inter Biz Co., Ltd.	682	-	840,231	-	-	-
Sseom Lab Co., Ltd.	-	-	628,200	-	-	-
Agro Plus Co., Ltd.	-	-	1,026,200	-	-	-
Animal and Human Story Co., Ltd.	175	-	1,032,053	-	-	-
Law&Media Co., Ltd.	-	-	666,862	-	-	-
China Lab Co., Ltd.	-	-	834,544	-	-	-
School Jaem Co., Ltd.	2	-	800,426	-	-	-
Tech Plus Co., Ltd.	25	-	644,009	-	-	-
Designpress Co., Ltd.	-	-	754,111	-	-	-
<b>Other:</b>						
NAVER Connect Foundation(*1)	546,495	33,585	319,547	13,000,000	-	8,030
MYSTIC Story Inc.	743	-	266,577	-	-	-
HAPPYBEAN FOUNDATION (*1)	3,958	8	-	10,572,289	-	2,214
NAVER Cultural Foundation (*1)	217	-	-	-	-	1,268
Ubob Inc	-	-	-	213,500	-	-
Others	50,869	-	43,878	4	-	-

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

(\*2) The entities are subsidiaries of associates.

(\*3) The amounts above exclude ₩ 413,623 million of receipt as revenue and ₩ 588,067 million of payment as expenses on behalf of the related parties.

(\*4) For the year ended December 31, 2023, the Company changed the entity's classification from subsidiary to associate.

(\*5) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal for the year ended December 31, 2023.

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

	December 31, 2024					
	Receivables			Payables		
	Trade receivables	Other receivables and others(*2)	Loans	Other payables	Leasehold deposits and others	
<b>Subsidiary:</b>						
NAVER Financial Corporation	₩ 173,710,054	₩ 2,217,965	₩ -	₩ 134,143,777	₩ 1,644,326	
NAVER Cloud Corporation	3,986,573	13,105,632	410,000,000	46,999,831	7,307,376	
NAVER WEBTOON Ltd.	559,880	889,391	-	12,776,789	3,499,598	
NAVER I&S Corp.	4,111	477,265	-	760,742	414,746	
NAVER LABS Corporation	21,278	1,579,732	-	7,928,189	1,738,813	
CommPartners Corp.	5,410	5,645	-	1,649,564	-	
STUDIO LICO Corp.	1,823	33,842	-	-	394,022	
Green Web Service Corp	12,903	11,543	-	3,942,989	-	
N Tech Service Corp.	10,929	270,149	-	4,795,075	-	
InComms Corp.	7,694	15,507	-	2,032,339	57,816	
NAVER France SAS	-	118,517	-	10,880,766	-	
NAVER CHINA CORPORATION	-	81,687	-	613,580	-	
NAVER J.Hub Corporation (*5)	59,754	7,354,829	-	236,211	-	
LINE Digital Frontier Corporation	-	5,763	-	-	-	
SNOW Corporation	158,766	480,180	-	667,512	1,510,328	
NAVER Hands Corporation	167	-	-	208,375	5,900	
Audiensori Corporation	-	2,440	500,000	1,676	-	
NITService Corp.	2,909	116,856	-	207,530	-	

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	December 31, 2024				
	Receivables		Loans	Payables	
	Trade receivables	Other receivables and others(*2)		Other payables	Leasehold deposits and others
NAVER WEBTOON COMPANY Corporation	15	467	-	-	1,301
WEBTOON Entertainment Inc.	-	8,706	-	221,483	-
Cake Corporation	447	12,307	-	4,018	147,557
KREAM Corporation	9,577	166,361	-	-	963,281
Chengdu NCC Technology Corporation	-	71,882	-	771,421	-
StudioN Corporation	208	3,445	-	-	-
NAVER VIETNAM COMPANY LIMITED	-	277,883	-	653,653	-
NAVER U.Hub Inc.	-	332,731	-	-	-
Envision Co., Ltd.	-	52	-	4	-
Poshmark, Inc.	725,013	-	-	-	-
Munpia inc.	1,346	2,195	-	-	766
LINE WORKS Corporation(formerly, Works Mobile Japan Corporation)	-	2,890	-	82,159	-
Wattpad Corporation	-	3,206	-	-	-
<b>Associate:</b>					
LINE Financial Corporation (*3)	39	116,791	-	-	-
LINE Pay Plus Corporation (*3)	-	102,037	-	-	-
LINE Taiwan Limited (*3)	-	-	-	285,495	-
LY Corporation (*3)	28,661,720	6,912	-	12,174,240	-
NAVER Z CO.,LTD (*4)	97,887	3,422,630	60,000,000	39,955	1,424,771
LINE studio Corp.(*3)	2,804	218,528	-	3,872	-
LINE Plus Corporation (*3)	75,595	793,005	-	2,567,795	225,509
LINE PLAY Corporation (*3)	-	-	-	1	-
YJ Capital Inc.(*3)	-	14,594	-	-	-
IPX Corporation	-	149,466	-	-	-
Onestore Co., Ltd.	-	-	-	132,000	-
ROKMEDIA (*3)	-	-	-	-	-
Arointech inc.	-	-	-	70,945	-
RI Entertainment Inc. (*3)	-	-	-	5,615	-
WEVERSE COMPANY Inc.	-	31,190,890	-	-	2,740,731
FEELWAY(*3)	939	-	-	-	-
Cafe24 Corp.	4,510	-	-	286,640	-
Playlist Corporation	-	38,270	-	946,000	-
<b>Joint venture:</b>					
Yeopeul Co., Ltd.	-	-	-	30,464	-
Animal and Human Story Co., Ltd.	-	-	-	9,460	-
Sseom Lab Co., Ltd.	-	-	-	11,550	-
China Lab Co.,Ltd.	-	-	-	60,000	-
Inter Biz Co., Ltd.	-	-	-	88,930	-
<b>Other:</b>					
NAVER Connect Foundation (*1)	516	228	-	-	-
HAPPYBEAN FOUNDATION (*1)	1,060	160	-	-	-
DOHANDS Co.,Ltd	-	-	-	323	-
FASSTO corp.	-	-	-	1,801	-

(\*1) Although these entities are not related parties of the Company in accordance with KIFRS 1024, they belong to the same large enterprise group according to the *Monopoly Regulation and Fair Trade Act* and the amount is transaction after belonging to large enterprise group.

(\*2) Lease receivables are included.

(\*3) The entities are subsidiaries of associates.

(\*4) For the year ended December 31, 2024, the Company changed the entity's classification from subsidiary to associate.

(\*5) During the year ended December 31, 2024, the Company has received in advance ₩ 35,571 million in exchange for the payment guarantee.

There is no loss allowance recognized in relation to the receivables due from related parties as of December 31, 2024.

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**32. Related Party Transactions (cont'd)**

		December 31, 2023						
		Receivables			Payables			
		Trade	Other			Other	Leasehold	
		receivables	receivables	Loans		payables	deposits	
			and others(*1)				and others	
<b>Subsidiary:</b>								
NAVER Financial Corporation	₩	149,984,135	₩	3,223,989	₩	- ₩	102,231,316 ₩	1,644,326
NAVER Cloud Corporation		3,341,952		17,911,386		-	102,187,953	13,108,449
NAVER WEBTOON Ltd.		460,211		2,627,903		-	7,887,788	5,470,404
NAVER I&S Corp.		3,823		778,659		-	1,294,992	526,529
NAVER LABS Corporation		10,052		2,467,137		-	149,602	1,681,109
CommPartners Corp.		9,199		131		-	1,456,405	
STUDIO LICO Corp.		155		41,482		-	-	-
Green Web Service Corp		9,659		51		-	3,899,309	-
N Tech Service Corp.		12,482		190,724		-	4,827,027	-
InComms Corp		9,459		78		-	1,964,686	57,816
NAVER France SAS		-		295,267		-	10,690,396	-
NAVER CHINA CORPORATION		-		33,562		-	1,552,748	-
NAVER J.Hub Corporation		52,412		42,479,354	59,322,900	-	157,018	-
NAVER BAND Inc		-		28,284		-	-	-
SNOW Corporation		81,333		492,735		-	534,872	2,167,882
NAVER Hands Corporation		-		-		-	200,045	59,083
Audiensori Corporation		-		-		-	15,182	-
NITService Corp.		3,631		785,967		-	158,848	445,199
NAVER WEBTOON COMPANY Corporation		110		1,860		-	-	-
Works Mobile Japan Corporation		-		-		-	25,194	-
WEBTOON Entertainment Inc		-		-		-	125,781	-
Cake Corporation		1,216		53,652		-	26,669	388,027
KREAM Corporation		2,771		126,484		-	-	768,446
Chengdu NCC Technology Corporation		-		66,475		-	1,231,466	-
Semicolon Studio Corp.		-		-		-	4	-
NAVER VIETNAM COMPANY LIMITED		-		72,524		-	503,341	-
NAVER Z CO.,LTD		80,660		238,064		-	21,729	2,647,059
NAVER U.Hub Inc		-		185,611		-	-	-
MUNPIA, INC		-		3,141		-	-	-
Springcamp Inc.		-		62		-	-	-
Studio N Corporation		-		1,390		-	-	-
Amuse Co.,Ltd.		-		415		-	-	-
<b>Associate:</b>								
LY Corporation (*3)		2,952,945		88,391		-	38,909	-
LINE Plus Corporation (*3)		47,817		828,175		-	565,081	-
LINE Biz Plus Corporation (*3)		352		89,550		-	-	-
SYNAP SOFT CORP.		-		-		-	220,000	-
Cafe24 Corp.		4,510		-		-	208,560	-
IPX Corporation		-		122,336		-	3,210	-
WEVERSE COMPANY Inc.		-		31,834,413		-	-	2,647,059
LINE PLAY Corporation (*3)		-		32,416		-	1	-
LINE Financial Corporation (*3)		210		47,288		-	-	-
LINE studio Corp. (*3)		4,675		146,677		-	-	-
LINE Taiwan Limited (*3)		-		-		-	180,857	-
FEELWAY (*3)		2,735		-		-	-	-
ROKMEDIA (*3)		-		-		-	40	-
LINE NEXT Inc.		-		-		-	142	-
Sidus Corporation		-		-		-	1,151	-
RI Entertainment Inc. (*3)		-		-		-	10,758	-
Playlist Corporation		-		13,334		-	-	-
Onestore Co., Ltd.		136,400		-		-	136,400	-
<b>Joint venture:</b>								
Yeopeul Co., Ltd.		-		-		-	7,250	-
Inter Biz Co., Ltd.		-		-		-	97,240	-
Sseom Lab Co., Ltd.		-		-		-	36,300	-
Animal and Human Story Co., Ltd.		-		-		-	9	-
Designpress Co., Ltd.		-		-		-	109,451	-
Law&Media Co., Ltd.		-		-		-	50,478	-
China Lab Co.,Ltd.		-		-		-	52,800	-
Cineplay Co., Ltd		-		-		-	160	-
<b>Other:</b>								
NAVER Connect Foundation (*2)		4,021		1,587		-	11,000	

**NAVER Corporation**  
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	December 31, 2023				
	Receivables			Payables	
	Trade receivables	Other receivables and others(*1)	Loans	Other payables	Leasehold deposits and others
Others	1,085	-	-	3,345	

(\*1) Lease receivables are included.

(\*2) Although these entities are not related parties of the Company in accordance with KIFRS 1024, they belong to the same large enterprise group according to the *Monopoly Regulation and Fair Trade Act* and the amount is transaction after belonging to large enterprise group.

(\*3) The entities are subsidiaries of associates.

There is no loss allowance recognized in relation to the receivables due from related parties as of December 31, 2023.

E. Fund transactions with the related parties for the year ended December 31, 2024 and 2023 are as follows (Korean won in thousands):

	2024			
	Contributions in cash	Dividends received and others	Loans	Collections(*1)
<b>Subsidiaries:</b>				
NAVER I&S Corp.	₩ -	₩ 36,399,960	₩ -	-
NAVER Cloud Corporation	-	-	410,000,000	207,692
NITService Corp.	-	-	-	715,073
Do Ventures Annex Fund, LP	106,067	-	-	-
NAVER J.Hub Corporation	-	-	-	59,343,864
TBT Global Growth Fund I	-	15,450,976	-	-
SVA Soda	-	168,154	-	-
NAVER U.Hub Inc	70,614,600	-	-	-
Audiensori Corporation	-	-	500,000	-
SpringCamp Early Stage Fund 1	-	17,820,000	-	-
<b>Associates:</b>				
NAVER Z CO.,LTD. (*3)	-	-	60,000,000	-
China Ventures Fund I, Limited Partnership	3,586,484	524,257	-	-
WEVERSE COMPANY Inc	-	-	-	3,034,407
CHINA VENTURES FUND II, L.P.	2,070,860	-	-	-
TBT Global Growth Fund III	7,500,000	-	-	-
STL 18th Private Equity Fund	-	600,000	-	-
K-Fund I	2,001,726	-	-	-
Mirae Asset-Naver Asia Growth Fund	-	2,450,000	-	-
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-
K-Fund II	23,662,346	13,241,436	-	-
BonAngels Pacemaker Fund	-	1,312,500	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	-	17,685,996	-	-
Mirae Asset-NAVER New Growth Fund 1	-	11,220,500	-	-
FUTURE INNOVATION PRIVATE EQUITY FUND III	10,347,250	-	-	-
A Holdings Corporation	-	706,601,838	-	-
Aointech inc.	-	8,000	-	-
Netmania Co., Ltd.	-	8,156	-	-
Soran Media Venture Fund	-	282,637	-	-
YN CULTURE & SPACE	3,230,765	-	-	-
Do Ventures Fund I, I-A (*2)	1,333,500	-	-	-

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

(\*2) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal during the year ended December 31, 2024.

(\*3) For the year ended December 31, 2024, the Company changed the entity's classification from subsidiary to associate.



**NAVER Corporation**  
**Notes to the separate financial statements**  
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	2023					
	Contributions in cash	Dividends received and others	Loans	Collections(*1)	Repayments(*1)	
<b>Subsidiaries:</b>						
NAVER LABS Corporation	₩ 100,000,000	₩ -	₩ -	₩ -	₩ -	-
Snow Corporation	50,000,060	-	-	-	-	-
NAVER I&S Corp.	-	2,925,000	-	891,017	-	-
NAVER Cloud Corporation	-	-	-	286,006	-	-
NITService Corp.	-	-	-	883,139	-	-
Do Ventures Annex Fund, LP	2,025,691	-	-	-	-	-
NAVER J.Hub Corporation	-	-	-	18,170,000	-	-
PROTON PARENT, INC (*2)	1,735,303,734	-	207,833,121	133,735,565	-	-
NAVER France SAS (*5)	71,235,675	-	42,570,717	-	-	-
NAVER CHINA CORPORATION	-	6,636,781	-	-	-	-
WEBTOON Entertainment Inc(*3)	827,931,788	-	-	-	-	-
TBT Global Growth Fund I	-	2,112,336	-	-	-	-
NW MEDIA CONTENTS INC.	7,055,890	-	-	-	-	-
Smart Spring Fund	1,000,000	-	-	-	-	-
<b>Associates:</b>						
China Ventures Fund I, Limited Partnership	3,604,238	1,585,056	-	-	-	-
WEVERSE COMPANY Inc	-	-	-	3,961,158	-	-
CHINA VENTURES FUND II, L.P.	5,074,682	-	-	-	-	-
LINE Biz Plus Corporation	-	-	-	355,824	-	-
TBT Global Growth Fund III	-	9,739	-	-	-	-
STL 18th Private Equity Fund	-	604,932	-	-	-	-
K-Fund I	11,854,364	42,680,283	-	-	-	-
Mirae Asset - Naver Asia Growth Investment Pte. Ltd.	-	14,169,325	-	-	-	-
NAVER-BSK Youth Startup Investment Association No. 5 (*7)	-	6,606,151	-	-	-	-
Mirae Asset-Naver Asia Growth Fund	-	2,861,740	-	-	-	-
Smart Korea Naver-Stonebridge Rising Investment Association	2,000,000	-	-	-	-	-
K-Fund II	28,624,048	-	-	-	-	-
BonAngels Pacemaker Fund	-	375,000	-	-	-	-
SYNAP SOFT CORP.	-	107,142	-	-	-	-
Do Ventures Fund I, I-A	1,988,400	-	-	-	-	-
LINE Corporation (*4)	-	4,480,522	-	-	-	-
NAVER KIP Cheer up! Gamers Fund	-	2,492,001	-	-	-	-
Mirae Asset-NAVER New Growth Fund 1	-	31,000,000	-	-	-	-
FUTURE INNOVATION PRIVATE EQUITY FUND III	3,349,800	-	-	-	-	-
LINE Conomi Corporation (*7)	-	-	-	3,664,640	-	-
A Holdings Corporation	-	101,918,682	-	-	-	-
MiraeAsset MAPS Private Placement Real Estate 62 (*7)	-	8,162,038	-	-	-	22,626,298
<b>Joint venture:</b>						
JobsN CO., Ltd. (*6)	-	2,175,364	-	-	-	-
Artition Co., Ltd. (*6)	-	129,601	-	-	-	-
DaNaA Data Co., Ltd.	-	4,926,460	-	-	-	-

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

(\*2) The acquisition amount resulting from the conversion of a loan into equity is ₩ 67,996 million for the year ended December 31, 2023

(\*3) The amount contributed in kind as shares of Wattpad Corporation.

(\*4) The amounts are from the disposal of LINE Conomi Corporation shares.

(\*5) The acquisition amount resulting from the conversion of a loan into equity is ₩ 42,016 million for the year ended December 31, 2023.

(\*6) The amounts presented above have been incurred before the exclusion from related parties due to liquidation, for the year ended December 31, 2023.

(\*7) The amounts presented above have been incurred before the entities are excluded from related parties due to disposal for the year ended December 31, 2023.

### 32. Related Party Transactions (cont'd)

F. Details of payment guarantees provided by the Company for the related parties as of December 31, 2024 are as follows:

Subsidiary:	Financial Institution	Commencement date	Maturity date	Currency	Guarantee amount	Executed amount
	Citi Bank	2020.04.13	2025.04.15	JPY	5,000,000,000	5,000,000,000
NAVER J.Hub Corporation	Mizuho Bank	2023.09.25	2028.09.25	JPY	35,000,000,000	35,000,000,000
	SMBC	2023.09.25	2028.09.25	JPY	35,000,000,000	35,000,000,000
	MUFG	2023.09.29	2027.09.24	JPY	22,160,000,000	22,160,000,000

### G. Compensation for key management executives

The compensations paid or payable to key management (registered directors) for their services for each of the year ended December 31, 2024 and 2023 are as follows (Korean won in thousands):

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

### 33. Operating Segment Information

A. The Company consists of a single operating segment. Operating information by service types is reported to Chief Operating Decision Maker. Such reported segment information does not differ from the amount presented in the separate statement of comprehensive income.

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

	2024		2023	
	Operating revenue	Ratio (%)	Operating revenue	Ratio (%)
Search platform (*1)	₩ 4,001,357,070	64.74	₩ 3,640,234,843	64.89
Commerce (*2)	2,068,030,254	33.46	1,892,320,530	33.73
Fintech (*3)	20,622,186	0.33	22,498,244	0.40
Contents (*4)	37,907,515	0.61	33,085,355	0.59
Cloud (*5)	52,975,060	0.86	21,660,034	0.39
	₩ 6,180,892,085	100.00	₩ 5,609,799,006	100.00

(\*1) Search and Display

(\*2) Shopping Search & Display, brokerage fees, Membership and others

(\*3) Digital finance

(\*4) Music, Series On and others

(\*5) NCP, Clova, B2B and others

**NAVER Corporation**  
**Notes to the separate financial statements**  
**December 31, 2024 and 2023**

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C. 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):

	<u>2024</u>	<u>2023</u>
<b>By timing of revenue recognition</b>		
Recognized at a point in time	₩ 4,512,334,640	₩ 4,044,385,478
Recognized over time	<u>1,668,557,445</u>	<u>1,565,413,528</u>
	<u>₩ 6,180,892,085</u>	<u>₩ 5,609,799,006</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 (the "Company") and the separate financial statements of the Company 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 the Internal Control over Financial Reporting

## **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's (the "Company") based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea (the "ICFR Committee") as of December 31, 2024.

In our opinion, the Company's ICFR has been effectively designed and operated, 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 statement of financial position as of December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements, including material accounting policy information, of the Company, 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 Company in accordance with the ethical requirements that are relevant to our audit of ICFR in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of management and those charged with governance for ICFR**

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

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

#### **Auditor's responsibilities for the audit of ICFR**

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

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

### ICFR definition and inherent limitations

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

Because of its inherent limitations, ICFR may not prevent or detect misstatements of the 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 Company's ICFR and may result in modifications to this report.

## Report on the Effectiveness of Internal Control over Financial Reporting

(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 Internal Control over Financial Reporting("ICFR") for the year ending December 31, 2024.

Design and operation of ICFR 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 to prevent and detect errors or frauds which may cause a misstatement in 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. And we conducted an evaluation of ICFR 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 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)