



Hankook & Company

Annual Report 2020

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Interactive User Guide

The Hankook & Company Annual Report 2020 is published in an interactive PDF format to enable readers interested in specific topics to toggle quickly between pages and click on hyperlinks to navigate their search.

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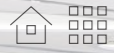
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UPON INNOVATION



BY TECHNOLOGY





TOWARDS SUSTAINABILITY



GOING BEYOND THE 80 YEARS, REALIZING THE FUTURE





FUTURE INNOVATED



01
HIGHLIGHTS

We set the trend with our ultra-high-performance EV tires.



Highlights 01

Electric mobility technology

We set the trend in the global EV tire market through continued R&D investment and innovative technology development.

As the electric vehicle (EV) market is growing rapidly in line with mounting interest in environmental protection, EVs deliver a range of functionalities from high efficiency to high performance features. In addition, EV tires are even more pressed to satisfy high performance expectations. Since EVs are heavier and produce more power than internal combustion engine cars, EV tires should demonstrate performance superior to their general counterparts in terms of load support, grip and noise attenuation. Hankook Tire & Technology has been committed to the development of high-quality EV tires that meet essential EV requirements through continued R&D investment and advanced technology development. These endeavors enabled us to literally put the wheels on the Taycan, Porsche's first-ever EV model, as well as on Audi's e-tron. It also put us on track to be chosen as an official partner for the 2022-23 Formula E World Championship, which showcases our position as a leader in EV tire technology.





02
HIGHLIGHTS

We accelerate the evolution of our corporate culture through space innovation.



Highlights 02

Space to culture innovation

We initiate the evolution of Proactive Culture at Technoplex, our cutting-edge smart office.

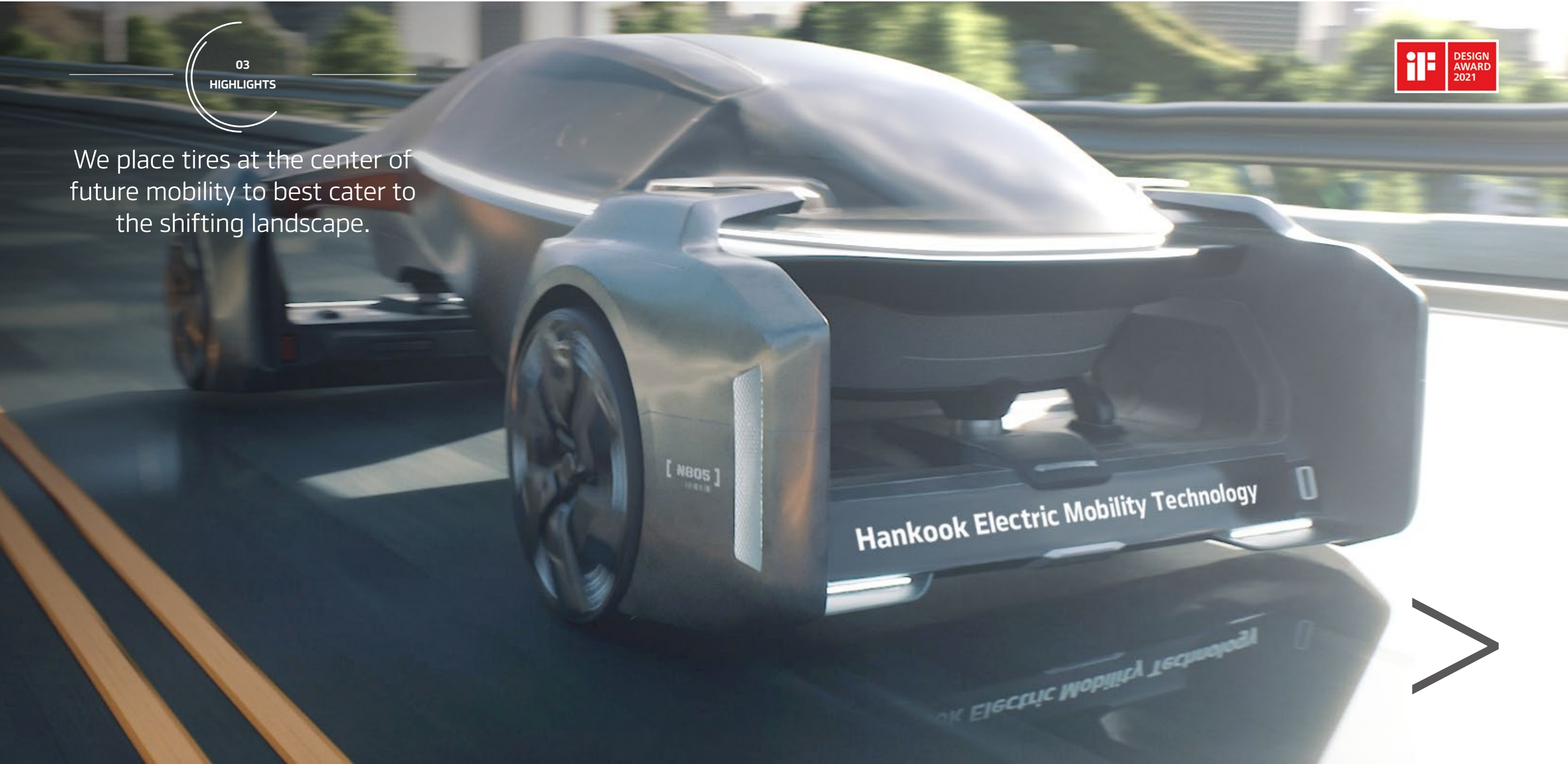
In May 2020, Hankook & Company Group moved to its new office building Technoplex, with an aim to strengthen its technology-enabled future competitiveness and accelerate the innovation of its corporate culture. Technoplex is a 16-story building with 10 floors above ground and six sub levels below, and is equipped with smart office facilities that promote horizontal, autonomous communication and collaboration to ultimately pursue cross-boundary open innovation. New systems have been adopted to support innovative work methods, from flexible seating and video conferencing to remote collaboration solutions. The building also offers a range of amenities and eco-friendly work spaces to enhance the day-to-day work experience of our employees. Technoplex is expected to play a pivotal role in advancing our unique Proactive Culture and in building an innovation-embedded future by shifting the focus of our work practices towards communication and collaboration.





03 HIGHLIGHTS

We place tires at the center of future mobility to best cater to the shifting landscape.



Highlights 03

Design Innovation for Future Mobility

We seize upon future mobility to reinvent the notion of what a living space can be with future-focused design innovation.

Hankook Tire & Technology teamed up with industrial design majors from the University of Cincinnati in the US, to undertake a joint future mobility research project 'Design Innovation 2020' with the theme of 'Urban Reshaping', and unveiled a modular driving platform called 'HPS-Cell (Hankook Platform System-Cell)' as a project deliverable. Enabled by state-of-the-art tire technology, this platform can be equipped with a variety of fit-for-purpose pods to deliver optimized mobility services, and supports transformable wheels capable of selecting the appropriate tread pattern in consideration of road surface conditions. This project allowed us to visualize how tire-centered mobility of 2040 will evolve from mere means of transport to daily living spaces and revolutionize the urban landscape as a result, publicizing our design innovation capabilities across the globe.





We realize the single most important value to present our vision for a more flourishing life.

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

Hankook & Company



Hankook Company

Hankook Tire & Technology

Increasing OE tire supply to global premium brands

Hankook Tire & Technology increased Original Equipment (OE) tire supplies to BMW, Mercedes-Benz, Porsche and other premium carmakers in 2020 to demonstrate yet again its world-renowned technology and top-tier brand value. BMW's high-performance SUV models X5 and X6 will now be equipped with our ultra-high-performance Ventus @1 evo3 SUV tires, and our Ventus S1 evo3 gained OE fitments on Mercedes-Benz's premium sedan S-Class. We also initiated the supply of our Ventus S1 evo3 EV tires to the Taycan, Porsche's first-ever battery-powered high-end EV model in addition to offering tires to be mounted on Audi's first battery-powered EV e-tron, gaining recognition for Hankook Tire & Technology's technological prowess in the EV market.



Hankook Tire & Technology

Strengthening digital innovation with cutting-edge information & communication technology

Hankook Tire & Technology succeeded in developing the 'Virtual Compound Design (VCD)' system that leverages artificial intelligence to predict the properties of tire compounds and identify their optimal combinations. To store, process and analyze the immense amount of data generated, we are operating an AWS cloud platform through proactive collaboration with Amazon Web Services (AWS), a top-notch global cloud service provider. We are also partnering with SK Planet to jointly develop the 'Road Risk Detection Solution': this solution harnesses AI and deep learning technology to evaluate road conditions in order to promptly identify and preemptively respond to hazardous road conditions such as rain, snow, black ice and traffic accidents.

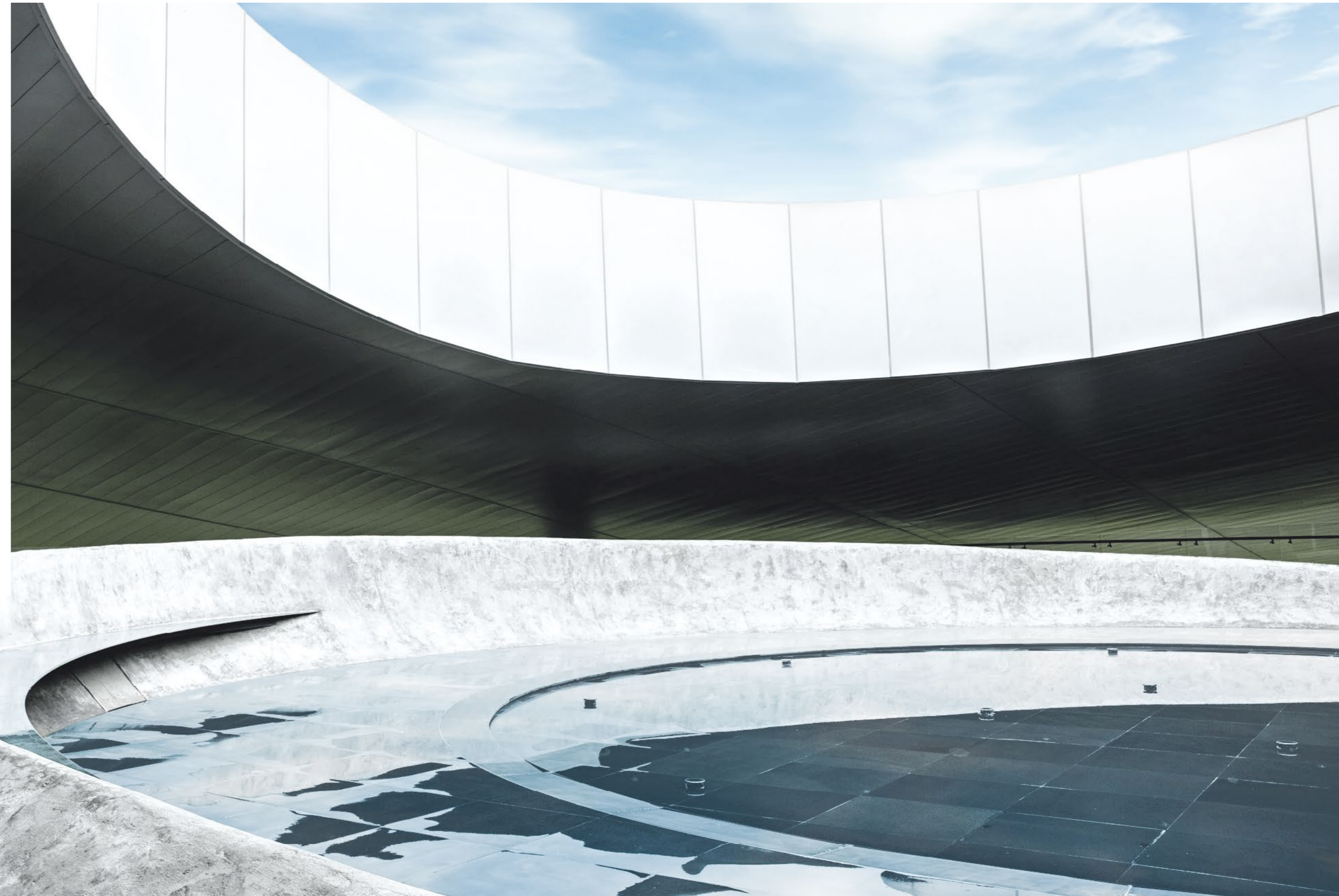




Hankook Tire & Technology

Recognized for sustainability for 5 consecutive years

By 2020, Hankook Tire & Technology had been listed on the 'Dow Jones Sustainability Index World' for five consecutive years, which serves as a case in point of its capability as a leading global business in sustainability management. This was particularly significant as we not only joined the global league of top performers in the Automobiles & Components industry group but also became the only company included in the index out of all the auto component businesses in Asia. We gained especially high scores this year in corporate philanthropy and supply chain management, which is attributable to our continued commitment to operate eight ESG committees across internal focus areas to elevate our company-wide ESG performance. In 2020, we were also honored with a platinum medal awarded by EcoVadis to recognize companies within the top 1% of their industry sector based on global sustainability performance.



Hankook Tire & Technology

Proving technological superiority at motor sports competitions

In 2020, AtlasBX Motorsports, sponsored by Hankook Tire & Technology, became Korea's first to rank No. 1 in the GT4 class category at the Dubai 24 Hours. As the first and exclusively Korean-only racing team competing at overseas racing events, AtlasBX provided clear testament to our unrivaled technological edge. On the global stage, we showcase our world-class technology as a global top-tier business, serving as either a racing tire supplier or racing team sponsor at prestigious global motorsports competitions, including F3 Americas Championship and Formula Renault Eurocup. In Korea, we became the first in the automobile industry to manufacture specially-designed motorsports trailers to be used by sponsored teams to hold strategy meetings or provide breaktimes, pioneering the development of motorsports culture.





Hankook AtlasBX

Further accelerating global growth through our US plant

Hankook AtlasBX established its manufacturing site in Clarksville, Tennessee in the US in 2020 as the first non-American business to do so. Armed with a cutting-edge knowledge base and innovative technology accumulated over the past eight decades, this new plant will serve to stably manufacture and supply products with exceptional performance and competitive quality. Hankook AtlasBX will leverage its locally-based plant and sales network to grow closer to its customers and markets, building stronger relationships with its customers and solidifying its position as a global battery business.

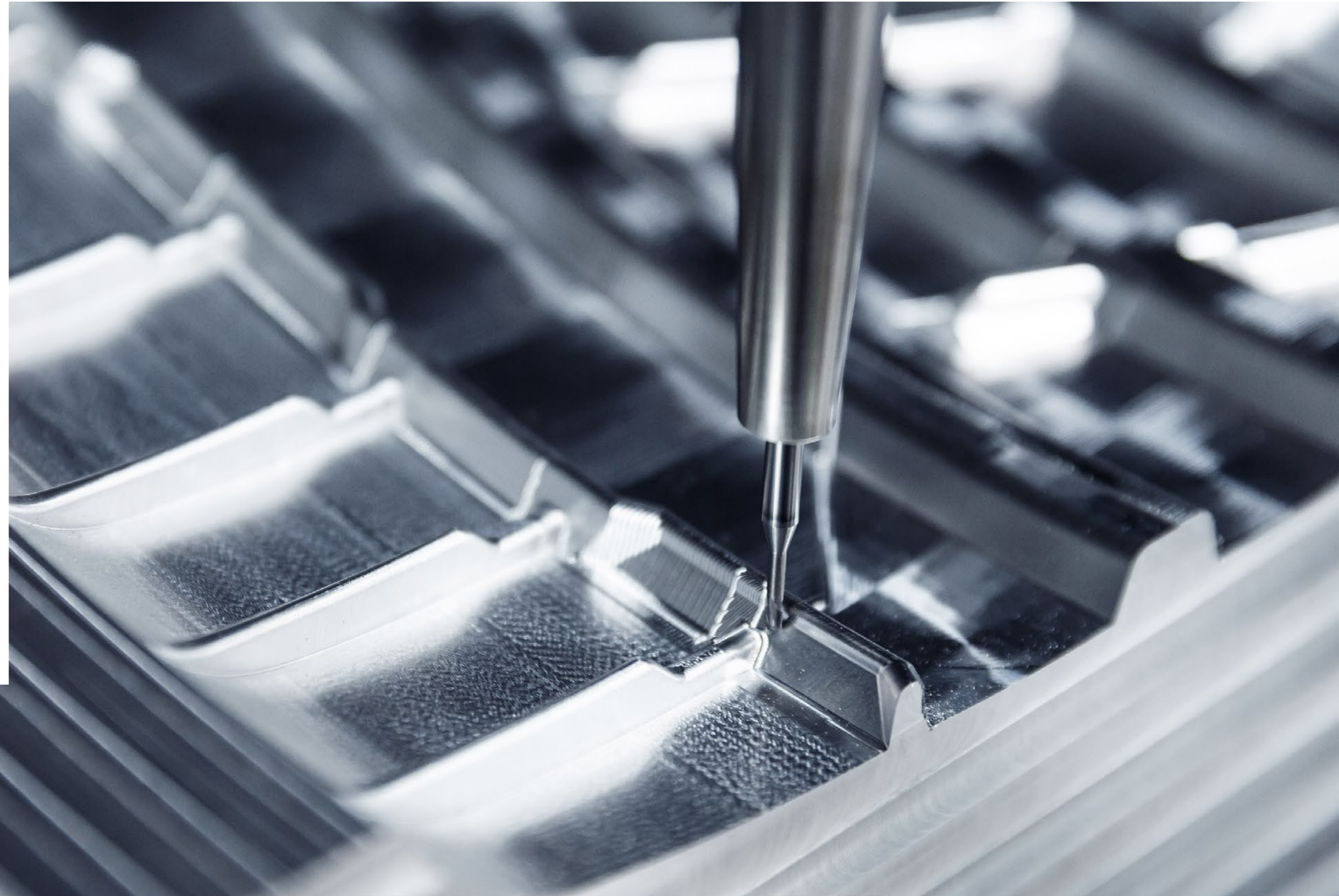




Hankook Precision Works

Paving the way for sustainable growth through innovation

Hankook Precision Works developed wide-ranging new technologies and pursued business innovation to pave the way for sustainable future growth in 2020. The company engineered more innovative and efficient 3D printing technology while advancing and stabilizing its precision casting technology. It also introduced new equipment, developed new EV mold technology, applied a number of patents and improved a range of processes and shop floor conditions, strengthening its competitive edge in manufacturing technology in so doing. Furthermore, the company reduced costs through procurement process improvement, diversified its supply chain, and steadily sought innovation across its management and organization, laying the basis for sustainable growth and emergency preparedness. Hankook Precision Works will be ever engaging in technology development and business innovation while promoting company-wide digital transformation and an agile, flexible organizational culture to evolve into an innovative precision technology provider as a leading affiliate of Hankook & Company Group.

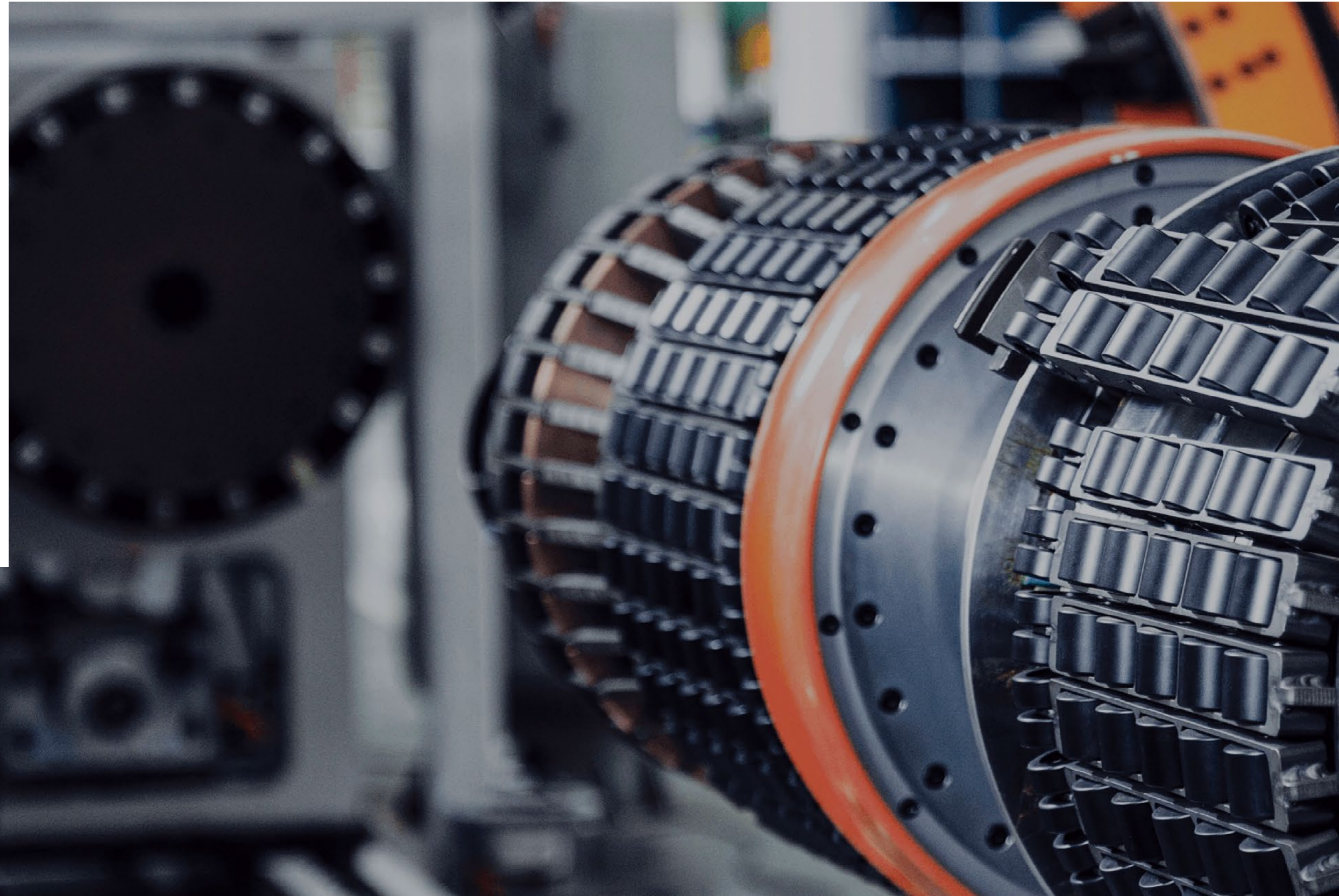




Hankook Engineering Works

Improving productivity through innovative tire manufacturing technology

In 2020, Hankook Engineering Works successfully completed the development of TS-201 TBM launched to increase the productivity of Truck and Bus Radial (TBR) tires and secure TBR technology. This is expected to significantly contribute to future sales growth as well as to improved tire quality and productivity. The company is relentlessly seeking transformation and innovation to build expertise in automation/unmanned/smart systems. Specifically, Hankook Engineering Works is fully committed to identifying sustainable growth drivers and new business opportunities through convergence across future-leading technologies and industries on the basis of such innovative and up and coming technologies as robotics, wearable robots, AI, vision and sensing.





Hankook Networks

Delivering optimal solutions that improve business efficiency and conditions

Hankook Networks delivers business solutions that put customer satisfaction first to help create a smart work environment. Its 'air series' enterprise solutions aid in improving the efficiency of work processes and providing an optimized work environment. Leveraging solution-based logistics systems enabled by information and digital technology, the company is setting the trend in the domestic logistics industry with reinforced competitiveness. Its achievement in replacing imported licensed and automation equipment and thus pioneering the development and automation of logistics systems earned it the Minister of Science and ICT Award as an 'Outstanding Company of the 4th Industrial Revolution 2020'. Hankook Networks will build advanced logistics automation capabilities to lead the digital transition era as well as a business model that seamlessly syncs with legacy ICT solutions to emerge as a tech-driven solution provider that leads the development of next-generation logistics systems.



Hankook Car & Life

Proposing an innovative lifestyle for future mobility

Hankook Car & Life explores and invests in a range of business opportunities in the rapidly-shifting mobility industry. The company is providing imported car maintenance, components, tuning and accident repair services through its car mechanics brand 'Sonic', which is exclusively designed for imported cars. In 2019, the company broadened its sales network and established a service network for an official Peugeot-Citroën dealership business in 2019, paving the way to tap uncharted territories. Furthermore, the company invested in Wavers, a mobility startup that operates an online car purchase platform, to pinpoint new business opportunities amid the transition phase of vehicle purchase and ownership and aligns them with established offline channels. Going forward, Hankook Car & Life will build a robust business model and create new opportunities to respond to the future mobility market.



Hankook Donggeurami Partners

Expanding inclusive employment for shared growth

As a standard site that hires people with intellectual/physical disabilities, Hankook Donggeurami Partners provides these vulnerable individuals with professional employment. The subsidiary is exploring a broad array of new business opportunities that will reach out to more people with disabilities to create for them an ongoing selection of positions. In addition to the existing business of laundering company uniforms, operating bakeries and cafeterias, and supporting administrative work, the steam car wash business was newly launched in 2020 to provide these groups with even more opportunities to be truly self-sustaining. Furthermore, the subsidiary develops fair and reasonable systems to create a stable, inclusive work environment for both people with/without disabilities. Hankook Donggeurami Partners provides a well-lit path for those with mental/physical challenges to tread, and to anyone with the simple need for a compassionate dose of hope towards the ultimate goal of making the world a better place.



Model Solution

Emerging as a professional manufacturing solution provider with top-tier technology

Since its inception in 1993, Model Solution has leveraged its industry-leading technology to deliver high-quality end-to-end manufacturing solutions in the areas of prototyping, precision processing, molding, and injection from the new product development phase to the mass production phase, serving renowned global companies in the electronics, medical device, consumer goods, robotics and automotive sectors. In line with its future growth strategy in the 4th Industrial Revolution era, the company is building expertise in mass production and contract manufacturing on the basis of its design and engineering capabilities. Model Solution is recognized as a reliable supplier of advanced total hardware technology solutions by global innovators whose business is inspired and fueled by creativity.





A MESSAGE FROM THE CEO



Dear respected shareholders,

I would like to extend my heartfelt gratitude to all our shareholders for their unwavering support for the sustained growth of Hankook & Company amid today's trying times both in Korea and abroad.

2020 was an unpredictable year: COVID-19 dealt such a strong blow to the world economy and global trade protection only tightened.

In the face of such challenging business conditions, Hankook Tire & Technology, our key pillar of business, gained much recognition among customers for its premium brand value. We diversified Original Equipment tire supply for EVs and reinforced our digital transformation strategy by leveraging big data for product development to pioneer the rapidly-shifting mobility landscape. We also focused on advancing our future strategy on the basis of cutting-edge innovative technology.

In the years ahead, we at Hankook & Company will provide our full support in every way possible to assist Hankook Tire & Technology and other major group affiliates in embedding sustainability into their operations through innovation.

To this end, we will promptly transition into an operating holding company to secure stable investment resources, and render our core businesses more competitive while further strengthening our growth strategy for the mobility and emerging technology industries, including the smart energy solution business.

We will connect the dots among innovative industries and technologies to maximize synergy between the holding company and its businesses, build stronger digital transition capabilities that facilitate convergence, and reorganize our governance system to improve its agility and better embrace new innovative technology in so doing. In all of these endeavors, our aim remains unchanged: we will pursue quantitative and qualitative growth to deliver greater shareholder value.

All these activities will be undertaken in the name of sustainability: in building on our Regulatory Compliance management, we will meet the highest ESG standards to reinforce our performance management on non-financial indicators in order to solidify our fundamental competitive edge at the group-wide level. Furthermore, we will establish systems to provide a safe work environment and tighten our ESG policy for the health of all our employees.

This indeed is a significant banner year as we commemorate the 80th anniversary of Hankook & Company's foundation. It serves to prompt me once again to realize that our eight decade-long journey has always been filled with enthusiasm to innovate and to push the boundary into the great abyss of what truly sets us apart.

We sincerely vow to protect the rights and interests of our shareholders and strengthen our transparency and expertise in business by implementing sustainable business strategies to fulfill our social responsibility while increasing shareholder value. We will improve the group's governance with an independent and professional Board of Directors playing a pivotal role, and ensure that stakeholder interests are given the best-possible protection. This will ultimately drive us to become a well-trusted top-tier company in the global market, and in this journey, we would like to call for your steadfast interest and input along each and every step of the way.

The presence and spread of the COVID-19 virus continues to loom before us even at this very moment. During such difficult times, we will ensure that any and all necessary measures are taken to provide a safe work environment for all. We wish you and your loved ones much health and happiness.

Thank you.

Hyunshick Cho

Vice Chairman & CEO, Hankook & Company



A MESSAGE FROM THE CEO



Dear Shareholders,

Even while COVID-19 continues to rage on and consumption decreases worldwide, innovative products and services powered by cutting-edge technology are quickly taking a more permanent hold in our everyday lives. In particular, the automobile industry, where Hankook & Company Group is conducting its tire, battery and other core businesses, is experiencing a rapid paradigm shift in the green mobility and autonomous driving sectors.

Hankook & Company made a fresh new start as an 'operating holding company' that consists of the holding company and the ES Business Headquarters to seize hidden opportunities amid the ongoing transformation and challenges and to pave the way for innovation-driven sustainable growth. Hankook & Company will not only serve as a holding company responsible for group-wide growth strategy and brand management, but also directly engage in business operations while fulfilling multiple roles: we will increase shareholder value by maximizing the efficiency of operations at the group level and reinforce business competitiveness, harnessing innovation while staying a step ahead of the competition.

This allows us to speed up the execution of our strategy to both consolidate and coordinate all group-wide capabilities and resources to maximize synergy. By fully leveraging the group's strengths - the brand value of the holding company and its affiliates, their global network and customer touchpoints, and M&A capabilities - and applying them to existing businesses through collaboration fueled by open innovation, we will explore untapped opportunities to secure innovation-leading new technology.

Through the integrated management of physical and human resources including their sharing and efficient distribution, we will further strengthen the competitiveness of our core businesses and bring ever-greater synergistic effects. Specifically, Hankook AtlasBX will transform its key business of lead-acid battery manufacturing and sales into a smart energy solution business. Our mid/long-term strategy for AtlasBX will effectively cater to the shifting business landscape and the requirements of internal/external stakeholders, enhancing business efficiency through advanced resource management.

Furthermore, our investment portfolio will diversify to include mobility and future tech-based industries while our integrated brand framework with 'Hankook' as a flagship group brand will gain further appeal with our customers as a premium brand.

With the launching of Hankook & Company as an operating holding company, we aim to proactively respond to the shifting industrial paradigm and fully commit ourselves to establishing sustainability at all levels of the group and improve shareholder value. Hankook & Company opens a new chapter in its history as an operating holding company to emerge as a global group trusted by key stakeholders for the relentless improvement of its future strategy and business performance. Your continued interest and much valued feedback is greatly appreciated.

The sustained spread of COVID-19 makes it a difficult time for all of us. My wish is that through these times, you and your loved ones remain in good health and high spirits.

Thank you.

Hyunbum Cho
President & CEO, Hankook & Company

TOP MANAGEMENT

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



Yangrae Cho

Chairman Hankook & Company
Chairman Hankook Tire & Technology



Hyunshick Cho

Vice Chairman & CEO Hankook & Company



Hyunbum Cho

President & CEO Hankook & Company
President Hankook Tire & Technology



Sooil Lee

President & CEO Hankook Tire & Technology



Jongseon Ahn
President
COO, Head of
ES Business Headquarters
Hankook & Company



Jongho Park
President
Chief Administrative Officer
Hankook Tire & Technology



Sukjoon Won
Executive Vice President
Head of Korea
Business Headquarters
Hankook Tire & Technology



Yonghak Kim
Executive Vice President
Chief Innovation Officer
Hankook Tire & Technology



Jeongho Park
Executive Vice President
Head of OE Division
Hankook Tire & Technology



Seyul Ryu
Senior Vice President
Head of Digital
Stagegy Department
Hankook & Company



Jungho Seo
Senior Vice President
Head of Corporate
Stagegy Department
Hankook & Company



Hyukjin Kwon
Vice President
Head of Communication
Department
Hankook & Company



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



Sanghoon Lee
Senior Vice President
Head of
Europe Headquarters
Hankook Tire & Technology



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



Hyunjun Cho
Senior Vice President
Chief Marketing Officer
Hankook Tire & Technology



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



Byungil Woo
Executive Vice President
CEO Model Solution



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



Seokmo Choe
Vice President
Head of
ES) R&D & Quality Division
Hankook & Company



Jongdal Yoon
Vice President
Head of
ES) Production Division
Hankook & Company



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



Jongpil Won
Senior Vice President
Head of Corporate
Strategy Department
Hankook Tire & Technology



Jeongsoo Kang
Vice President
Head of Asia-Pacific,
Africa & Middle East Division
Hankook Tire & Technology



Jongyune Kim
Vice President
Head of Human Resource
Management Department
Hankook Tire & Technology



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



Sangmong Lee
Senior Vice President
CEO Hankook Networks

* as of Apr. 1, 2021

* Inclusion criteria: Those in division head or higher positions at Hankook & Company and Hankook Tire & Technology (those in 'general manager, head of regional headquarters or head of division' positions) as well as CEOs of domestic group affiliates.

Overview of the BOD

Non-Executive Directors

Hankook & Company Co., Ltd.

Byungjun Jeon

BA in Economics and MA in Public Administration, Korea University
PhD in Environmental Management, Vanderbilt University
Editor, Editorial Head and Executive Director, Maeil Business Newspaper
Currently full-time advisor to SK Innovation

Hankyu Kim

LLB in Law, Yonsei University
MBA in Business, George Washington University
Director, UBS Warburg
Co-CEO, Seoul Z Partners
Currently CEO of Hermanus Partners

Soonkee Kim

BA & MA in Business Administration, Sogang University
PhD in Business, University of Houston
Professor of Business Administration, Sogang University Business School
Emeritus Professor of Business Administration, Sogang University
Currently, Executive Vice President of External Affairs, Sogang University

Han Yi

BA in Business Administration, Seoul National University
Master in Professional Accounting, University of Texas at Austin
PhD in Business Administration, Michigan State University
Assistant Professor, University of Oklahoma
Currently Professor, Korea University Business School

It is essential for any global business to conduct business in a transparent and advanced manner. Numerous global companies have established such institutional systems as boards of directors and audit committees to protect the rights and interests of shareholders and improve the transparency and expertise of their business operations.

A board of directors (BOD) performs the three primary functions of monitoring top management on behalf of shareholders, offering management advice, and assisting senior management in successfully conducting business. Leading global businesses have endeavored to set the stage for their BOD to smoothly fulfill their intended responsibilities of Control, Service, and Resource Dependence.

We promote sound governance and reasonable, transparent business conduct by advancing performance-driven management and holding top management in check with the help of the BOD. To prevent risks across our general business operations and reinforce our sustainability as a company, we reorganized the Management Committee into the Sustainability Management Committee in 2016. Our BOD consists of two executive directors and three non-executive directors, and complies with the Board of Directors Administration Regulations to ensure its efficient and responsible operation.

Hankook & Company's non-executive directors are appointed for their long-term careers either in academia or private sector companies and for their significant contributions to society. Their appointment follows transparent and fair procedures through the Non Executive Director Nomination Committee operated under the BOD, and is based on the extensive experience that they bring to our company to ensure that top management benefits from appropriate checks and supervision and accurate, objective advice and recommendations.

Hankook Tire & Technology Co., Ltd.

Hyunmyung Pyo

BS in Electronic Engineering, Korea University
MS & Ph.D. in Telecommunication Engineering, Korea University
President, KT
President & CEO, Lotte Rental Co. Ltd.
Outside Director, JB Financial Holdings
Currently Outside Director, KT

Yeongjae Kang

BA in Economics, Seoul National University
Ph.D. in Economics, Princeton University
Research Fellow, Korea Development Institute
CEO & President, Hitejinro Beverage
Currently Managing Partner, ENSL Partners Tech Startup
Lab & investment

Jongkap Kim

BA in Business Administration, Yonsei University
MBA, Duke University
Branch Manager, Deutsche Bank Seoul

Mira Lee

BA in Politics & Diplomacy, Ewha Womans University
MBA, University of Cambridge
COO/ Managing Director, Macquarie Group Korea
Currently CHRO, General Electric (GE) Korea

* as of Mar. 30, 2021

* Interests between the six non-executive directors and the largest shareholders: Not applicable

Role and Composition of BOD Committees

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



Audit Committee

At Hankook & Company and Hankook Tire & Technology, the Audit Committee is up and running under the BOD and all three members are non-executive directors, which allows it to maintain its independence. Audit Committee members are specifically authorized to grant their consent on the appointment of the head of the internal auditing department to proactively conduct business audits, and this enables the committee to perform, check and monitor top management on behalf of the shareholders. In accordance with the Audit Committee Operational Rules, the committee may request BOD members to report on business operations or investigate the status of company assets whenever such needs arise to help improve the transparency of our business conduct. These rules also assist committee members in easily accessing any business information required to perform audits. The committee regularly meets every quarter, and ad-hoc meetings are convened when deemed necessary.

Non Executive Director Nomination Committee

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

Sustainability Management Committee

The Sustainability Management Committee aims to improve the expertise and efficiency of our business operations by reducing the frequency of and procedures at BOD meetings and by expediting decision-making. The committee is mandated to deliberate and decide on general management and financial issues that most frequently arise in business conduct as well as risk management issues to preemptively identify and prevent risks that may affect our sustainability as a company. The committee, in so doing, enables regular BOD meetings to fully focus on key agenda items and complements the BOD activities to further strengthen our managerial accountability.

Internal Transactions Committee

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

Performance Assessment System

Global Assessment and Management

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

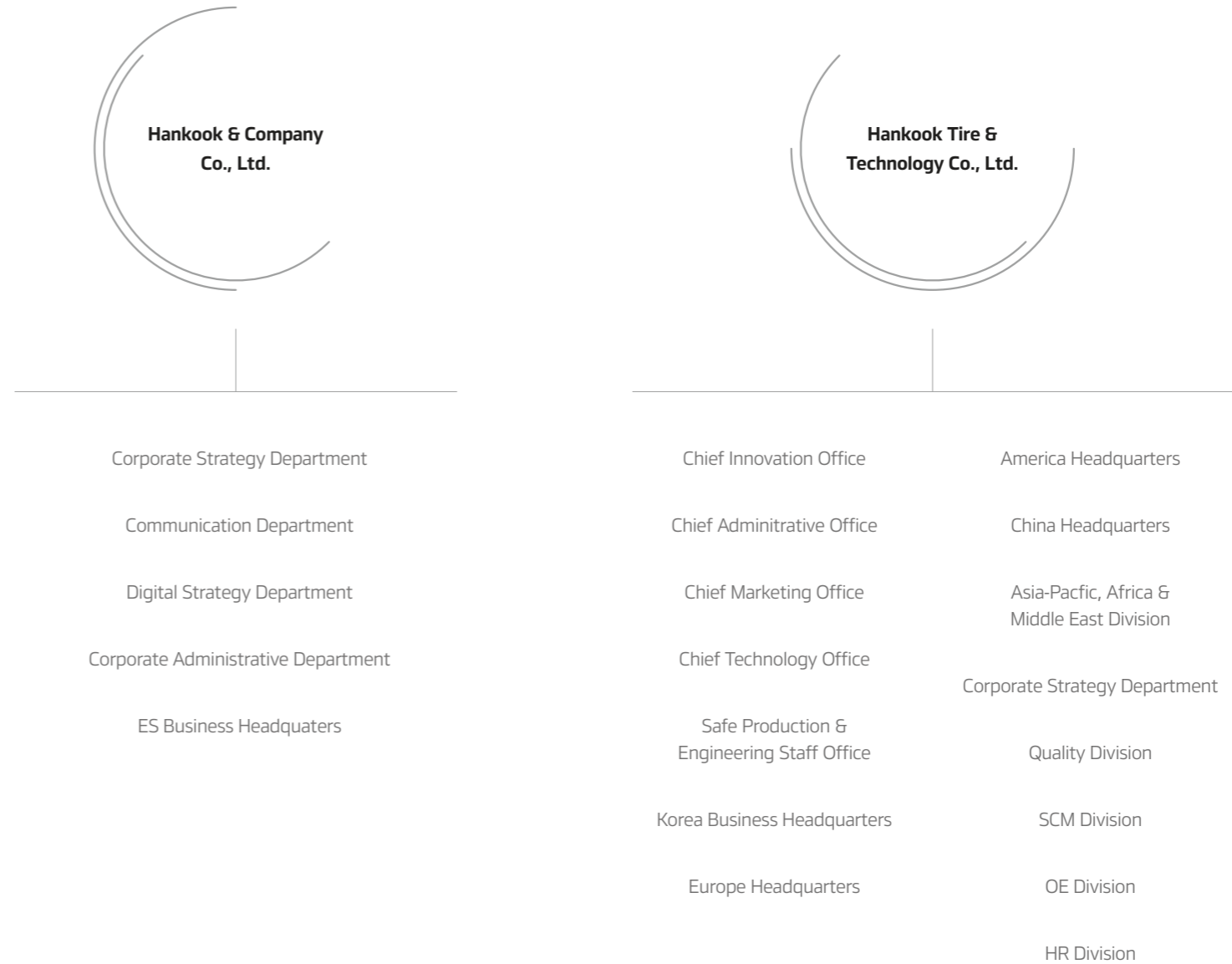
Hankook & Company's Performance Assessment System

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



ORGANIZATIONAL STRUCTURE

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

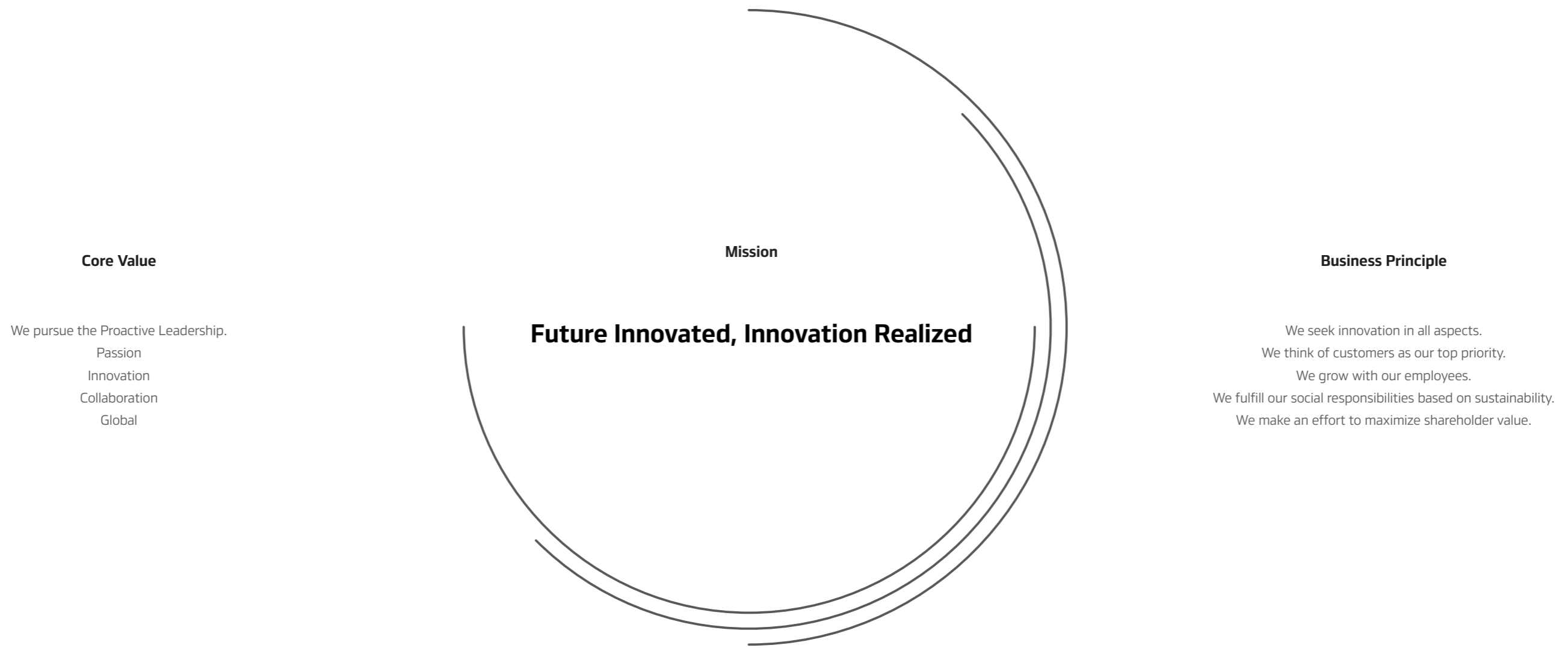


* as of Apr. 1, 2021



GROUP MISSION

Hankook & Company Group's mission framework consists of 'Mission' which defines the corporate value that we pursue as a company and 'Business Principles' and 'Core Values' that employees of Hankook & Company Group should abide by. Our employees put into action these Business Principles and Core Values to reach the set Mission.





AFFILIATES

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

Hankook Tire & Technology Co., Ltd.



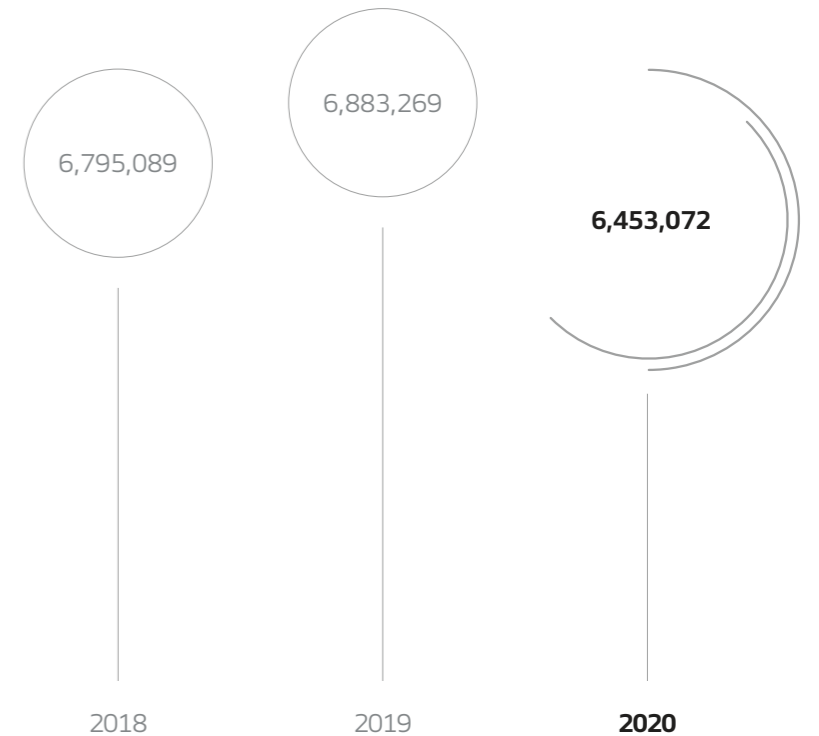
The Future Driving Innovator

Initiated as Korea's first-ever tire maker back in 1941, Hankook Tire & Technology has made quantum leaps along the way, through its commitment to developing technology, expanding its production and sales network, forming partnerships with global car OEMs, launching effective brand marketing campaigns, and delivering differentiated customer services. Presently, we manufacture 102 million high-quality tires per year across eight production sites in Korea, China, the US, Hungary and Indonesia, serving more than 180 countries as a global tire business. Our goal is to emerge as a global top-tier company that leads the future automotive industry by rendering our core business more competitive based on our world-class technology leadership and by continuously pursuing technology-driven innovation and improving our premium brand value.

2020 Sales of Hankook Tire & Technology

(unit: KRW million)

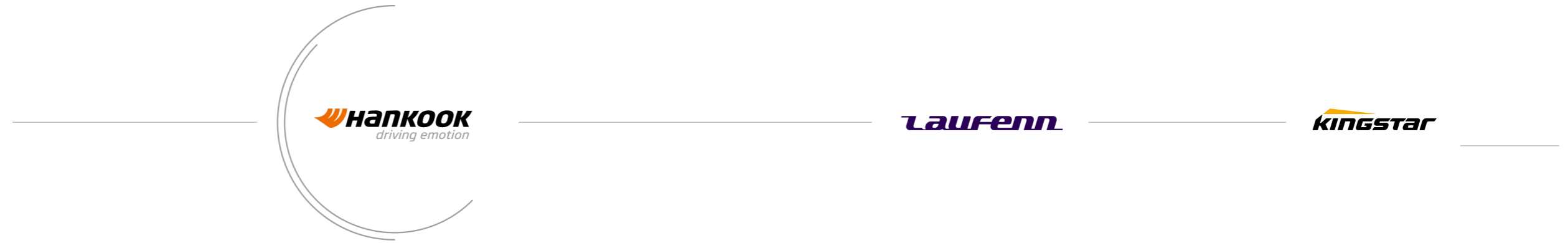
* Including overseas operations





Hankook Tire & Technology's Brand Portfolio

Hankook Tire & Technology strategically operates three global tire brands: 'Hankook' represents our leading premium brand in Korea and abroad; 'Laufenn' targets global customers who pursue smart consumption and distinctive style and 'Kingstar' endeavors to meet specific local needs.



Hankook

As Hankook Tire & Technology's global flagship brand, Hankook operates a range of sub-brands that cater to diverse vehicle and product types, including Ventus (Ultra-High-Performance and racing line-up), Optimo (premium sedan), Kinergy (global eco-friendly line-up), Dynapro (SUV), Smart (economy line-up for the Korean market), and Vantra (van) as well as winter tire line-ups including Winter i*pike (studded tire) and Winter i*cept (studless tire). These segmented brands serve the needs of diverse global customers.

Primary product lines

ventus **KINERGY** **OPTIMO** **Dynapro** **Smart** **vantra**

Winter i*cept **Winter i*Pike**

Laufenn

Launched in 2014, the brand name Laufenn originates from the German word 'Laufen' which means 'to run', and targets drivers who seek a simple yet sophisticated lifestyle to provide them with a reasonable and cost-effective driving experience. Starting from the Americas and China in 2015, Laufenn has broadened its sales network into Europe, the Middle East, and Asia. Laufenn operates diverse brands that are fine-tuned to the needs of global customers including S Fit (high-performance and sport line-up), G Fit (general purpose passenger car), X Fit (LT & SUV), and I Fit (winter line-up).

Primary product lines

S FIT **G FIT** **X FIT** **I FIT**

Kingstar

Kingstar operates the 'Road Fit' brand which refers to 'tires that deliver optimal on-road performance'.

Primary product lines

ROAD FIT



Hankook Tire & Technology's Distribution Channel Portfolio

Hankook Tire & Technology delivers cutting-edge end-to-end automobile services with a specific focus on tires through its distribution network that consists of more than 4,700 locations across the globe, with T'Station, The Tire Shop, Hankook Masters, TBX, and Hankook Truck Masters serving as main distribution channels. Following our acquisition of the Australian tire distributor 'JAX TYRES' in 2017 and the German premium tire retailer 'Reifen-Müller' in 2018, we have consistently widened our global sales and service network to reinforce our competitive edge in distribution. In response to the continuously growing O2O market, we are also building sales platforms in Korea and China to tap into this emerging market.



T'Station

T'Station represents Hankook Tire & Technology's distribution service channel that delivers unrivaled customer satisfaction on the basis of proven expertise. Since the first T'Station opened in January 2005, its network has constantly expanded to include nearly 450 locations in Korea as of 2020. T'Station's professional end-to-end services are made available through its high-tech equipment from the Road Force Measurement (RFM) system and 3D wheel alignment gear to Ultra-High-Performance tire changers. The multi-brand strategy was adopted to cater to wide-ranging customer needs, and 'all my T service' ensures the delivery of differentiated customer value.



The Tire Shop

The Tire Shop specializes in offering Hankook Tire & Technology products to serve the diverse needs of its customers. As of 2020, nearly 200 shop locations are under operation in Korea, providing tire changing and wheel alignment services among others.



Hankook Masters

Expanding the Hankook Masters membership program from Europe to the Middle East and Asia Pacific since 2011, Hankook Tire & Technology established an integrated global retail network. As of 2020, the Hankook Masters membership network spans nearly 3,200 locations in 12 major European countries, China, Saudi Arabia, Australia, and Malaysia.



TBX, Hankook Truck Masters

TBX serves as Hankook Tire & Technology's dedicated truck and bus tire distribution channel for the sales of Truck and Bus Radial (TBR) tires and for retreading services. As of 2020, nearly 210 TBX locations are under operation in Korea, equipped with cutting-edge equipment and professionals to effectively sell and service large-sized tires. They also provide TBX membership services to offer financial benefits to commercial vehicle customers. Globally, Hankook Truck Masters is available as an exclusive TBR tire service network.



Hankook AtlasBX Co., Ltd.

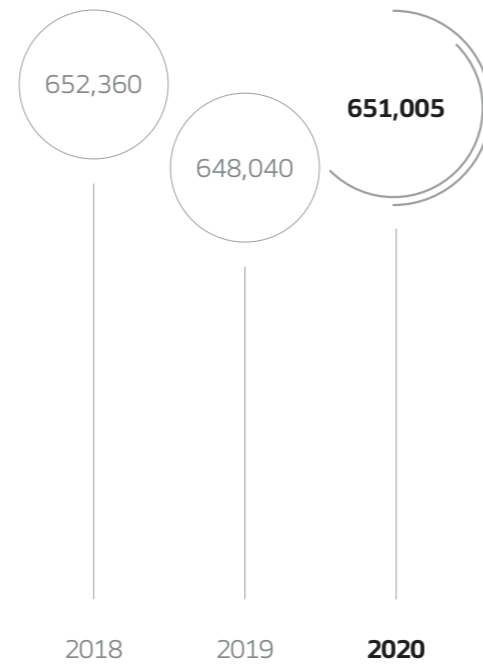


Smart Energy Solution Provider

Since its inception in 1944, Hankook AtlasBX has continued to progress by way of creative innovation and drive over the past eight decades to become Korea's leading battery maker. The company became the first in Korea to unveil a maintenance-free (MF) battery in 1982, and has since strengthened its technology and quality competitiveness through sustained R&D endeavors. In fact, its unparalleled technology led to the successful development of an ultra-high-performance battery (UHPB) and an AGM battery with Idle Stop & Go functionality in 2013. Building on these accomplishments, the company has launched premium products with proven performance and quality to increase customer satisfaction and make substantial gains in its competitive advantage. Hankook AtlasBX is also broadening its domestic/overseas production and sales network to accelerate its growth in the global market. The company expanded the Jeonju Plant in 2014, and has secured more than 16 million units in annual production capacity with the completion of a new plant in Clarksville, Tennessee, the US in 2020. Following the establishment of the Dubai Office and the American Corporation, the company opened the Europe Office in 2019 to build sales competitiveness in the global market. Hankook AtlasBX aims to execute a proactive growth strategy to emerge as a global battery business equipped with technology and quality leadership and a 'Smart Energy Solution Provider' that pioneers the future energy era.

2020 Sales of Hankook AtlasBX (unit: KRW million)

* Including overseas operations



Brand Portfolio

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

* as of Dec. 31, 2020

* Reorganized into the ES Business Headquarters through merger with Hankook & Company on Apr. 1, 2021

Hankook Precision Works Co., Ltd.

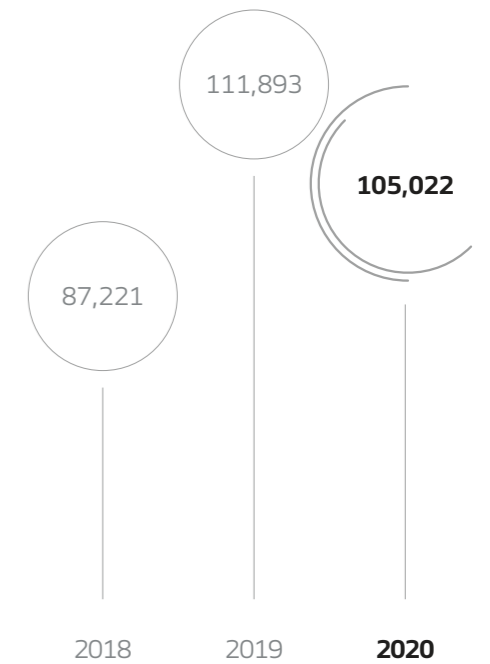


Precision, We make design real

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

2020 Sales of Hankook Precision Works (unit: KRW million)

* Based in Korea



Business Portfolio

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

Hankook Engineering Works Co., Ltd.



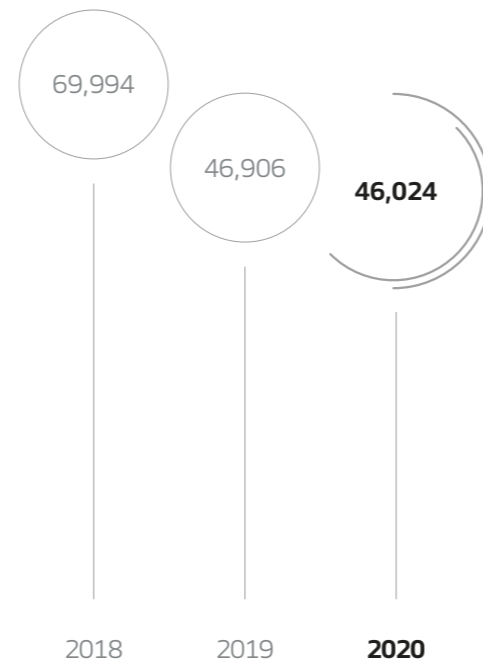
The engineering provider with innovative technology

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

Business Portfolio

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

2020 Sales of Hankook Engineering Works (Unit: KRW million)
*Based in Korea



Hankook Networks Co., Ltd.



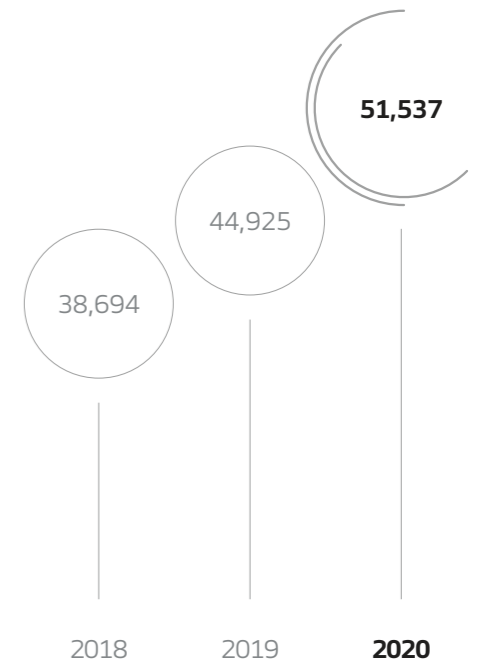
Create your future with the best digital technology

Hankook Networks was created as an IT services and logistics engineering business when the information system operation of Hankook Tire & Technology spun off in 2000. The company provides professional IT services to Hankook & Company affiliates, and it continues to evolve into a top-notch partner trusted by customers for its IT solutions that meet market needs and its continued development of innovative solutions. Furthermore, its R&D on wide-ranging IT solutions enabled the company to build IT solutions and deployment experiences optimized for logistics Supply Chain Management (SCM), Manufacturing Execution System (MES) and Law & Patent (L&P). Notably, its logistics SCM solutions (air-WMS, air-WOS) were honored with the 'Korea SW Business Competitiveness Grand Prize', 'Logistics Solution Grand Prize' and 'Best Solution Grand Prize' in recognition of their top-tier position as Korea's No.1 logistics SCM solutions. Leveraging outstanding IT solutions and accumulated experience, the company has extended the scope of its business into smart logistics, smart factory, and distribution logistics automation through innovation across manufacturing and logistics engineering in preparation for the 4th Industrial Revolution. Hankook Networks is also building global competitiveness by advancing its businesses to assist its domestic and overseas customers in pursuing innovation and value improvement.

Brand Portfolio

Hankook Networks is building IT solutions across diverse industries with its flagship IT system brand 'air' playing a central role. Notably, air-SCM (intelligent integrated logistics management solution), air-MES (smart production management system for the pharmaceutical/cosmetics/food industries), and air-ELMS (legal affairs/patent system) are leading the domestic market with their unrivaled technology competitiveness. Hankook Networks' 'air' solution brand caters to the specific features of respective industries to deliver differentiated value to global customers through information/digital technology and digital innovation.

2020 Sales of Hankook Networks (Unit: KRW million)
* Including overseas operations



Hankook Car & Life Co., Ltd.



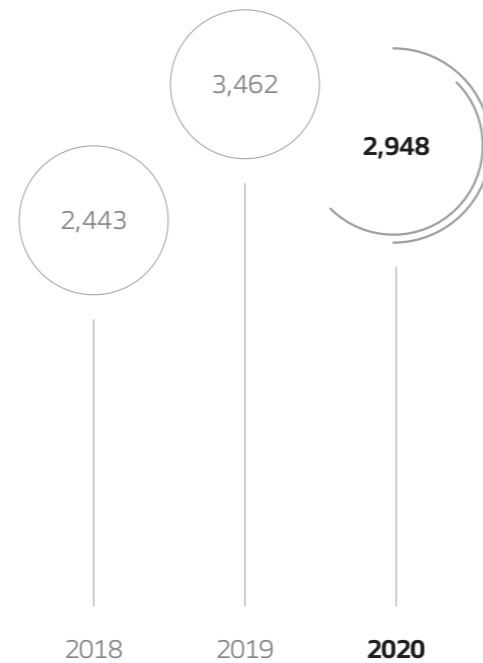
The future of mobility life, we make it happen

Hankook Car & Life was established in 2016 to help explore and invest in new business opportunities within the rapidly-shifting imported car market in Korea. Hankook Car & Life and businesses operated under its leadership provide imported car sales, maintenance, parts, tuning and accident repair services. Its recent acquisition of Wavers, an online car purchasing platform, aids in its efforts to build an on/off-line platform offering fast, convenient and comprehensive services for purchasing and maintaining vehicles in the ever-changing automobile market. Going forward, Hankook Car & Life will develop a robust business model to respond to the future mobility market and continue to create new opportunities.

Brand Portfolio

Hankook Car & Life's business conducted through its subsidiaries includes Sonic which sells super/hyper cars and imported cars while also providing maintenance and repair, Han Automobile, which operates Peugeot-Citroën dealerships, CARBY, Korea's No. 1 online initial vehicle trading platform, and ziccha, which is a C2C used car trading platform.

2020 Sales of Hankook Car & Life (Unit: KRW million)
*Based in Korea



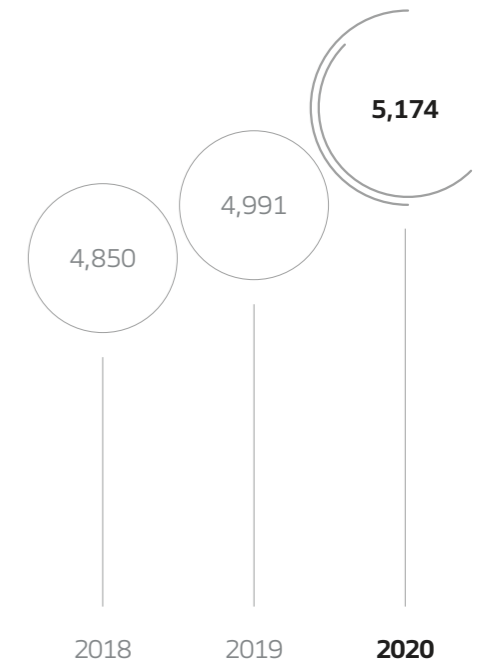
Hankook Donggeurami Partners Co., Ltd.



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

Hankook Donggeurami Partners was established back in 2016 by Hankook Tire & Technology as a standard site that hires mentally/physically-challenged people, who are often at a disadvantage in the job market, to provide them with professional and stable employment. Its employees are mainly responsible for laundering company uniforms and operating bakeries at our Geumsan/Daejeon Plants, offering steam car wash services at the Headquarters, operating cafeterias at three of our worksites including the Headquarters, and supporting administrative work. The number of employees has almost doubled, from 70 at the time of inception to nearly 140 as of the end of 2020. In addition to creating a steady stream of employment opportunities, we also are improving the health and safety features of the work environment, and these improvements helped earn us the title of a best practice business in inclusive employment in 2019. Hankook Donggeurami Partners not only provides jobs for the underprivileged in our society but also promotes a wholesome corporate culture that helps establish the prosperous co-existence between those with disabilities and those without. This ultimately contributes to the growth and development of society at large.

2020 Sales of Hankook Donggeurami Partners (Unit: KRW million)
*Based in Korea





Model Solution Co., Ltd.



Innovation, We Realize Ideation

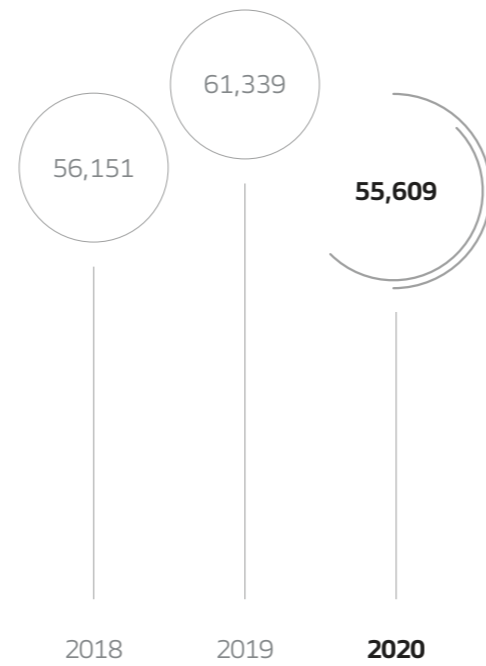
Incorporated as an affiliate of Hankook Tire & Technology in 2018, Model Solution leverages its state-of-the-art technology to offer a wide array of prototypes in such diverse industries as IT, medical devices, aviation and robotics as well as small quantity batch production and other varying solutions. Since 1993, the company has served more than 500 global customers, including Google, Amazon, Tesla, Samsung, Hyundai Motor Company, and LG Electrics in Korea, the US, Europe and Japan. Model Solution also expanded its business areas into total solution platforms that span from design to manufacturing through continued technology investment and competitiveness improvements as demonstrated by its design R&D, small quantity batch production system, and high-quality production management process.

Business Portfolio

Model Solution delivers global top-tier performance in precision processing used to manufacture high-quality design mockups prior to launching new products as well as advanced ultra-high precision processing products and in Quick Delivery Mold (QDM) services which provide small batches of a wide variety of products within a short time period. Model Solution is now expanding its business into mass-producible injection molding that guarantees high-quality, as well as into contract manufacturing that spans from product design to EMS, OEM, and QDM services.

2020 Sales of Model Solution (Unit: KRW million)

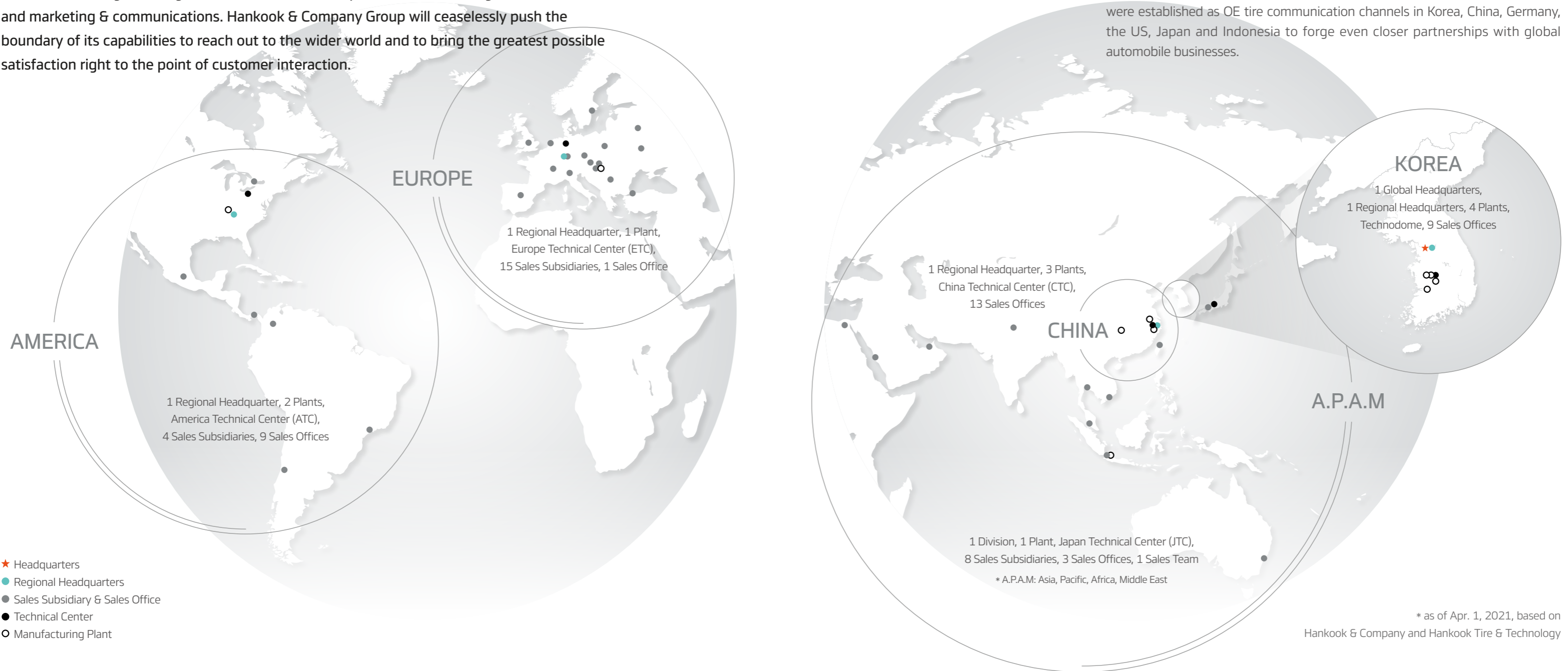
* Including overseas operations



GLOBAL PRESENCE

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

Hankook & Company Group pursues balanced growth both in advanced and emerging automobile markets on the basis of its locally-optimized strategy. Its sales network spans China, Europe, the Americas, Asia Pacific, and the Middle East & Africa as well as Korea where it is headquartered to deliver products that satisfy local customer needs. Furthermore, Original Equipment (OE) Offices were established as OE tire communication channels in Korea, China, Germany, the US, Japan and Indonesia to forge even closer partnerships with global automobile businesses.



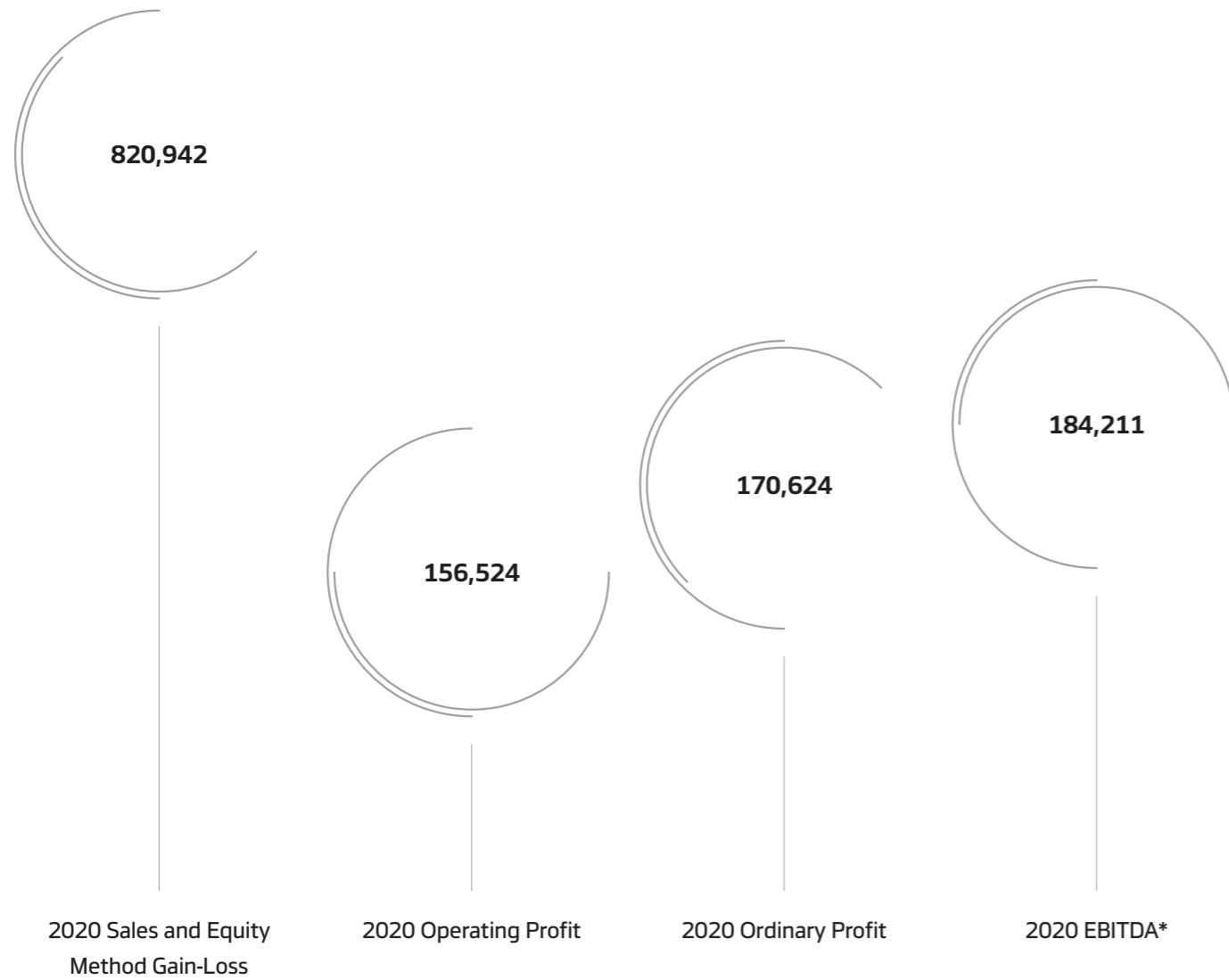
* as of Apr. 1, 2021, based on Hankook & Company and Hankook Tire & Technology



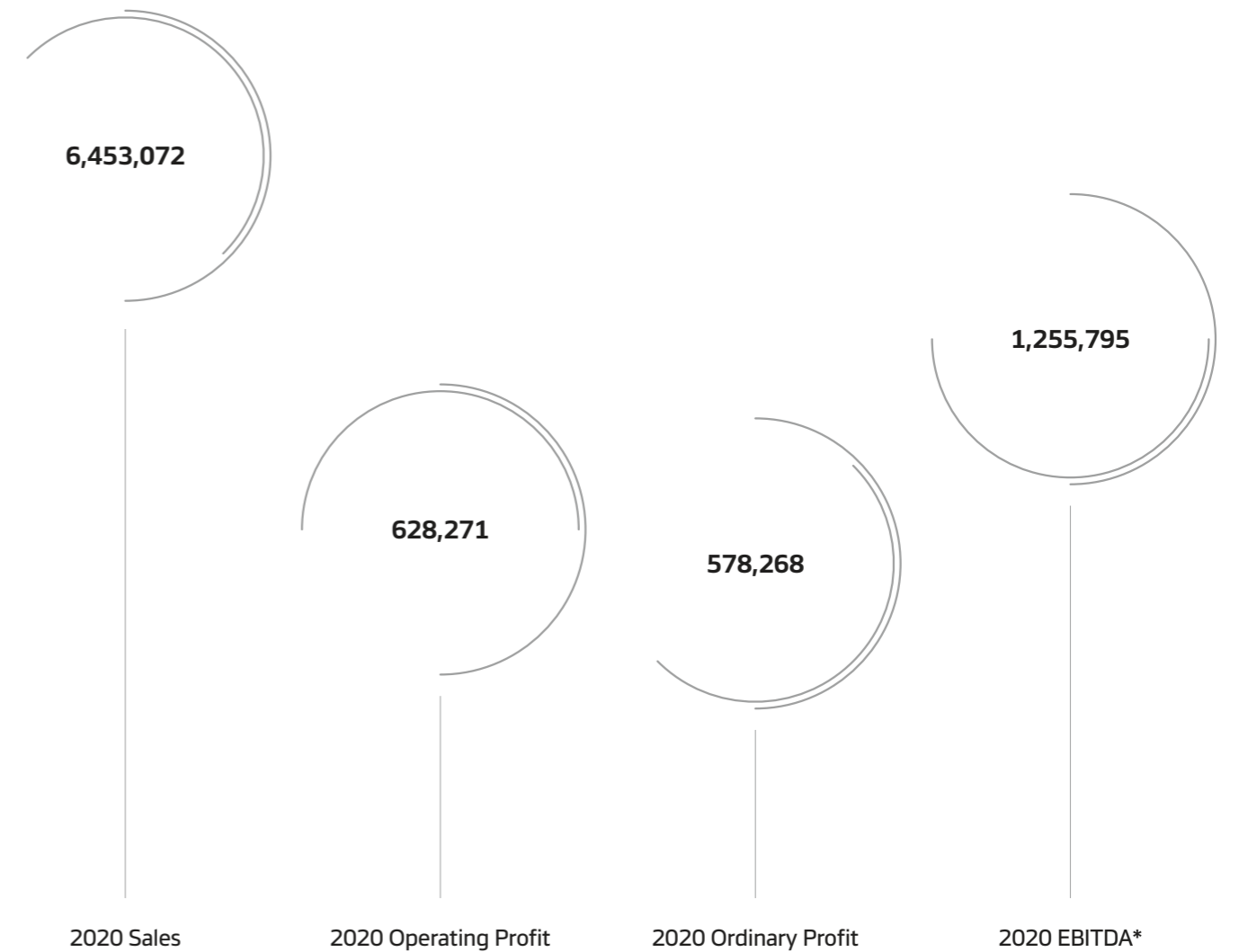
FINANCIAL HIGHLIGHTS

(Unit: KRW million / on a K-IFRS-compliant, consolidated basis)

Hankook & Company Co., Ltd.



Hankook Tire & Technology Co., Ltd.



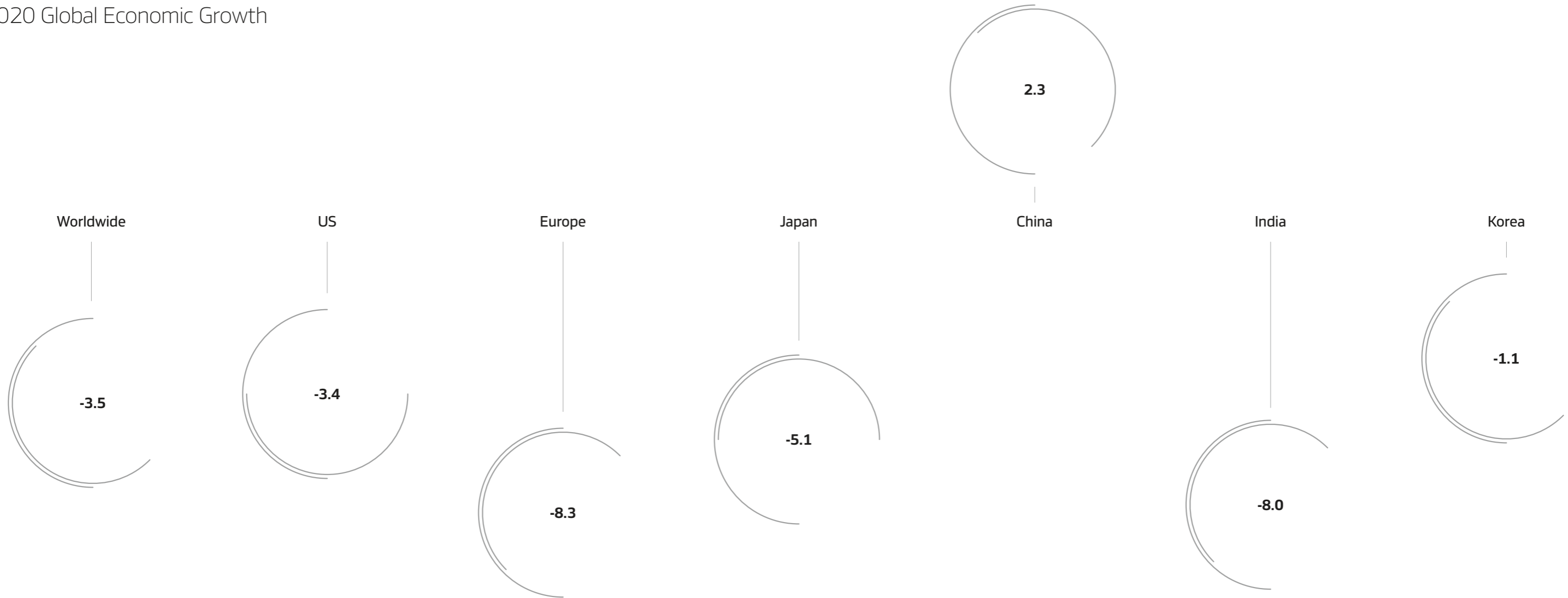
* Earnings Before Interest, Taxes, Depreciation and Amortization



MARKET ANALYSIS

(Source: IMF / unit: %)

2020 Global Economic Growth



* Source: World Economic Outlook_Jan. 2021, IMF

* Real GDP growth, as of Jan. 2021

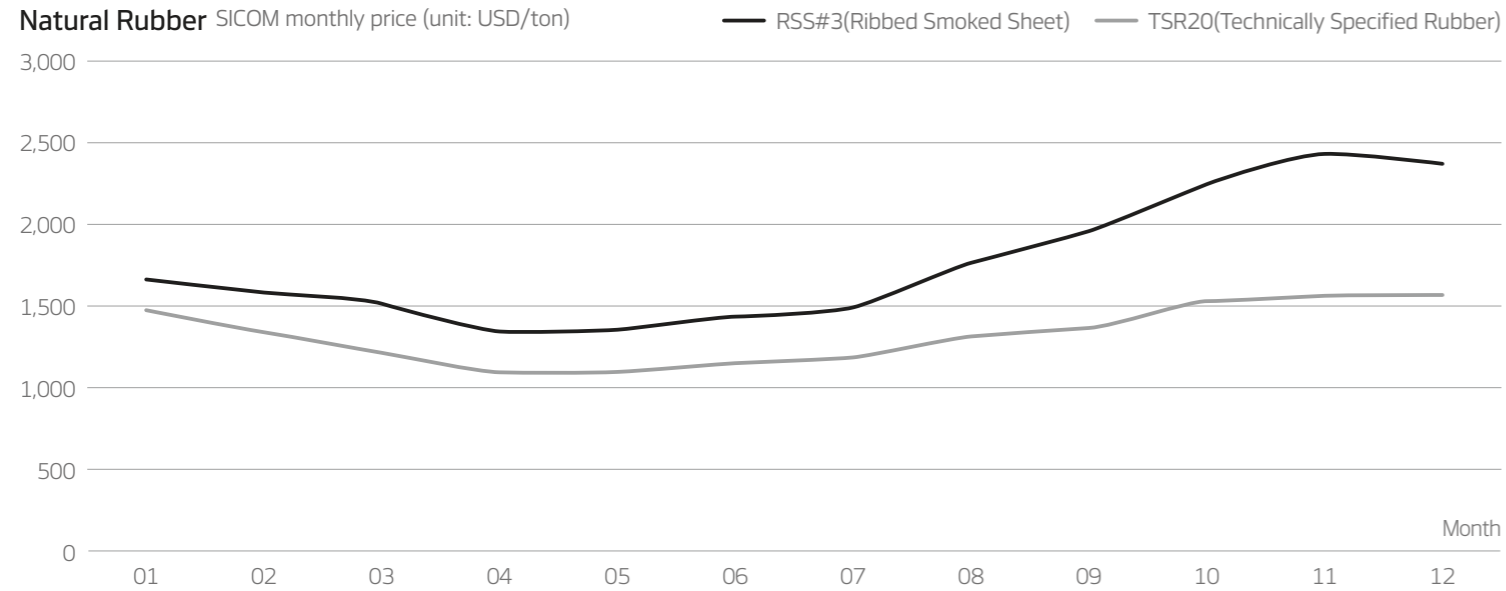
* Europe includes the following 37 countries:

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

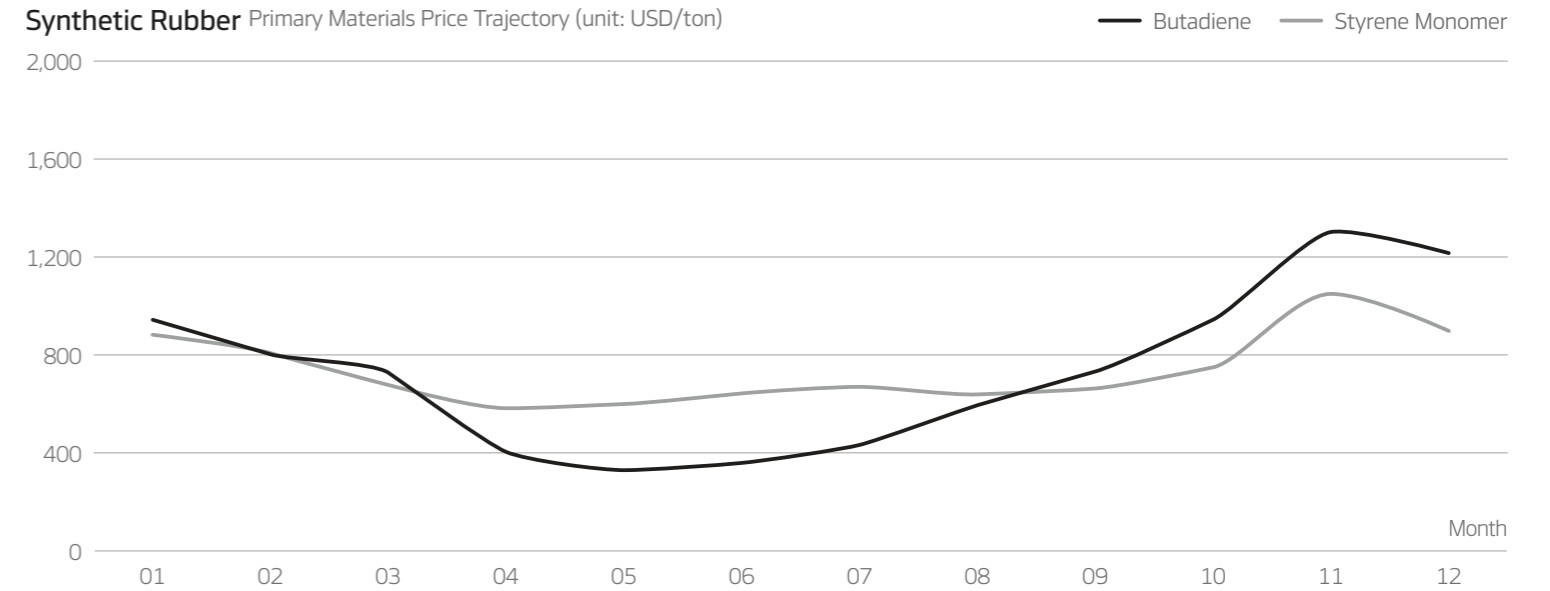


2020 Raw Materials Price Trajectory

(unit: Average price based on cargo for the following month, FOB, USD/MT / source: SICOM(<http://www.sgx.com>))

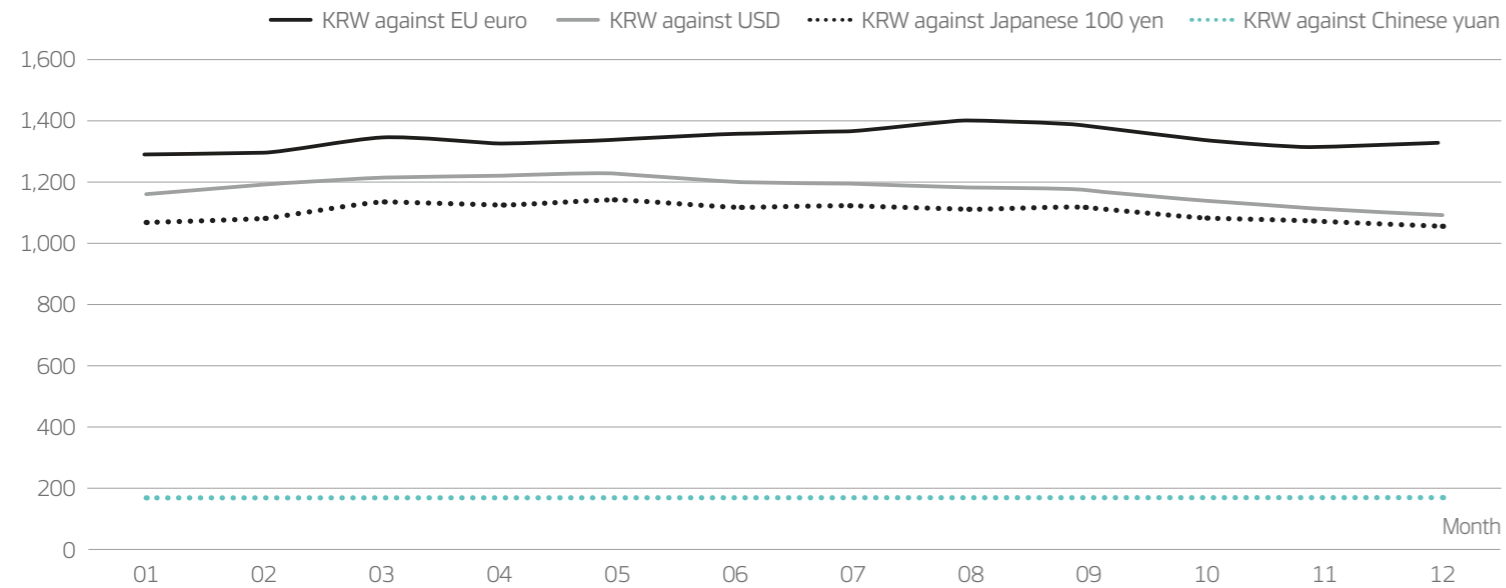


(Source: BD - Platts (CFR Taiwan), SM - Platts (FOB Korea))



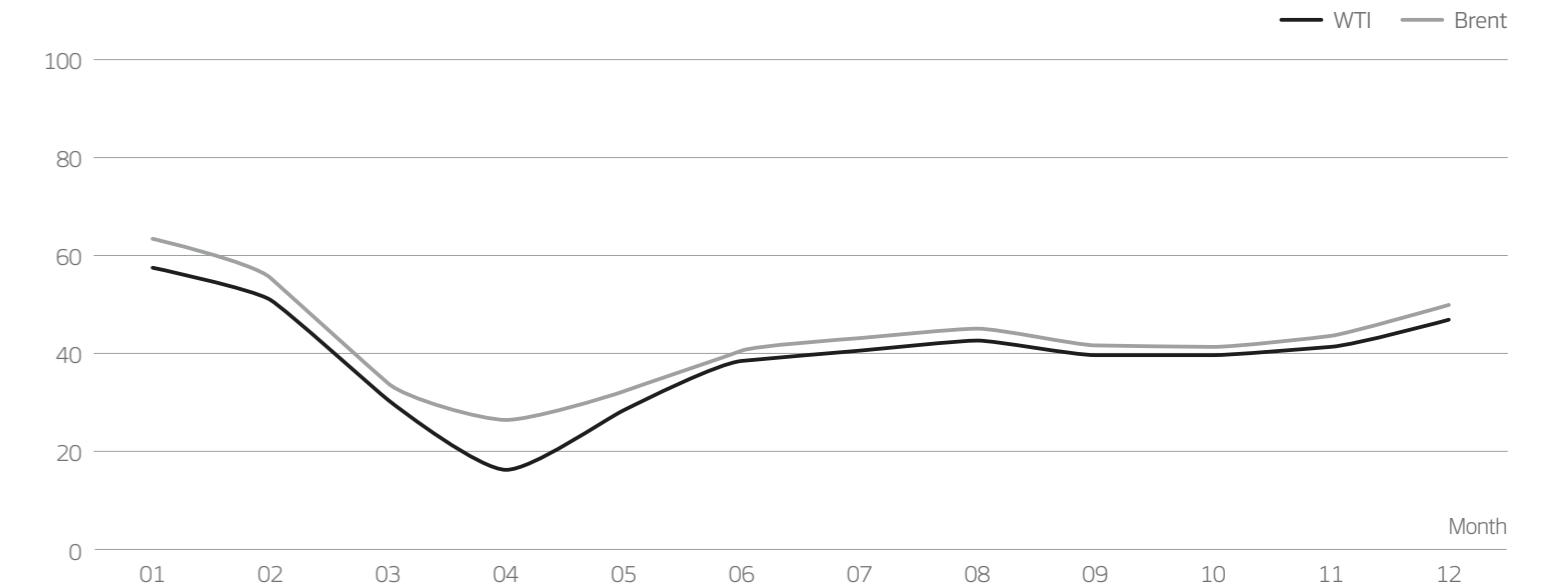
2020 Currency Rate Trajectory

(unit: KRW, source: KEB Hana Bank)



2020 Oil Price Trajectory

(unit: USD/bbl. / source: Brent crude - London ICE Futures Exchange, WTI-New York Mercantile Exchange (NYMEX))





INNOVATION REALIZED



**TECHNOLOGY
INNOVATION
REALIZED**

**BRAND
INNOVATION
REALIZED**

**SUSTAINABLE
INNOVATION
REALIZED**



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

Hankook Tire & Technology Co., Ltd.

Hankook Technodome

With an aim to build global technology leadership and reinforce future competitiveness, Hankook Tire & Technology completed Hankook Technodome as its central research facility in 2016. With 96,328m² in total floor space, Technodome consists of a research building (4 stories above ground and 2 below) and a residential building (7 stories above ground and 1 below). The Tehnodome houses a driving simulator where virtual tests are performed under real-life racing conditions, a world-class anechoic chamber used to conduct tire noise tests, and other advanced research and testing equipment. The facility also provides innovative research and work spaces such as 'Tire Workshop' and 'Focus Box' which are optimal work settings for the tire R&D process. With its top-tier equipment and work environment, Hankook Technodome will enable us to develop innovative future tire technology and build an unrivaled technological competitive edge.

Recruiting and Strategically Nurturing An Exceptional R&D Workforce

Hankook Tire & Technology continues to make discerning investments in recruiting outstanding talent. We launch successful technology promotion events and wide-ranging industry-academia programs in alignment with Hankook Technodome while presenting the training roadmap for respective R&D positions and offering systemic technical training through the 'Engineering University' to strategically nurture our R&D workforce. In addition, we support employees in attending training programs at domestic and overseas prestigious universities. A wide array of initiatives are also underway to promote a culture of creativity and autonomy to help our R&D workforce fully engage in their work.

Leading Future Tire Technology through Patent Development

Hankook Tire & Technology translates its R&D outcomes into proprietary patents to further reinforce its R&D competitiveness. As of the end of 2020, our patent portfolio included 679 patents granted in Korea and 276 patents granted overseas. Recently, we have been actively investing in securing patents in the US, Europe, Japan, and China to preemptively gain a competitive edge across the global technology landscape. We plan to develop original technology on the Non-Pneumatic Tire (NPT), intelligent tires, and on next-generation green tire materials to make patent applications in key tire technology areas.

STEADY INVESTMENT IN R&D

Hankook Tire & Technology	1,016	679	276
	R&D workforce in 2020 (Unit: No. of persons)	Patents granted in Korea (Unit: No. of patents)	Patents granted overseas (Unit: No. of patents)



Hankook AtlasBX Co., Ltd.

Developing Cutting-edge Technology to Maximize Battery Performance

Hankook AtlasBX develops cutting-edge technology - AGM*, EFB*, and MF* technology - through sustained R&D efforts to maximize battery performance and applies such technology to product development. Batteries powered by special AGM technology, when adopted for vehicles with the start-stop feature, deliver triple the service life, quicker charge times, vibration resistance, and complete leak-guard protection. EFB batteries with further upgraded liquid battery technology allow for significant discharging and quick charging for entry-level vehicles with or without the start-stop function to help improve on fuel efficiency. MF batteries leverage a whole new level of standard battery technology to provide stable capacity, recovery charging, vibration resistance, and strong start-up performance to support an all-weather, all-season dynamic driving experience.

* AGM technology: Absorbent Glass Mat Battery technology
* EFB technology: Enhanced Flooded Battery technology
* MF technology: Advanced Maintenance-Free Technology

Hankook Networks Co., Ltd.

Developing Automation technology for Major Distribution and Logistics Operations

To cater to the explosive growth of the e-commerce market and assist businesses in processing their logistics operations in an expedient and accurate manner, Hankook Networks secured logistics automation equipment technology, either through in-house development or strategic collaboration, that plays an essential role in building Fulfillment Centers (F/C) for sorting, picking, inspecting, and packaging for respective individual customers as well as Distribution Centers (D/C) which focus on product receiving, storage and shipping. Its success stories include the independent development of DPS (Digital packing System)/DAS (Digital Assorting System), QPS (Quick Picking System), VMC (Vehicle Mounted Computer), and a machine vision-based scanner, joint R&D with suppliers on automatic garment sorters and unmanned single-item packaging equipment. It also has strategically collaborated on equipment technology development and the deployment of unmanned forklifts, automated warehouses, and container gantry cranes.

Developing WCS and Continuously Collaborating with Global Logistics Robotics Businesses

As of 2021, Hankook Networks is set to develop a Warehouse Control System (WCS), designed to flexibly control the functionality of wide-ranging logistics automation equipment to improve the speed and accuracy of logistics and maximize the productivity of logistics work, and to launch its own WCS brand. The company plans to build on its current logistics automation technology development

and deployment to continuously pursue business collaboration with global logistics robot companies to establish robotics-based unmanned equipment deployment capabilities. Furthermore, Hankook Networks will secure intelligent logistics center development competence powered by big data and AI to build tech-enabled business capabilities to spearhead a quantum leap in the domestic/global logistics industry and continuously broaden its business presence.

Model Solution Co., Ltd.

New AR HMD Product Development Project

Model Solution has been dedicated to the development of new AR technology over the years, and has recently unveiled a prototype code-named MS-AR20 as a result of its design and R&D endeavors on AR HMD (Augmented Reality Head Mounted Display) for industrial applications. MS-AR20 has undergone multi-faceted evaluations and fit tests in consideration of the wearer's usability to deliver essential functionalities and meet specific industrial needs.

New Personal Mobility Product Development Project

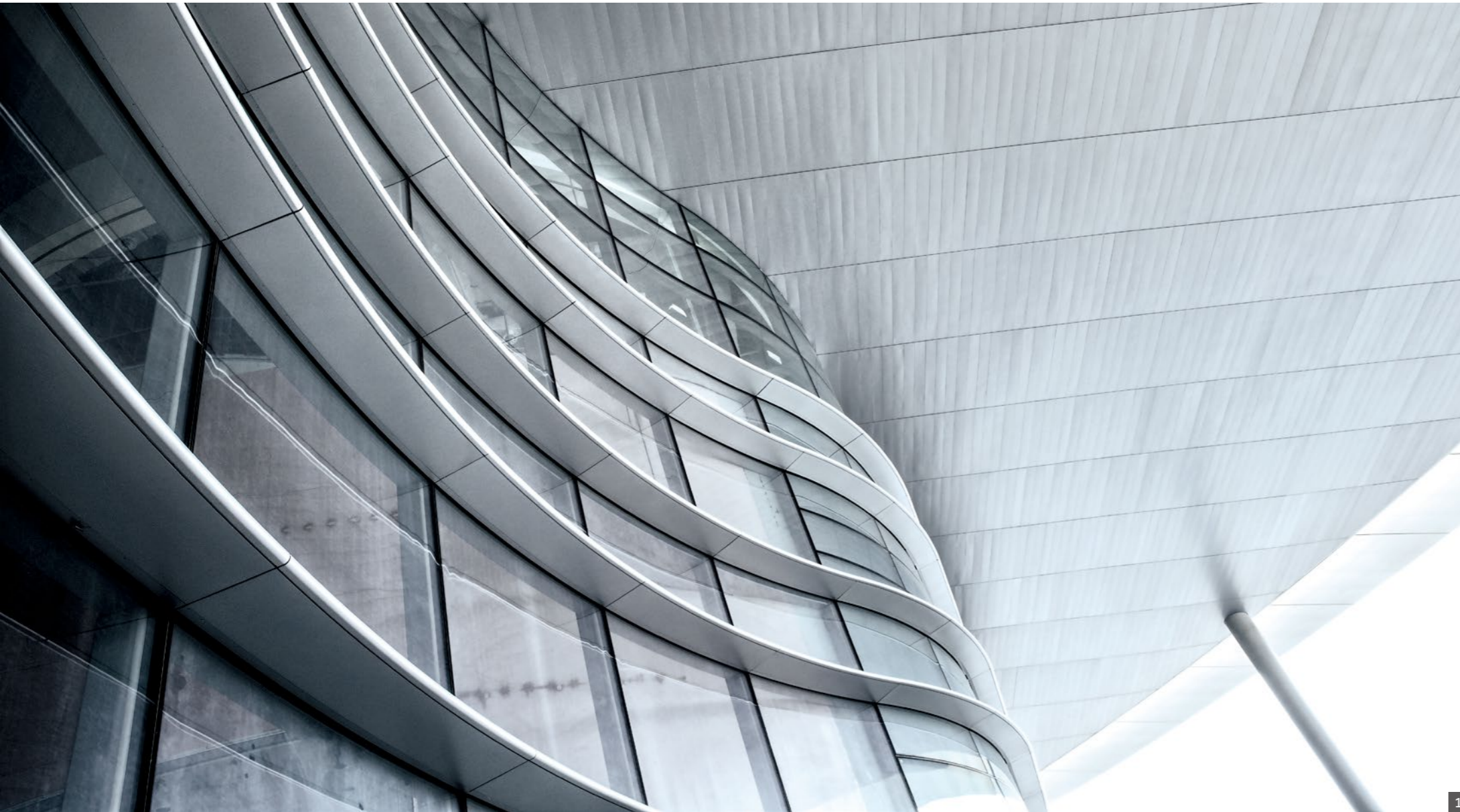
In the personal mobility sector, Model Solution released a prototype e-Scooter code-named MS-PM20, a premium futuristic mobility device powered by cutting-edge AR technology. MS-PM20 features wide 11-inch airless tires which add to its pleasing design and exceptional safety as well as the never-before-available stand-folding functionality, fingerprint recognition, and a blackbox camera. It even comes with customized color options.

	44	87	1
Hankook AtlasBX	R&D workforce in 2020 (Unit: No. of persons)	Patents granted in Korea (Unit: No. of patents)	Patents granted overseas (Unit: No. of patents)

	150	4	27
Hankook Networks	R&D workforce in 2020 (Unit: No. of persons)	Patents granted in Korea (Unit: No. of patents)	Intellectual property rights (Unit: No. of patents)

	6	66	36
Model Solution	R&D engineers as of 2020 (Unit: No. of persons)	Mock-up engineers (Unit: No. of persons)	Molding engineers (Unit: No. of persons)

STEADY INVESTMENT IN R&D



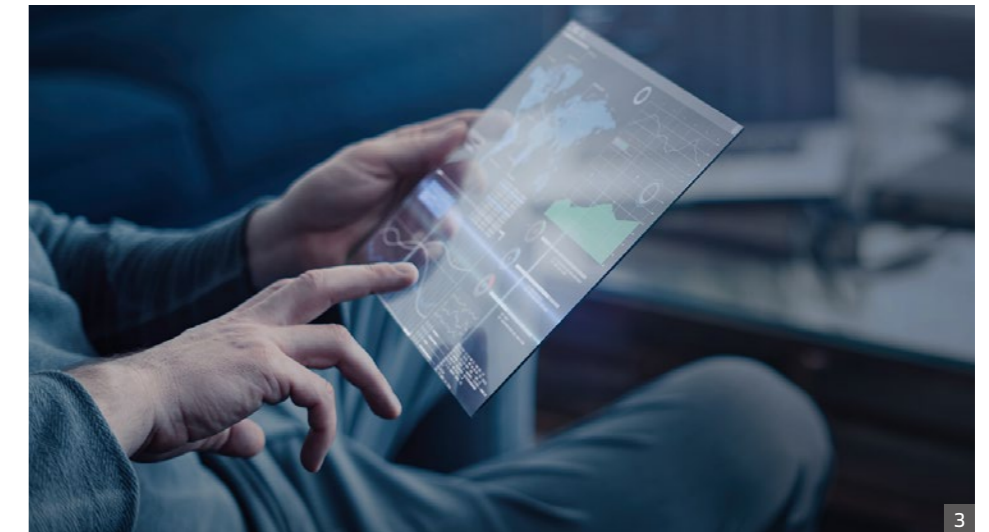
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STEADY INVESTMENT IN R&D



2

- 1. Exterior of Hankook Technodome
- 2. Model Solutions AR HMD
- 3. Hankook Networks



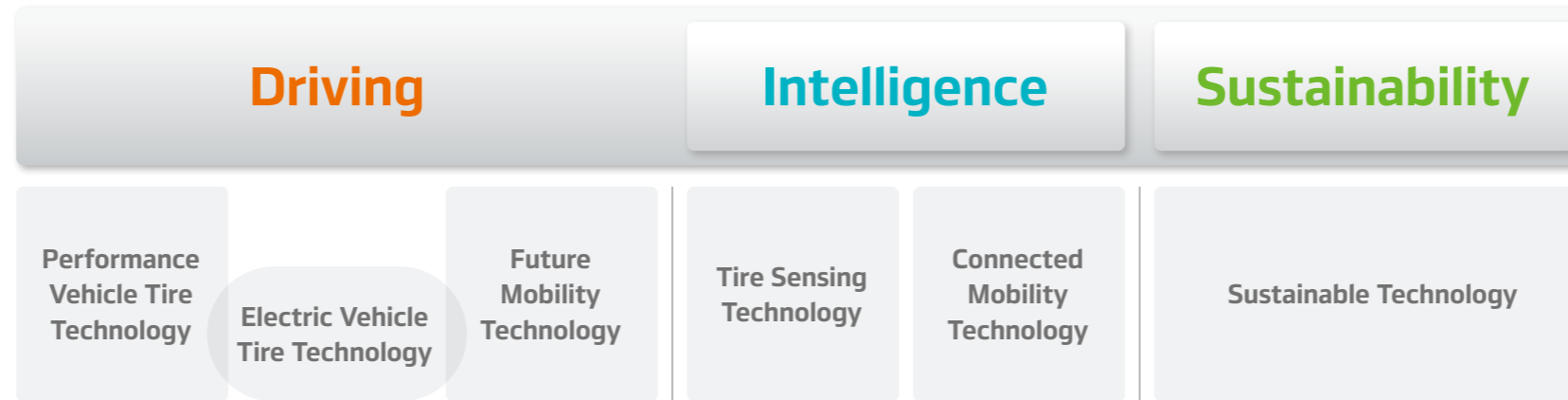
3



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



HANKOOK Innovative Performance

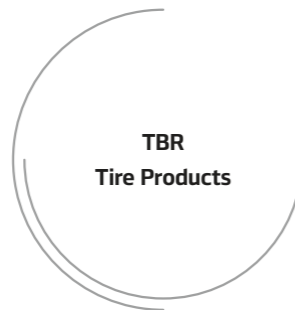


Hankook Tire & Technology's Technology Philosophy Hankook Innovative Performance (HIP)
 Hankook Innovative Performance (HIP) represents Hankook Tire & Technology's new technology philosophy that will enable us to lead the future mobility environment. As Hankook Tire & Technology's unique technology philosophy and attitude towards innovation, HIP finds its application across the entire process from product and service research to development and production with an aim to truly realize the mobility innovations and values Hankook Tire & Technology prides itself on.

Hankook Tire & Technology's New Technology Philosophy

HANKOOK INNOVATIVE PERFORMANCE (HIP)

Hankook Tire & Technology sets the trend in the global tire industry by launching new products that cater to market and customer needs through continued technology innovation. We develop safer, quieter and improved passenger car radial (PCR) and light truck radial (LTR) tires while unveiling high-performing truck and bus radial (TBR) tires with improved eco-friendliness and fuel efficiency as well as electric vehicle (EV) tires equipped with cutting-edge technology, boosting our product competitiveness to a higher level.



ventus S1evo³

Ultra-High-Performance tire that unleashes the power of DTM technology on public roads



Winter i*cept evo³

High-performance winter tire recognized in Europe



Winter i*cept evo³ x

High-performance winter SUV tire recognized in Europe



KINERGY 4s²

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



Dynapro MT2

MT tire exclusively created for off-road driving and adaptable to even the most extreme unpaved road conditions



Dynapro AT2

Premium SUV/LT tire that delivers exceptional balanced performance under all topographical conditions



SMART^{FLX} AH51

Multi-purpose, all-weather, all-position tire that delivers exceptional performance under varying mid/long-range driving conditions



SMART^{FLX} DH51

All-weather rear-wheel drive tire with improved traction performance and fuel efficiency



SMART^{Touring} AL22

Tire exclusively created for premium express buses with special safety features and high-performance fuel efficiency



SMART^{City} AU06

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



Passenger Car-SUV (PCR-LTR) Tires

In line with the increasing importance of Safety Tire Technology, Hankook Tire & Technology is intensively investing in new technology that caters to such customer needs. Our 3rd-generation run-flat tire, developed with key technology on new materials and manufacturing techniques, is the result of combining all our unique cutting-edge technology and will undoubtedly deliver even greater safety to customers. Furthermore, our sound-absorbing tire cancels out tire cavity noise and thus reduces road noise while driving in order to provide a more comfortable and quiet ride.

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

Truck and Bus Radial (TBR) Tires

To keep pace with the emerging trends of eco-friendliness, high fuel efficiency, and stability in the global TBR tire market, Hankook Tire & Technology has placed a stronger focus on fuel efficiency and ride comfort as well as mileage performance to satisfy customer requirements and respond to such market trends. We added multi-purpose (Long-haul + Regional) line-ups to our Smart Flex product category and premium line-ups to our express bus category that values safety, further strengthening the competitiveness of our Truck and Bus Radial (TBR) tires. In addition, Smart City AU06, our new product optimized for eco-friendly electric buses, will help us raise our share in the global electric bus market.

NEW & INNOVATIVE PRODUCTS



1

- 1. Winter i*cept evo3
- 2. Smart Flex AH51



2

NEW & INNOVATIVE PRODUCTS



Hankook Tire & Technology's Design Innovation represents its R&D projects undertaken with some of the world's most prestigious design universities to present our vision for and solution to the future of driving through the lens of the tires themselves. In 2020, we chose to expound on the topic of 'Urban Reshaping' to visualize the evolutionary pathway of mobility within living spaces in the future urban environment characterized by the prevalence of cutting-edge technology - green technology, autonomous driving, and artificial intelligence - and automation infrastructure.



Joint design project with the University of Cincinnati in 2020

Design Innovation for Customer Safety

User safety should always come first in designing tires. As such, the tire design process, unlike the design of general products, demands a level of technology that requires us to get it right the first time without even a 0.001% tolerance for error. Hankook Tire & Technology defined its design identity as 'Refined and Dynamic Style' to highlight the future-oriented dynamism and sophistication of its tires, and embraces design concepts optimized for each product. Since 2012, we have launched biennial 'Design Innovation' projects joined by students from the world's top-tier design universities: their creative ideas and our technical solutions are combined through joint research to present a vision for the future of driving as well as next-generation tire systems to translate this vision into a reality. Hankook Tire & Technology will constantly pursue design innovation to enable all its customers to enjoy a safe and dynamic driving experience and explore new possibilities.

DESIGN INNOVATION



Award



reddot award 2015 luminary



reddot award 2016 winner



GOLD AWARD 2016



DESIGN AWARD 2019



DESIGN AWARD 2021



INTERNATIONAL DESIGN EXCELLENCE AWARDS '17 BRONZE



INTERNATIONAL DESIGN EXCELLENCE AWARDS '17 FINALIST



INTERNATIONAL DESIGN EXCELLENCE AWARDS '19 FINALIST

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



OE tire supply for the Porsche Taycan

Future Technology Innovation for Strengthened Quality Competitiveness

Hankook Tire & Technology ranks among the top in the auto component industry in terms of the number of its customers, which inevitably adds to the number of requirements the company needs to satisfy. With an aim to deliver the greatest possible customer satisfaction, we strictly abide by quality management principles at all levels on the basis of our customer-driven quality management philosophy. Notably, we are optimizing the underlying data of our unique Hankook Quality System from the digital transition perspective and fully leveraging artificial intelligence to constantly improve management quality.

Products and services provided by Hankook Tire & Technology are designed and manufactured to meet any and all applicable customer requirements & expectations, intended use conditions, and laws and regulations. Furthermore, process-specific assurance as well as pre/post sales service systems are operated to this end. Our quality management organization is responsible for all these activities and is structured in a way to guarantee its independence to effectively hold in check and support other corporate functions.

Such endeavors were widely recognized as we ranked first in the Korean Standard-Quality Excellence Index for 12 consecutive years and were named an Outstanding Quality Competitiveness Enterprise for 11 consecutive years in 2020. Notably, we became the first tire business to join the Hall of Fame for our achievement in receiving the Outstanding Quality Competitiveness Enterprise title for 11 consecutive years. Furthermore, we expanded our ultra-high-performance OE tire supply for the Taycan, Porsche's electric sports car model, and signed an exclusive supplier contract with the Formula E World Championship expected to usher in a new motorsports culture, creating a solid foothold to lead the future EV market.

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

GLOBAL FIRST TIER QUALITY COMPETITIVENESS





Hankook Tire & Technology proudly demonstrated its world top-tier technology through its sponsorships for more than 60 motorsports competitions and teams, including the Super Taikyu Series and Lamborghini FFF Racing Team. We were also chosen as a Gen3 partner for the ABB FIA Formula E World Championship, indicating that we will exclusively supply EV tires from the 2022/23 season onwards when Gen3 cars are introduced. As a strong supporter for the world's premier motorsports, we will contribute to developing a culture of driving satisfaction and unite this enthusiasm with motorsports fans across the globe.

Technology and Quality Recognized through Motorsports

Since 1992, Hankook Tire & Technology has participated in globally-recognized motorsport competitions, from the 'Super GT' and the 'Nürburgring 24h' to the '24 hours of Le Mans'. After years of competing against global leading tire makers, we have been proudly chosen as an official tire supplier to the Deutsche Tourenwagen Masters (DTM) ever since 2011 and to the FIA F3 European Championship since 2012. As one of the world's top three touring championships, the DTM serves as a venue for German premium automakers - Audi, BMW, and Mercedes-Benz - to showcase their technological prowess. Our products gained recognition for their exceptional quality and technology through this competition to enable us to become an official tire supplier to the 'Audi Sport TT Cup', a support racing event for the DTM directly hosted by Audi Motorsport.

Our unrivaled technology and quality prevailed yet again in 2014 when we attended the 'Nürburgring 24h', a 24-hour circuit race also known as 'Green-hell' that challenges drivers to the limit. We have continuously participated in the 'Formula Drift', the sole professional drift championship held in North America since 2006, and have served as a title sponsor and the exclusive tire supplier since 2015 to the '24H Series Powered by Hankook Tire', one of the world's largest endurance races, to solidify our brand image.

Since 2016, we have supplied tires to the 'ADAC TCR Germany' a one-make touring car race initiated in Germany, as well as to the 'TCR Nürburgring' and 'TCR Spain'. Currently, we are also serving as a tire supplier to the 'British F4' hosted by Ford, the 'Australian F4 Championship', the 'SMP NEZ Championship', the 'F4 Spanish Championship', and the 'F4 UAE Championship'. In 2017, Rhys Millen, sporting Hankook Tire & Technology tires, made first place in the 'Time Attack' class at the 'Pikes Peak International Hill Climb', the world's top mountain motorsport competition. In addition, we became the sole tire supplier and a title sponsor for the 'Supercar Challenge' in the Netherlands, and in 2018, we signed an exclusive tire supply and sponsorship contract with Radical. In 2019, the 'Formula Renault Euro Cup' and the 'W Series' were newly added to the portfolio of our exclusive tire supply and sponsorship contracts.

In 2020, we were named an exclusive tire supplier to the FIA Formula E World Championship from the 2022/23 season which went to further solidify our unparalleled technology yet again. In 2021, we formed a partnership with the FFF Racing Team, one of the world's most sought after racing teams, to support it in the major competitions it attends. As a brand that honors motorsports competitions, Hankook Tire & Technology will reciprocate motorsports fans the world over for their loyalty and enthusiasm. We will continue to attend global motorsport events to strengthen our brand power and product awareness and become a brand beloved by even more customers in the global market.



MOTORSPORTS



1



2

- 1. CJ Superrace
- 2. F3 America
- 3. FFF racing team Lamborghini Huracan GT3 Evo



MOTORSPORTS



In 2020, wide-ranging marketing communication programs continued to raise awareness of and trust in Hankook & Company's brand. Hankook Tire & Technology, Hankook AtlasBX, and Model Solution follow a systemic strategy in consideration of the characteristics of their markets and customers to further elevate their brand power through sports sponsorships, campaigns, and exhibitions.

Hankook Tire & Technology Co., Ltd.

Globally Recognized Premium Brand

Hankook Tire & Technology has maintained its marketing partnership with 'Real Madrid', one of the world's top-tier football clubs, from the 2016-17 season to reinforce its premium brand image among global customers. Our 'Be One with It' campaign, launched in major global markets (except for the US) in 2016, has driven our effort to disseminate the value of innovation shared by both Real Madrid and Hankook Tire & Technology.

In the European market, we are proactively launching brand marketing programs that tap into areas of interest among local consumers as an official partner for the UEFA Europa League since 2012. This close partnership was renewed for another three years from the 2021-22 season. In the strategic US market, the 'Never Halfway' campaign that reflected the unique sentiment of Americans has enabled us to reach out to the heart of local customers. After signing an official sponsorship contract in 2018 with the Major League Baseball (MLB) which represents the American sports scene, we have since capitalized on MLB property across our marketing programs to further elevate our brand reputation in the US market.

In China, we took note of the shifting market and consumer trends and have been operating the 'Be One with It' campaign since 2016 to disseminate Hankook Tire & Technology's 'innovation' message. Furthermore, we are increasing consumer engagement through Integrated Marketing Communication (IMC) and launching continued activities to improve our premium brand and satisfy consumer preferences.

In Korea, the 'Premium OE' campaign is currently underway to highlight our OE tire supply to such premium OEM car brands as Porsche and Audi. Our distribution channel T'Station also serves as a channel for launching a range of campaigns and deliver distinctive services that set T'Station apart from the competition, further solidifying our premium brand reputation.

Hankook AtlasBX Co., Ltd.

Attending Major Exhibitions in Germany, the US and across the Globe

Hankook AtlasBX capitalizes on overseas exhibitions to create new business opportunities and elevate its corporate brand value. Since 2008, the company has attended Automechanika held in Germany, one of the largest European trade fairs for the automotive parts and service industry, every two years to discover a new European customer base and promote its house brand. It has also been a regular participant in the Automotive Aftermarket Products Expo(AAPEX) of the U.S., the largest of its kind hosted in North America, since 2016 to keep abreast of automobile market trends, establish a new network and broaden its presence in the global market.

Model Solution Co., Ltd.

Unveiling New Products Created through Innovative Future Technology

Model Solution attended the CES 2021, one of the world's largest electronics and information technology fairs, to unveil its augmented reality hardware technology and new personal mobility products and to showcase its differentiated technological prowess. The company also used this opportunity to unveil its various CMF (Color, Materials, and Finish) solutions created by its CMF Lab to demonstrate its ability as a total solution provider to this wider global audience.

MARKETING COMMUNICATIONS





1

1. MLB Sponsorship
2. Premium OE campaign
3. Real Madrid Sponsorship



2

MARKETING COMMUNICATIONS



3

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



OE tire supply to BMW

Increasing OE Tire Supply to Car OEMs

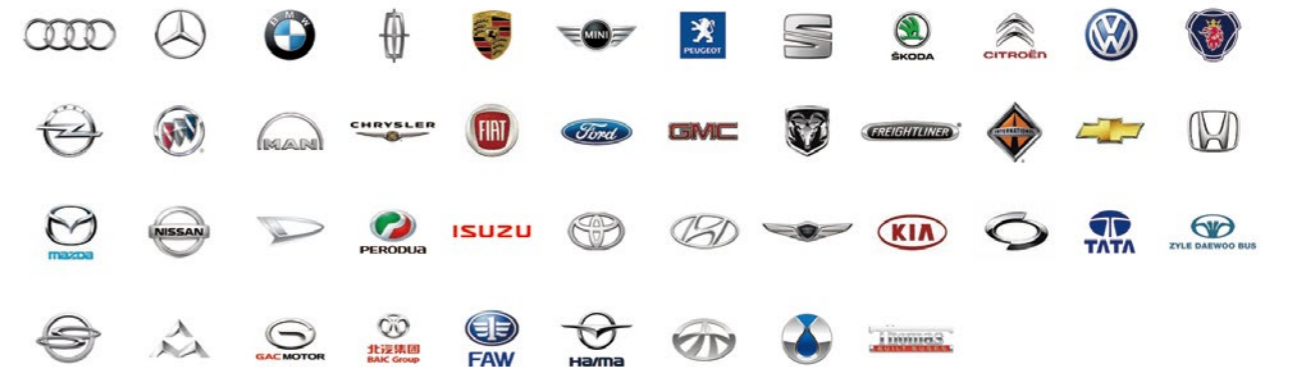
We maintain close partnerships with global top-tier car OEMs and increase our Original Equipment(OE) tire supply for major brand models. In 2020, the Porsche Taycan, the BMW X3M and the BMW X4M were newly added to our OE supply portfolio. Furthermore, we continue to supply Volkswagen, BMW, and Mercedes-Benz with ‘Ventus Prime2 Seal Guard’, a self-sealing tire made of sealant materials, and ‘Ventus S1 evo2’, a run-flat tire capable of running for 80km at the speed of 80km/h even when the tire air pressure is reduced to zero.

Close Partnerships with Global Car OEMs

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

GLOBAL AUTOMOTIVE PARTNERSHIPS

Hankook Tire & Technology's OE Tire Partners





In 2020, Hankook Tire & Technology more than tripled its OE tire supply for EVs in Europe and the Americas. We also increased our supply of sealant tires and run-flat tires for premium models and remained ahead of the competition in developing eco-friendly tires, elevating our status as a global tire maker recognized for unrivaled world-class technology.

2020 Performance Analysis

Even as the COVID-19 pandemic dealt such a fatal blow to the world economy, Hankook Tire & Technology continued to increase its OE tire supply in 2020. The European automobile market was heavily damaged with decreased automobile production and sales plummeting in line with the spread of the pandemic and its resulting lockdowns. Still, Hankook Tire & Technology maintained a stable supply system with its existing customers and sales remained unchanged from the previous year.

The overall North American automobile market was also significantly affected by the COVID-19 spread. Hankook Tire & Technology, however, was able to minimize the negative impacts by expanding its supply to premium brands and maintaining a stable supply with Japanese car OEMs and other existing customers. In the Chinese automobile market, which also posted negative growth due to COVID-19, our full-fledged efforts enabled us to increase our EV tire supply to local OEM brands.

2021 Business Strategy

We will establish an optimal business strategy for 2021 to pursue stable growth and further increase our OE tire supply for global top-tier automakers. In addition to our existing OE tire customers - Hyundai Kia Motors, Volkswagen, Ford, GM, Toyota, Honda and Nissan, we plan to continuously expand our OE tire supply to BMW, Mercedes-Benz, Audi, Porsche, and other premium brands. We will also expand our business with local Chinese car OEMs and Japanese car OEMs operating in India and ASEAN. Specifically, we aim to target popular models of these car OEMs to form even closer partnerships.

We will raise the share of high-inch tires and develop new technology that caters to both the ever-evolving global automobile market as well as customer needs in order to further upgrade our OE tire supply portfolio. We plan to actively expand our supply of run-flat tires, foam-filled tires and other specialty tires while focusing our capabilities on the development of advanced tires for EVs, hybrid vehicles, plug-in hybrid vehicles, and other next-generation vehicles in line with the accelerating global trend of reducing carbon emissions.



OE TIRE MARKET PERFORMANCE & FUTURE STRATEGY

x3

Y-o-Y growth of OE tire supply in Europe and the Americas (unit: fold)



1



2



3

OE TIRE MARKET PERFORMANCE & FUTURE STRATEGY

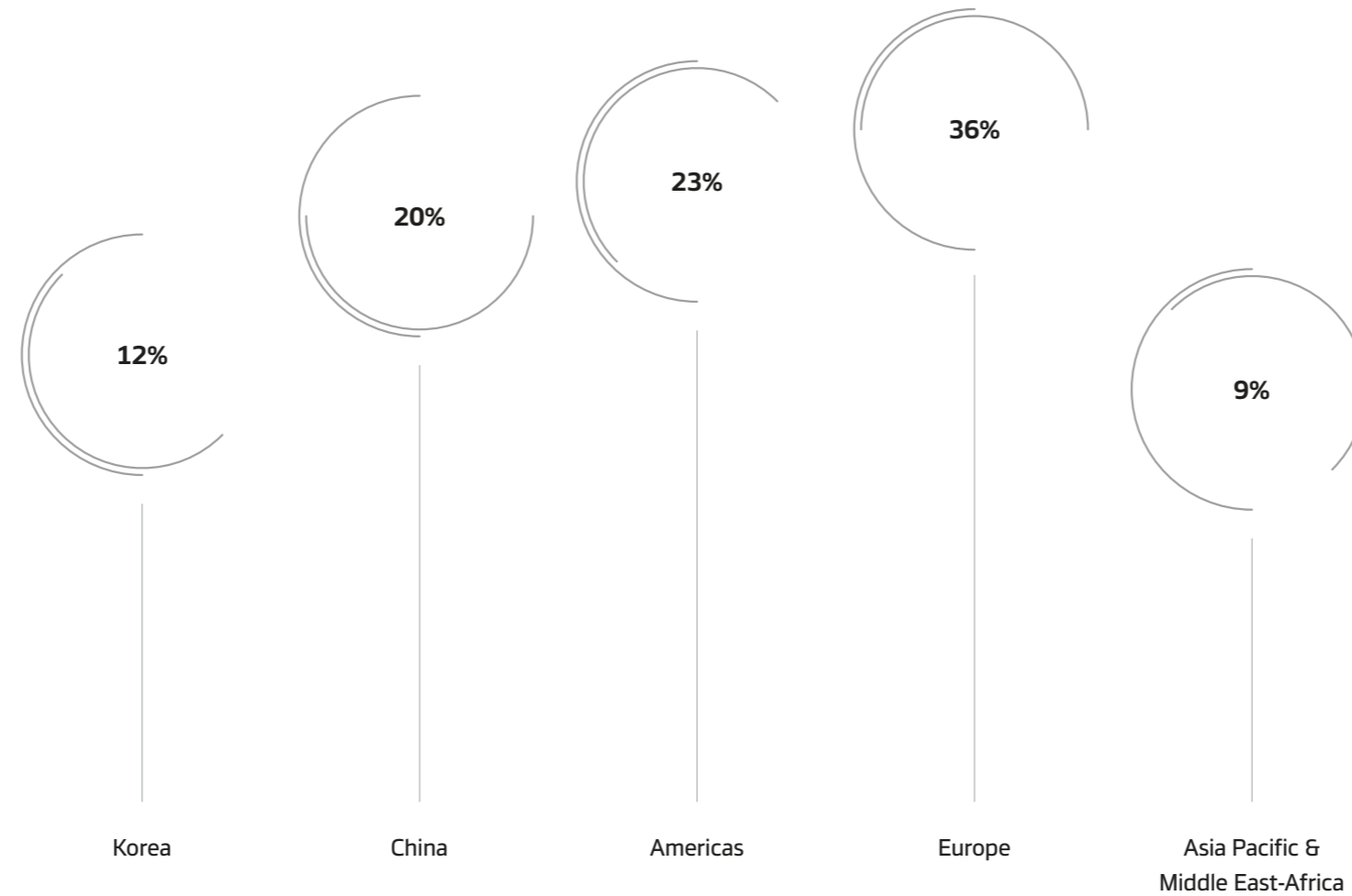
- 1. RS7 Sportback ultra-high-performance sports tire
- 2. Mini JCW
- 3. 2021 All-New Chevy Trailblazer



In 2020, Hankook Tire & Technology's top priority was to expand the sales of high-margin products across the globe. As such, noteworthy growth was witnessed with our 18-inch and larger high-inch tires that are manufactured with cutting-edge technology and valued for their potential to generate high profitability. Our sales of 18-inch and larger high-inch tires in the Passenger Car & Light Truck category posted a 9% y-o-y growth even during the COVID-19 pandemic, which further strengthened our position in key markets of the world.

2020 regional breakdown of tire sales

(based on global sell-in volume)



2020 Business Results and Performance Analysis

Hankook Tire & Technology's global tire sales by region is as follows: 12% in Korea, 20% in China, 23% in the Americas, 36% in Europe, and 9% in Asia Pacific and the Middle East-Africa. This demonstrates that we have a balanced sales portfolio that spans not only such advanced markets as the Americas and Europe, but all across the globe. Even in the face of COVID-19, we strengthened our partnership with customers and posted relatively quick recovery in sales to increase our global market share.

Notably, our sales of highly-profitable 18-inch and larger high-inch tires in the PCR/LTR category recorded a 9% y-o-y growth in the RE market. Breaking down our sales of RE tires by region, our growth amounted to 27% and 14% in the Chinese and Korean markets respectively, which further elevated our brand position in our key markets. The ratio of high-inch tires in the RE tire segment is forecast to rise continuously in the mid/long-term, and we will proactively respond to such changing market trends.

The regional sales breakdown of TBR RE tires is as follows: 18% in Korea, 10% in China, 31% in the Americas, 32% in Europe, and 9% in Asia Pacific and the Middle East & Africa. Specifically, the Chinese market showed prominent sales growth.

Hankook Tire & Technology

TIRE MARKET PERFORMANCE BY PRODUCT GROUP

9%

2020 sales growth of 18-inch and larger high-inch PCR/LTR tires



Korea

In Korea, we launched a range of marketing programs, from new product development and innovation of the distribution structure to retail service improvements. Such proactive endeavors enabled us to further solidify our dominance in the domestic market and elevate both customer satisfaction and brand value.

In 2020, we stepped up our marketing activities to generate a steady stream of outcomes. Our 'The Next Driving Lab' campaign and diverse sponsorship marketing programs served to increase the exposure of our 'Hankook' brand and further elevate its brand image. We also expanded our OE tire supply to German premium car OEMs to consistently strengthen our marketing endeavors with these global top-tier brands. We set the market trend by launching a range of products, including 'Ventus S1 evo 3', our high-performance sports tire dedicated to SUVs and chosen by European premium models, 'Kinergy 4S 2', our all-weather tire specialized for optimal handling in rain and snow, and 'Winter i*cept evo3', our high-performance winter tire widely recognized in Europe. We are increasing the sale of our tires for imported cars as well as run-flat tires.

Our T'Station business pursued innovation in its distribution and digital operations in line with the shifting domestic market, and this has resulted in the introduction of diverse global brands and the completion of digital infrastructure to respond to the emerging digital environment. First, T'Station's official website (www.tstation.com) was reorganized into an O4O (Online for Offline) platform for customers to seamlessly enjoy services regardless of their on/offline mode, by supporting self-curation enabled by inquiries into a customer's car model and number, an integrated on/offline membership, and a shop-in-shop concept. An ordering app was newly launched for our discount and retail shops to digitally connect both wholesale and retail shops to raise our market share in Korea. Furthermore, we established a fleet total service system to become a first-mover in the fleet market which is increasingly expanding in line with the emerging sharing economy, including car sharing, and to deliver end-to-end light maintenance services to customers.

It is forecast that 2021 will experience a slight drop in domestic tire demand as private-sector consumption shrinks due to COVID-19 and the wealth gap widens in household economies. Our plan in the Korean market is to develop new products, expand the sales of the Laufenn brand, improve our channel competitiveness, and strengthen online-focused direct consumer marketing, broadening our sales activities across all products, channels, and consumer marketing domains. We will strengthen new marketing and B2B business initiatives to respond to the quickly-growing high-inch segment while improving the value of our retail channels on the basis of total tire solution locations. We also plan to make use of our product and brand advertisements to reinforce the brand image of Hankook Tire & Technology.

Hankook Tire & Technology

REGIONAL ANALYSIS & FUTURE STRATEGY

40%

2020 ratio of 18-inch and larger PCR RE tires in total sales in Korea (62% in 17-inch and larger tires)



China

Our China Headquarters made preemptive moves to minimize market uncertainties originating in the global pandemic while launching an array of new products and diversifying distribution operations to proactively launch sales and marketing activities. The sum of these endeavors allowed us to increase our sales of 18-inch or larger high-inch tires more than 27% from the previous year and exceed the growth of the overall market in sales performance to pursue continued qualitative growth.

In 2020, the overall Chinese tire market suffered mounting uncertainties due to the COVID-19 pandemic and this resulted in stagnating production and consumption with market growth significantly declining. We made preemptive responses in the Chinese region, however, to minimize market uncertainties and implemented proactive sales and marketing activities by launching a broad array of new products - all-weather tires and high-inch premium tires for sedans and SUVs - and diversifying our distribution operations. As a result, our 18-inch and larger high-inch tire sales surged by more than 27% from the previous year, exceeding the growth of the overall market and maintaining qualitative growth in doing so.

One of the biggest changes in the 2020 Chinese market was the increased adoption of 'contactless' consumption. Online purchasing, before mainly utilized with the 20-30 age group, became more

popular with middle-aged demographics and live commerce appeared on the market, facilitating the rapid transformation of the distribution market. In response, we improved our capabilities to ensure the stable operation of our conventional offline distribution while realigning our O2O flagship stores at T-mall, China's largest e-commerce platform, building a digital network of distribution organizations through mobile apps, and operating partnerships with online tire distributors. These efforts allowed us to establish distribution infrastructure to adapt to the rapidly-shifting market landscape and further solidify our basis for sustainable growth.

Another noteworthy achievement was ongoing increases to our OE tire fitments on the major models of Tesla, the undoubted EV leader, as well as on the three German premium car brands of Audi, BMW, and Mercedes-Benz. Our partnership with Real Madrid helped us facilitate premium marketing, and our online marketing activities expanded through social network channels in line with the changing trends of consumption and distribution in China, strengthening our premium brand image and consumer preference for our brand.

In 2021, our strategic focus will be to become agile in responding to the ever-changing Chinese market and pursue stable and sustainable growth. We aim to launch new high-inch products, expand OE tire fitments on premium car brands, and make investments in distribution to reinforce our competitive edge to continue to seek growth in the this market while undertaking marketing communication activities localized to the needs of Chinese consumers to establish our status as a premium brand.

27%

2020 sales growth of 18-inch and larger high-inch tires in China



13%

2020 sales growth of 18-inch and larger high-inch tires in Europe

Europe

In Europe, we continue to raise our market share by improving productivity and product competitiveness, executing segmented distribution strategy, and launching proactive marketing activities. Our partnership with Real Madrid and motorsport sponsorships also enables us to build our premium brand image all across Europe.

In 2020, we faced extremely challenging conditions in Europe with the prolonged global trade protectionism, sluggish economic growth stemming from the spread of COVID-19, and a shrinking tire market demand. Still yet, we were able to raise our market share in this region through profit-driven sales growth achieved by increasing the sales of all-season tires and high-inch tires. With an aim to pursue sustainable growth, we are fully committed to executing the three strategic priorities of reinforcing our position as a premium brand, increasing profit-driven sales, and establishing a market-focused Market Intelligence (MI) system.

In Europe, we are strengthening our premium brand awareness across the region as an official partner for Real Madrid and UEFA's Europa League, and are tapping into areas of interest among local consumers for our brand marketing through our official sponsorships for the BVB Dortmund, a prestigious

football club in Germany, and the Kontinental Hockey League of Russia. Furthermore, our sponsorship starts from 2021 for the Lamborghini Orange 1 FFF racing team at the 24 Hours of Nürburgring, one of the world's top three endurance events, and we signed an exclusive tire supply agreement for the Formula E, one of the world's largest EV racing competitions, for the period starting from 2022, showcasing Hankook Tire & Technology's technology through these motorsports activities.

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

In 2021, our focus will be to pursue qualitative growth to successfully compete against top-tier players, in addition to quantitative growth, in a bid to advance sustainable innovation. We will also develop a strategy, process, and growth momentum to swiftly respond to changing market conditions and become a trendsetter, paving the way for sustainable growth.



Americas

In the Americas, we are taking a multi-faceted approach across all business areas, from production and logistics, to sales and marketing to pursue sustainable growth. In particular, the ratio of highly profitable 18-inch and larger Passenger Car & Light Truck (PCLT) tires from the total sales is on the constant rise, and we are facilitating marketing operations through our official Major League Baseball sponsorship.

Even in the face of the extremely difficult sales environment presented by COVID-19, we recovered more quickly than the general market, especially in the US, and dramatically increased our market share. As such exogenous factors as travel restrictions and currency rates resulted in continued hardships, our sales of highly profitable high-inch tires rose while the wide penetration of the Laufenn brand in the distribution market drove a y-o-y 36% growth in market share, paving the way for mid/long-term quantitative growth. As an official MLB sponsor, we launched wide-ranging marketing activities to elevate our brand value in the entire Americas region as well as in the US.

In 2021, we will move preemptively in the changing Americas market to expand our distribution channels, launch new products optimized for the regional market by leveraging our Tennessee plant, pursue the sustained growth of our Laufenn brand, and improve the quality of logistics services through efficient warehouse operations in the Colón Free Zone. We will also increase the sales of high value-added products in alignment with our supply to car OEMs to continuously increase our market share in the Replacement Equipment (RE) tire market. Furthermore, a wide array of sports marketing campaigns will be fully launched to elevate our status as a top-tier premium brand.

65%

2020 ratio of 17-inch and larger high-inch tires in total sales in the Americas (based on net AMT)



46%

2020 ratio of 17-inch and larger high-inch tires in total sales in Asia Pacific & Middle East-Africa (based on net AMT in the PCLT category)

Asia Pacific & Middle East-Africa

In Asia Pacific, we continued to innovate our distribution channel and increased our sales with a focus on high-inch tires and strategic brands. In the Middle East and Africa, we stabilized our regional key logistics infrastructure and developed new customer accounts to lay the basis for future sales growth.

In 2020, COVID-19 sent unprecedented shocks within the market the world over. The Asia Pacific & Middle East-Africa region also suffered a rapid decline in demand and economic contraction. Still yet, we were able to develop new customer accounts mainly in the ASEAN region, with the help of our strategic brand Laufenn, and improved our sales mix by focusing on high-inch tires to strengthen profitability, successfully weathering the crisis.

While COVID-19 will continue to impact the international community in 2021, we will reinforce our business infrastructure in ASEAN in the Asia Pacific region, Africa and other emerging markets, and pursue channel diversification across the whole region to consistently secure profitability and seek quantitative growth. We will also expand our fleet business as part of our strategy to increase the sales of truck and bus radial (TBR) tires.

Our focus in the Asia Pacific region will be to expand the Hankook Masters retail distribution channels to lay the foundation for sales and business growth and to continuously strengthen promotion and digital communication for end users. We also plan to raise our share in the high-end distribution segment by increasing our tire supply to those retail franchise businesses that continue to grow. In the Middle East-Africa region, we will operate warehouses in key locations in Dubai to deliver improved customer services, and further tap into the African market to secure mid/long-term growth drivers.

REGIONAL ANALYSIS & FUTURE STRATEGY



Hankook & Company Group's unique 'Proactive Culture' serves as the fundamental driving force to build competency and strengthen corporate competitiveness. It is through this free-form and creative Proactive Culture that our talented employees, with their Proactive Leadership, grow into agents of innovation and attain both our corporate vision along with their own individual goals.

Proactive Culture That Defines Our Unique Corporate DNA

Hankook Tire & Technology has made steady progress on the global stage on the strength of its unique corporate culture dubbed 'Proactive Culture'. 'Proactive' combines the sounds of 'professional' and 'active', and defines our distinctive corporate culture where employees, through their professional drive to excel, take ownership and become their own agents of innovation. At Hankook Tire & Technology, Proactive Culture is deeply woven into the fabric of both our systems and institutions to assist all employees in accessing the lead to innovate their practices. Being proactive as such defines a 'Proactive Leader', the ideal Hankook Tire & Technology employee we aim to nurture. To be a Proactive Leader is to act with the 'Proactive Leadership' that encompasses our core values of 'Passion, Innovation, Collaboration, and Global', and pursue both corporate and individual growth.

Proactive Friday to Foster a Creative Work Environment

Hankook Tire & Technology makes Friday special with 'Proactive Friday' each month to provide an environment that nourishes creative minds. On this day, executives and team leaders abstain from work, while other employees voluntarily plan and undertake a range of free-form activities outside their typical work scope. This provides them with an invaluable opportunity to engage in a variety of activities that are typically difficult to implement either with colleagues or on their own, and in this way, they are able to benchmark against other companies, participate in drive experiences and attend exhibitions. Our CoPs (Community of Practice) are also able to benefit from inspirational activities both outside and within the work scope, including experiencing new cultures and volunteering for worthy causes. The executives and team leaders then come in to work the following Sunday for their 'Strategic Sunday' activities: holding townhall meetings to discuss diverse issues and strategic directions in order to strengthen their leadership capabilities.

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

Hankook Tire & Technology operates the 'Proactive Studio' as an in-house idea suggestion platform to create an engaging culture that encourages employees to propose and put their innovative ideas into action. Any employee, regardless of their job position, can join this program and suggest their ideas within the boundary of their work scope and corporate life, and even new business ideas that are seemingly unrelated to their line of work are entertained. Since 2018, 'Proactive Lab' has been under operation for employees who propose exceptional ideas to directly establish and run an execution unit to translate their innovative ideas into reality. A total of 17 Proactive Lab projects have been undertaken to execute on outstanding employee ideas, and the very first in-house venture 'Town Car', which originated from the idea of ride sharing with neighbors residing in a common apartment complex, was successfully spun-off in 2020. Proactive Lab projects not only concern new businesses but also touch on R&D for new technology development. Specifically, Proactive Lab is aligned with our in-house ventures to help strengthen our competitive edge both on the individual and corporate level.

Proactive Concert to Promote Free and Equal Communication

Hankook Tire & Technology hosts 'Proactive Concerts' every quarter to gather employees together by department. Following the format of an in-house IR event held to share quarterly business outcomes, Proactive Concerts are autonomously organized by respective departments whenever issues arise that require employee communication. The agenda items are set by identifying the issues that most interest employees and are addressed through an 'open approach' to promote interactive communication and answer questions on the spot. Due to the spread of COVID-19 in 2020, Proactive Concerts were held virtually. Video-based communication took place within interactive channels to gather feedback from employees, and ideas were received from employee replies on the production of following videos to create a culture of truly interactive communication.

PROACTIVE CULTURE

1. Proactive Lab to bring creative ideas to life
2. Proactive Leader
3. Proactive Concert
4. Presentation made via Proactive Lab



PROACTIVE CULTURE



To fulfill our social responsibility as a global corporate citizen, Hankook & Company Group established an integrated ESG management system to undertake systemic ESG activities in the areas of product environment, SHE (Safety, Health and Environment), climate change, employees, ethics management, corporate philanthropy, suppliers and governance. Furthermore, we implement wide-ranging social-giving programs both in Korea and abroad to help resolve local community issues and pursue sustainable growth.

Declaration

Hankook & Company Group ensures that ESG management becomes a part of each employee's daily routine and an integral part of its corporate culture. Through our company-wide integrated ESG management, we will deliver the greatest-possible value to diverse stakeholders and lead the sustainable development and growth of the mobility industry.

ESG Achievements

Since the establishment of an integrated ESG management system back in 2010, Hankook & Company Group has consistently endeavored to fulfill its corporate social responsibility. Committees are operated in each of the eight areas of product environment, SHE, climate change, employees, ethics management, corporate philanthropy, suppliers and governance, and respective committees are engaged in wide-ranging ESG activities to attain our mid/long-term ESG goals. As of 2020, we have been listed on the Dow Jones Sustainability Index World (DJSI World) for five consecutive years, which further serves to solidify our status as a global top-tier performer in sustainability management. In this same year, our achievements in establishing ESG policies and joining ESG initiatives earned us a platinum medal awarded by EcoVadis to companies ranking within the top 1% of their industry sector for global sustainability performance.

Hankook Tire & Technology Co., Ltd.

Corporate Philanthropic Activity

To fulfill our role and responsibility as a global corporate citizen, Hankook Tire & Technology undertakes a range of corporate philanthropic activities both in Korea and abroad to pursue mutually-beneficial partnerships with local communities.

Korea

We operate an in-house employee volunteer team and make donations, and also cooperate with the Hankook Tire Welfare Foundation to actively execute corporate philanthropic programs that promote win-win partnerships with local communities.

Donggeurami Employee Volunteer Team

While some of our plants had been operating their own volunteer groups, we took it a step further in 2013 with our 'Donggeurami Volunteer Team', which is essentially a company-wide employee volunteer team. In 2020, these volunteers eagerly extended a hand to help local communities recover from flood damage and prevent the spread of COVID-19 among socially disadvantaged demographics.

Preservation of Endangered Species Project in Daejeon

In 2018, Hankook Tire & Technology signed an agreement with the Geum River Basin Environmental Office, Daejeon Metropolitan City, Soonchunhyang University, Chollipo Arboretum, Citizen's Group for Daejeon South Chungcheong Ecological Conservation, and the Korean Federation for Environmental Movement in Daejeon in order to undertake a three-year at-risk species conservation project in Daejeon. In 2019, the first year of the project, 1,500 black shiners were released into the water and 2,000 white forsythia trees were planted. In the second project year of 2020, 500 black shiners were released, and 68 additional white forsythia trees were planted on the original cultivated site that was lost during the monsoon season. We also planted 15 yellow irises and 15 beardless irises.

Hankook Tire Welfare Foundation

Hankook Tire & Technology established the Hankook Tire Welfare Foundation as a non-profit foundation back in 1990 and has stepped up its consistent professional approach to undertaking wide-ranging CSR programs, including Three Major Mobility Projects, community engagement, support for children and teens, and social welfare housing.

Three Major Mobility Projects

Car Donation — Our car donation project started in 2008 to help social welfare centers, and we donated 50 vehicles in 2020. In addition to vehicle support, this program also provides regionally-based follow-up management, including driver safety training and incentives for top-performing centers.

Tire Donation — Our tire donation project was initiated in 2010, and we donated a total of 5,130 tires in the first and second half of 2020. We also provide wheel alignment and minor maintenance services to improve the satisfaction of social welfare centers who are the beneficiary of this program.

Tuieum Bus — Started back in 2013, our Tuieum Bus project was designed to offer large-size buses to social welfare centers to help them overcome physical mobility limitations and access experience-based activities in the areas of culture, history, tradition, ecology and education. In 2020, a total of 45 buses were provided, which unfortunately because of the COVID-19 pandemic, fell from the previous year due to the need to implement precautionary measures. In 2021, we plan to operate additional programs to support mobility on a smaller-scale.

ENVIRONMENT, SOCIAL, GOVERNANCE

41

CSR expenditures for 2020
(unit: KRW 100 million)

50

Vehicles donated to social welfare centers in 2020
(547 vehicles in total donated between 2008 and 2020)
(unit: No. of vehicles)



Community Engagement

To help resolve the current issues facing local communities and bring about positive change, the Hankook Tire Welfare Foundation supports charitable hospitals and social welfare centers, among other wide-ranging programs.

Support for Charitable Hospitals — Since 1991, we have assisted charitable hospitals in Korea pay for their operational expenses as a way to provide health care service to low-income individuals. In 2020, we donated KRW 60 million to two charitable hospitals to help financially-challenged individuals preserve their health and help uphold the standard for the dignity of each life.

Dream With — Under our ‘Dream With’ program initiated in 2019, a profit-sharing business model has been adopted to help local communities address their own issues through local businesses. Diverse private-public partnerships are pursued and multi-faceted promotional activities are undertaken to identify business opportunities. In 2020, a total of 12 local organizations were provided with assistance.

Children and Teen Support Programs

The Hankook Tire Welfare Foundation helps children and teens, the future leaders of our nation, become responsible members of society.

Support for Children and Teens from Low-income Families — We provide monthly tuition support to children and teens facing financial difficulties in continuing their education or developing career paths to support their sustainable growth. In 2020, five children and teens from vulnerable families benefited from this program.

Social Housing Program

The Hankook Tire Welfare Foundation initiated the Social Housing Program in 2016 to help vulnerable individuals resolve their residential disparities by constructing new homes or remodeling existing ones and then offering them below market prices (40%~80% of market prices). In 2020, a total of 10 social houses were provided to 245 households, and we have provided 40 houses to 793 households for youth beneficiaries on a cumulative basis over the years. Our goal in 2021 is to provide a total of 20 social houses to 400 households and to help individuals suffering residential instability pay their deposits and monthly rent for these houses.

Overseas

Hankook Tire & Technology undertakes a wide array of locally-based corporate philanthropic activities in the countries where its plants and regional headquarters operate in order to contribute to the development of these communities and forge closer ties with local residents. Our China Headquarters provides medical expense support for children with disabilities and scholarship support for underprivileged students. At the Europe Headquarters, our UK sales subsidiary donates tires to help underprivileged individuals, our German sales subsidiary makes donations in alignment with our promotional programs, and our Hungary Plant operates its own employee volunteer team and makes tire donations. Our America Headquarters supports relief activities in alignment with the Red Cross. Our Indonesia Plant in the Asia Pacific region is steadily engaged in local community development, including medical support, safety training, domestic water supply and school hygiene improvement in addition to tire donations.

Hankook Donggeurami Partners, a Standard Site to Hire People with Disabilities

Hankook Tire & Technology established a subsidiary as a standard site that hires mentally/physically challenged people, who are often at a disadvantage in the job market, in order to provide them with professional and

stable employment. The subsidiary, dubbed Hankook Donggeurami Partners, officially opened in June 2016, and its employees are responsible for supporting Hankook Tire & Technology’s administrative work and for operating in-house cafeterias, cleaning centers (laundrying company uniforms), bakeries (supplying bread for employee snacks) and Donggeurami Car Wash Centers. In alignment with our employee volunteer programs, these employees also volunteer to collect, clean, and deliver the blankets used at nearby social welfare centers.

Hankook AtlasBX Co., Ltd.

Hankook AtlasBX is engaged in corporate philanthropic activities to pursue mutually-beneficial relationships with local communities and the less-fortunate. Since 2014, the Headquarters has been donating mobility aid device batteries to help those with disabilities get around more easily. In 2020, more than 300 batteries were donated to power electric mobility aid devices. The ES Business Headquarters has offered a helping hand to the underprivileged by way of donations annually to promote win-win partnerships with local communities.

* Reorganized into the ES Business Headquarters through merger with Hankook & Company on Apr. 1, 2021

Model Solution Co., Ltd.

Industry-Academia Cooperation Support Project

Model Solution continues to support industry-academia cooperation projects undertaken in collaboration with Gen Z and millennial design majors who will lead the future market. This in turn, helps the company stay abreast of emerging trends.

Since 2019, the company has partnered with product design majors at the Department of Industrial Design, Hongik University. In 2020, this joint effort resulted in the creation of AR glasses designed for riders of electric scooters in urban areas. These glasses, aptly branded with the name ‘Voyager’, were honored at the Red Dot Design Award, a prestigious global design award, for their excellent design. In addition, the company’s partnership with students at Hongik University led to the production of a drone that is particularly focused on design and usability, and a music functionality device capable of controlling the output of multiple musical instruments on a single device platform.

In addition, the company teamed up with students at the Department of Automotive and Transportation Design at Kookmin University in Korea to create a prototype representing a future electric sports concept car.

Model Solution plans to undertake industry-academia projects on an on-going basis with talented industrial design majors in Korea who will set the trend in the future market.

ENVIRONMENT, SOCIAL, GOVERNANCE

5,130

Tires donated in 2020
(unit: No. of tires)

45

Tuieum Buses donated in 2020
(unit: No. of buses)



- 1, 2. Releasing endangered species back into the wild under the Saving Endangered Species Project in Daejeon
- 3. Volunteering to help curb the spread of COVID-19
- 4. Model Solution Voyager



ENVIRONMENT, SOCIAL, GOVERNANCE





In line with mounting uncertainties in the business landscape, Hankook Tire & Technology is tightening its risk management and emergency response. We perform systemic monitoring and prevention on wide-ranging potential financial/non-financial risks, develop a business continuity management system, and systemize our response to fire emergency plan and other emergency situations.

Risk Management

Financial Risk

In 2020, the global economy remained stagnant due to the outbreak and spread of COVID-19. Externally, downward pressure persisted across all economies across the world, and internally, Korea's economy continued to weaken as social distancing rules resulted in sluggish domestic demand and shrinking private-sector investment and employment. In the face of such challenges, Hankook Tire & Technology has flexibly responded to external variables through continued risk management. We preemptively secured liquidity against the global economic downturn to cope with the unprecedented pandemic in a smart way. We are also consistently managing our financial expenses and F/X positions to minimize our risk exposure when the market abruptly fluctuates. Furthermore, we instantly share market data through internal/external communications to swiftly identify volatility in the financial market and assist top management in efficiently making decisions.

Currency Risk

In line with broadening global sales operations, Hankook Tire & Technology is now dealing in 31 foreign currencies, including the USD and the Euro. To minimize relevant risks, we use local currencies in conducting current transactions on imports and exports that occur as part of our sales operations and in making financing transactions on deposits and borrowings. In accordance with the principle of matching the currency denominations for collections and payments, we also diversify currency risks and minimize our F/X positions. If our F/X positions exceed the preestablished limit in spite of such best efforts, they are managed in conformity with our currency risk management guidelines that stipulate the definition of currency risks, responsible employees, management procedures, and hedge ratios. The Financial Risk Management Committee meets periodically on a quarterly basis to develop region/currency-specific F/X risk countermeasure strategies. While natural hedging that matches foreign currency assets with foreign currency liabilities is adopted as the fundamental currency management principle, we also employ currency hedging to utilize financial instruments within the approved limits to address any currency exposure that has already occurred.

Liquidity Risk

Hankook Tire & Technology takes a global perspective in managing the borrowing, liquidity, and short-/long-term cash flow of its global headquarters and overseas subsidiaries. We periodically forecast our future cash flow to preemptively manage global liquidity, and take a more conservative stance in liquidity management when faced with turbulent and wavering financial market conditions in order to strengthen the stability of our financial structure. In addition, we adopt integrated liquidity management systems, such as cash pooling, to control liquidity among different geographic regions. Cash pooling allows for the real-time sharing of funds between companies facing fund shortages and those with fund surpluses, and helps minimize liquidity risks and reduce the burden of fund operations and financial costs. Hankook Tire & Technology is taking a step further to fully operate a Global Cash Management System to promote integrated fund management across all our regional headquarters and local subsidiaries, and has secured credit lines at financial institutions in alignment with cash pooling to meet the potential need to supply additional liquidity.

Legal Risks

Hankook Tire & Technology thoroughly manages legal risks in reviewing the contracts of its domestic and overseas business, in reviewing legal issues in relation to M&As and other project undertakings, in offering legal advice on business conduct to working-level departments, and in resolving disputes that include domestic and overseas litigations and arbitrations. To further advance compliance management, we also ensure legal risk prevention in evaluating and improving our collection and use

of customers' personal information in conformity with the Personal Information Protection Act, in offering sexual harassment prevention training at our domestic and overseas worksites, and in assessing and improving our compliance with the Fair Trade Act in conducting business with affiliates and subcontractors.

Emerging Risks

Our Efforts to Prevent the Use of Hazardous Chemicals and Respond to Associated Regulations

As interest in health and the environment increases, especially in the EU and North America, governmental regulations are tightening significantly on chemical substances posing any toxic risk to the human body or the environment. The list of chemicals of which countries impose restrictions or bans continues to lengthen each year, and more stringent regulations are being adopted in the tire industry on critical chemical materials (6PPD, ZnO, cobalt salt, and various catalysts) that impact the performance of products.

Global automobile businesses are also raising the bar in verifying the use of harmful chemical substances by their suppliers in accordance with such regulations as the IMDS (International Material Data System) and the GADSL (Global Automotive Declarable Substance List). Substituting prohibited substances with alternatives comes at a significant loss in terms of both time and cost, and risks the timely supply of raw materials, leading to possible difficulties in business operations down the road.

RISK MANAGEMENT & EMERGENCY RESPONSE

Hankook Tire & Technology has developed a G.CIS (Global Chemical Information System) to monitor changes in hazardous chemicals regulations and formulate plans in developing substitutes. This system ensures our mandatory review of the harmfulness and compliance of chemical substances as part of the approval process that applies to any and all raw materials that are put into our products. We are also participating in a Korean government-led project in conjunction with the TIP (Tire Industry Project) to analyze the potential impact of chemicals during the tire use phase.

Our Commitment to Respond to Climate Change and Achieve Carbon Neutrality

The Global Risk Report 2020 places 'climate change' as the No.1 risk threatening the global community. Recently, the EU has been considering the introduction of carbon border taxes and influential international organizations such as IMF and BIS are also reviewing the increase of carbon taxes, which will include climate change in the regulatory framework. Given that the current economic order is shifting to recognize the value of renewable energy, hydrogen energy and rechargeable batteries, failure to properly respond to climate change will surely cause direct/indirect disruptions to business operations. As an active supporter of the Paris Agreement, Hankook Tire & Technology has set its company-wide mid/long-term GHG emissions reduction targets and is taking actions accordingly at all its eight plants across the globe.

As part of our short-term efforts to reach these targets, we are improving our equipment efficiency and operational mode and using low-carbon external steam to help minimize energy consumption in the tire manufacturing process. Over the long haul, we aim to gradually switch to green energy sources. Presently, our Hungary Plant is meeting approximately 9% of its electricity needs by purchasing power generated through renewable energy, and other worksites are considering the production and purchase of such green power.

From the life-cycle perspective, it is in the use phase that tires generate the most amount of GHG emissions from the consumption of fossil fuels while driving. By improving on rolling resistance, a tire performance factor that exerts the greatest impact on vehicle fuel consumption, we aim to achieve our goal of reducing GHG emissions by 11.4% per product by 2025. Furthermore, we transparently disclose to stakeholders our GHG emissions data and climate change responses through our ESG reports and the CDP (Carbon Disclosure Project).

Emergency Response

Business Continuity Management System (BCMS)

Hankook Tire & Technology's Daejeon, Geumsan, and Hungary Plants remain certified under the ISO 22301 Business Continuity Management System standards. This certification ensures that companies maintain their business continuity by swiftly normalizing their core functions when facing the risk of business discontinuation due to accidents, disasters, or other unexpected events. We identified all business activities that directly or indirectly support our production, from the purchase of raw/subsidiary materials to manufacturing and delivery, and developed our own business continuity plans to respond to any risks that may affect our business operations. An emergency response task force was established to create manuals to follow predefined processes and systematically and promptly respond to accidents and disasters while annual mock drills are performed to better respond to such emergency situations. We will extend the scope of necessary certifications to ensure the safety of our employees and normalize our business within the shortest possible timeframe in the event of an emergency to minimize any impact on customers and stakeholders.

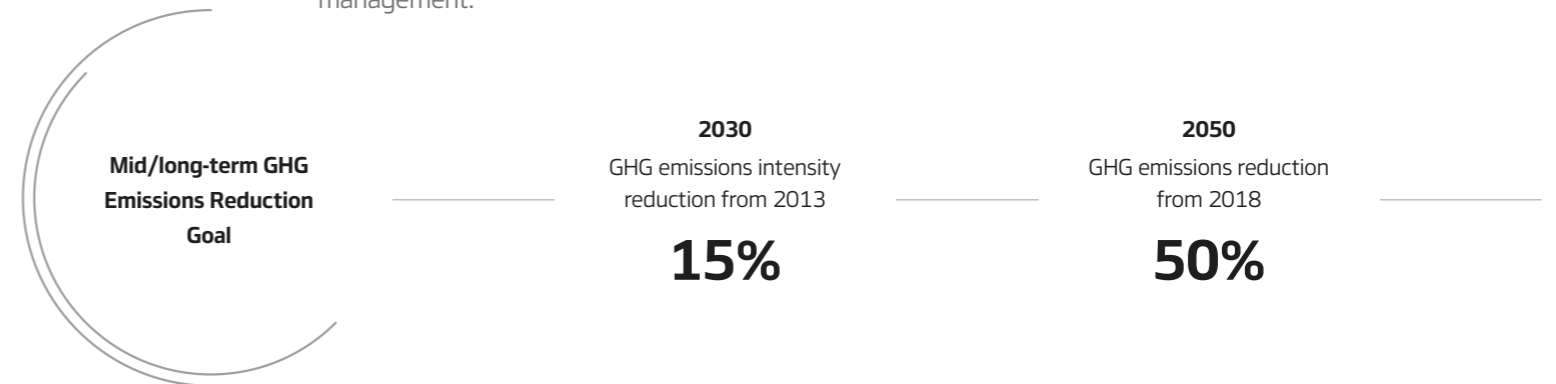
Safety

In order to ensure that safety remains our top priority principle in business conduct and prevent any accidents or injuries from ever occurring at our worksites, Hankook Tire & Technology is implementing a wide array of safety initiatives by increasing SHE investments, building a safety-first culture, and providing musculoskeletal disease prevention and psychological counseling programs. In addition, action-based innovation initiatives and preemptive response measures are being taken to swiftly respond to SHE issues and fundamentally reduce relevant risks so as to maintain a healthy and safe work environment. Manager-led activities were also implemented to bring innovative change to safety awareness and elevate the level of a safety-driven culture, which in turn allowed us to strengthen the safety management system with a focus on shop floor operations and self-directed actions. In so doing, we were able to improve our execution of improvement measures and build consensus and understanding among labor, management and the government in our safety management. In 2020, we took wide-ranging actions to establish and upgrade our safety culture through the ISO 45001 health and safety management system certification, paving the way to become a global leader in health & safety management.

Fire

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

RISK MANAGEMENT & EMERGENCY RESPONSE





FINANCIAL REPORT



Hankook & Company Co., Ltd. Financial Statements

Consolidated Financial Statement

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

(unit: KRW)

Item	End of the (Current) 67 th Period	End of the (Preceding) 66 th Period
Current assets	598,850,092,546	524,366,995,138
Cash and cash equivalents	125,681,348,671	103,029,504,448
Short-term financial instruments	115,000,000,000	120,000,000,000
Financial assets at fair value through profit or loss	116,985,288,968	57,361,188,500
Derivative financial assets	3,002,849,052	892,588,196
Trade receivables	125,109,439,034	129,032,085,115
Other receivables	3,814,371,139	7,632,885,999
Other current assets	5,094,878,424	8,043,754,926
Inventories	103,938,736,357	98,267,143,813
Current income tax assets	223,180,901	107,844,141
Non-current assets	3,193,601,014,621	3,082,719,242,417
Long-term financial instruments	22,023,498	17,897,698
Financial assets at fair value through profit or loss	5,881,524,400	6,405,141,600
Financial assets at fair value through other comprehensive income	10,470,925,008	12,294,944,904
Other non-current receivables	24,748,314,873	5,266,773,226
Property, plant and equipment	258,412,696,573	252,469,653,840
Investment properties	38,988,967,528	28,878,861,969
Intangible assets	14,682,783,119	18,866,493,838
Investment in associates	2,833,697,790,070	2,757,262,468,751
Net defined benefit assets	6,045,971,552	606,988,591
Other non-current assets	650,018,000	650,018,000
Total assets	3,792,451,107,167	3,607,086,237,555

Item	End of the (Current) 67 th Period	End of the (Preceding) 66 th Period
Current liabilities	202,893,862,814	135,124,744,911
Trade payables	42,351,615,514	12,330,055,658
Other payables	44,563,850,267	39,522,056,827
Current tax liabilities	11,697,137,889	13,686,094,139
Provisions	345,006,353	563,429,534
Other current liabilities	9,442,028,713	6,120,181,963
Short-term borrowings	94,494,224,078	62,902,926,790
Non-current liabilities	89,058,647,138	93,389,351,590
Other non-current liabilities	55,000,000	5,000,000
Net defined benefit liabilities	2,277,294,202	4,944,920,521
Long-term borrowings	25,846,694,047	12,976,186,611
Deferred tax liabilities	53,442,638,253	67,429,894,165
Other non-current liabilities	7,353,114,042	7,070,287,756
Other provisions	83,906,594	963,062,537
Total liabilities	291,952,509,952	228,514,096,501
Controlling interests	3,389,337,589,079	3,280,749,810,142
Capital stock	46,510,086,500	46,510,086,500
Other paid-in capital	1,277,951,758,721	1,281,041,833,498
Retained earnings	2,151,524,957,807	2,008,629,108,901
Other components of equity	(86,649,213,949)	(55,431,218,757)
Non-controlling interests	111,161,008,136	97,822,330,912
Total equity	3,500,498,597,215	3,378,572,141,054
Total liabilities and equity	3,792,451,107,167	3,607,086,237,555

End of the 67th Period as of Dec. 31, 2020 End of the 66th Period as of Dec. 31, 2019



Consolidated Statement of Comprehensive Income

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

(unit: KRW)

Item	67 th (Current) Period	66 th (Preceding) Period
Sales and profit/loss under the equity method	820,942,186,292	847,609,750,228
Cost of sales	578,284,902,708	588,370,003,873
Gross profit	242,657,283,584	259,239,746,355
Selling and administrative expenses	86,132,839,149	88,363,764,581
Operating income	156,524,444,435	170,875,981,774
Financial profit	19,704,560,286	14,321,851,880
Financial cost	12,052,977,304	8,821,657,489
Other non-operating profit	39,066,508,147	33,726,140,715
Other non-operating expenses	32,618,259,174	13,396,295,293
Net income before income taxes	170,624,276,390	196,706,021,587
Income tax expenses	(8,990,024,935)	33,414,985,234
Net income	179,614,301,325	163,291,036,353
Other comprehensive income for the year, net of tax	(26,199,537,028)	8,054,268,266
1. Items that will not be reclassified to profit or loss	4,447,163,170	1,735,215,037
Remeasurements of net defined benefit liabilities	4,068,855,273	1,355,217,151
Remeasurements of net defined benefit liabilities of associates	(799,995,850)	(303,082,208)
Loss on valuation of equity instruments at fair value through other comprehensive income	109,889,445	683,080,094
Shares of other comprehensive income of associate investments	1,068,414,302	-
2. Items that may be subsequently reclassified to profit or loss	(30,646,700,198)	6,319,053,229
Exchange differences on translating foreign operations	(1,827,623,459)	(411,348,224)
관계기업투자의 기타포괄손익에 대한 지분	(28,819,076,739)	6,730,401,453
Total comprehensive income for the period	153,414,764,297	171,345,304,619
Profit for the period attributable to		
Owners of the Parent Company	169,466,980,570	151,337,458,154
Non-controlling interests	10,147,320,755	11,953,578,199

Item	67 th (Current) Period	66 th (Preceding) Period
Total comprehensive income for the period attributable to		
Owners of the Parent Company	142,784,078,650	158,963,431,436
Non-controlling interests	10,630,685,647	12,381,873,183
Earnings per share		
Basic and diluted earnings per share	1,848	1,650

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020 66th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Consolidated Statement of Changes in Equity

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

(unit: KRW)

Item	Capital Stock		Other Paid-in Capital		Retained earnings	Other Components of Equity			Controlling Interests	Non-Controlling Interests	Total
		Share Premium	Treasury Shares	Others		Profit or loss on valuation of financial instruments at fair value through other comprehensive income	Exchange Differences on Translating Foreign Operations	Shares of other comprehensive income of associates			
Jan. 1, 2019 (beginning of the preceding period)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(10,442,008,513)	1,884,292,021,642	-602,982,230	(39,393,694)	(61,906,662,110)	3,149,346,752,220	86,525,573,796	3,235,872,326,016
Annual dividends	-	-	-	-	(27,508,524,900)	-	-	-	(27,508,524,900)	(382,083,200)	(27,890,608,100)
Business combination	-	-	-	-	-	-	-	-	-	(703,032,867)	(703,032,867)
Other changes in the capital of associates	-	-	-	(51,848,614)	-	-	-	-	(51,848,614)	-	(51,848,614)
Total comprehensive income	-	-	-	-	151,845,612,159	695,471,051	-308,053,227	6,730,401,453	158,963,431,436	12,381,873,183	171,345,304,619
Net income	-	-	-	-	151,337,458,154	-	-	-	151,337,458,154	11,953,578,199	163,291,036,353
Remeasurements of net defined benefit liabilities	-	-	-	-	811,236,213	-	-	-	811,236,213	543,980,938	1,355,217,151
Remeasurements of net defined benefit liabilities of associates	-	-	-	-	(303,082,208)	-	-	-	(303,082,208)	-	-303,082,208
Loss on valuation of equity instruments at fair value through other comprehensive income	-	-	-	-	-	695,471,051	-	-	695,471,051	(12,390,957)	683,080,094
Exchange differences on translating foreign operations	-	-	-	-	-	-	(308,053,227)	-	(308,053,227)	(103,294,997)	(411,348,224)
Shares of other comprehensive income of associates	-	-	-	-	-	-	-	6,730,401,453	6,730,401,453	-	6,730,401,453
Balance as at Dec. 31, 2019	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(10,493,857,127)	2,008,629,108,901	92,488,821	(347,446,921)	(55,176,260,657)	3,280,749,810,142	97,822,330,912	3,378,572,141,054
Balance as at Jan. 1, 2020	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(10,493,857,127)	2,008,629,108,901	92,488,821	(347,446,921)	(55,176,260,657)	3,280,749,810,142	97,822,330,912	3,378,572,141,054
Annual dividends	-	-	-	-	(32,093,279,050)	-	-	-	(32,093,279,050)	(382,083,200)	(32,475,362,250)
Other changes in the capital of associates	-	-	-	-	987,054,113	-	-	-	987,054,113	-	987,054,113
Non-controlling interest transactions	-	-	-	(3,090,074,777)	-	-	-	-	(3,090,074,777)	3,090,074,777	-
Total comprehensive income	-	-	-	-	174,002,073,843	(1,111,902,722)	(1,368,682,960)	(28,737,409,510)	142,784,078,651	10,630,685,647	153,414,764,298
Net income	-	-	-	-	169,466,980,570	-	-	-	169,466,980,570	10,147,320,755	179,614,301,325
Remeasurements of net defined benefit liabilities	-	-	-	-	3,118,404,866	-	-	-	3,118,404,866	950,450,407	4,068,855,273
Remeasurements of net defined benefit liabilities of associates	-	-	-	-	(799,995,850)	-	-	-	(799,995,850)	-	(799,995,850)
Loss on valuation of equity instruments at fair value through other comprehensive income	-	-	-	-	1,229,937,184	(1,111,902,722)	-	-	118,034,462	(8,145,017)	109,889,445
Exchange differences on translating foreign operations	-	-	-	-	-	-	(-1,368,682,960)	-	(1,368,682,960)	(458,940,498)	(1,827,623,458)
Shares of other comprehensive income of associates	-	-	-	-	986,747,073	-	-	(28,737,409,510)	(27,750,662,437)	-	(27,750,662,437)
Dec. 31, 2020 (end of the current period)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	(13,583,931,904)	2,151,524,957,807	(1,019,413,901)	(1,716,129,881)	(83,913,670,167)	3,389,337,589,079	111,161,008,136	3,500,498,597,215



Consolidated Statements of Cash Flow

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

(unit: KRW)

Item	67 th (Current) Period	66 th (Preceding) Period
I . Cash flow from business operation	129,934,674,878	94,827,144,342
1. Cash generated from business operation	130,253,649,179	106,313,355,526
(1) Net income	179,614,301,325	163,291,036,353
(2) Adjustments of profits and expenses	(75,638,930,396)	(29,022,259,947)
(3) Net change in assets and liabilities	26,278,278,250	(27,955,420,880)
2. Interest received	5,073,939,861	6,141,097,543
3. Interest paid	(2,798,250,610)	(3,220,917,640)
4. Dividends received	21,941,538,219	17,259,781,557
5. Income tax paid	(24,536,201,771)	(31,666,172,644)
II . Cash flow from investment	(103,942,971,753)	(133,974,319,821)
Payments for short-term financial instruments	(115,000,000,000)	(170,000,000,000)
Proceeds from disposal of short-term financial instruments	120,000,000,000	135,000,000,000
Payments for long-term financial instruments	(4,125,800)	(4,505,460)
Proceeds from disposal of long-term financial instruments	-	10,000,000,000
Increase in short-term loans	-	(114,830,424)
Recovery of short-term loans	118,430,998	(75,209,710)
Increase in long-term loans	-	(1,300,000,000)
Payments for debt instruments at fair value through profit or loss	(110,000,000,000)	(35,616,609,527)
Proceeds from disposal of debt instruments at fair value through profit or loss	51,723,444,008	49,914,274,799
Shares of equity instruments at fair value through other comprehensive income	1,968,992,777	-
Shares of equity instruments at fair value through profit or loss	3,789,742	-
Increase in lease deposits	(23,425,336,014)	-
Decrease in lease deposits	1,814,966,773	-
Payments for tangible assets	(31,371,213,198)	(99,375,547,439)
Proceeds from disposal of tangible assets	737,828,320	6,584,659
Payments for intangible assets	(1,655,249,359)	(2,717,386,224)
Proceeds from disposal of intangible assets	178,000,000	-

Item	67 th (Current) Period	66 th (Preceding) Period
Proceeds from disposal of investment properties	490,000,000	-
Payments for investments in affiliates	-	(17,838,353,530)
Cash inflow from derivatives transactions	764,500,000	-
Cash outflow from derivatives transactions	(287,000,000)	-
Increase in cash due to changes in the scope of consolidation	-	248,031,035
Cash outflow from business combination	-	(2,100,768,000)
III . Cash flow from financial operation	(3,085,867,466)	(55,972,718,675)
Proceeds from short-term borrowings	58,288,461,613	44,269,346,090
Repayments of short-term borrowings	(22,938,915,730)	(70,322,510,966)
Borrowing of long-term loans	23,650,905	-
Repayment of long-term loans	(2,831,949)	-
Repayment of finance lease liabilities	(2,203,946,455)	(2,027,819,699)
Decrease in security deposits	(3,776,923,600)	-
Dividends paid to shareholders	(32,093,279,050)	(27,508,524,900)
Dividends paid to non-controlling interests	(382,083,200)	(382,083,200)
Stock issuance expenses	-	(1,126,000)
IV . Net change in cash and cash equivalents	22,905,835,659	(95,119,894,154)
V . Cash and cash equivalents at the beginning of the financial year	103,029,504,448	198,335,207,666
VI . Effects of exchange rate changes on cash and cash equivalents	(253,991,436)	(185,809,064)
VII . Cash and cash equivalents at the end of the current period	125,681,348,671	103,029,504,448

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020 66th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Non-Consolidated Financial Statements

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

(unit: KRW)

Item	End of the (Current) 67 th Period	End of the (Preceding) 66 th Period
Current assets	204,785,174,279	217,280,496,058
Cash and cash equivalents	3,764,713,505	37,634,921,503
Short-term financial instruments	65,000,000,000	95,000,000,000
Financial assets at fair value through profit or loss	116,985,288,968	57,361,188,500
Trade receivables	16,905,671,151	16,973,994,510
Other receivables	2,115,228,081	10,300,079,930
Other current assets	14,272,574	10,311,615
Non-current assets	2,109,910,881,041	2,116,443,352,727
Financial assets at fair value through profit or loss	5,870,024,400	6,393,641,600
Financial assets at fair value through other comprehensive income	10,229,718,898	12,010,947,724
Other non-current receivables	11,778,050,313	-
Property, plant and equipment	22,765,925,388	22,333,484,309
Investment properties	38,072,124,528	26,927,071,385
Intangible assets	8,379,685,605	9,567,855,800
Investment in subsidiaries	29,934,978,531	56,329,978,531
Investment in associates	1,982,230,355,378	1,982,230,355,378
Other non-current assets	650,018,000	650,018,000
Total assets	2,314,696,055,320	2,333,723,848,785

Item	End of the (Preceding) 66 th Period	End of the (Current) 67 th Period
Current liabilities	19,335,028,464	19,584,589,004
Borrowings	308,422,034	-
Other payables	14,544,222,624	13,707,481,533
Current tax liabilities	3,286,043,388	5,457,032,481
Other current liabilities	1,196,340,418	420,074,990
Non-current liabilities	39,786,973,163	61,846,310,040
Borrowings	6,752,132,035	-
Net defined benefit liabilities	1,142,324,834	3,863,643,170
Deferred tax liabilities	31,786,515,854	57,909,545,694
Other non-current liabilities	106,000,440	73,121,176
Total liabilities	59,122,001,627	81,430,899,044
Capital stock	46,510,086,500	46,510,086,500
Other paid-in capital	1,291,535,690,625	1,291,535,690,625
Retained earnings	917,657,409,316	913,288,693,255
Other components of equity	(129,132,748)	958,479,361
Total equity	2,255,574,053,693	2,252,292,949,741
Total liabilities and equity	2,314,696,055,320	2,333,723,848,785

End of the 67th Period as of Dec. 31, 2020 End of the 66th Period as of Dec. 31, 2019



Non-Consolidated Statements of Comprehensive Income

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

(unit: KRW)

Item	67 th (Current) Period	66 th (Preceding) Period
Operating profit	64,144,786,904	82,651,352,225
Operating expenses	25,368,898,899	24,327,428,425
Operating income	38,775,888,005	58,323,923,800
Financial profit	5,167,590,567	6,858,315,997
Financial cost	677,799,713	4,211,712
Other non-operating profit	2,500,774,671	2,891,200,746
Other non-operating expenses	30,470,731,446	3,200,129,312
Net income before income taxes	15,295,722,084	64,869,099,519
Income tax expenses	(19,824,544,944)	11,673,162,260
Net income	35,120,267,028	53,195,937,259
Other comprehensive income	254,115,974	24,112,957
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liabilities	111,790,899	-708,311,232
Loss on valuation of equity instruments at fair value through other comprehensive income	142,325,075	732,424,189
Total comprehensive income for the period	35,374,383,002	53,220,050,216
Earnings per share		
Basic and diluted earnings per share	383	580

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020 66th Period: Jan. 1, 2019 ~ Dec. 31, 2019

Non-Consolidated Statements of Changes in Equity

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

(unit: KRW)

Item	Capital Stock	Other Paid-in Capital		Retained earnings	Other Components of Equity	Total
		Share Premium	Treasury Shares			
Jan. 1, 2019 (beginning of the preceding period)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	888,309,592,128	226,055,172	2,226,581,424,425
Total comprehensive income						
Net income	-	-	-	53,195,937,259	-	53,195,937,259
Remeasurements of net defined benefit liabilities	-	-	-	(708,311,232)	-	(708,311,232)
Loss on valuation of equity instruments at fair value through other comprehensive income	-	-	-	-	732,424,189	732,424,189
Transactions with owners						
Annual dividends	-	-	-	(27,508,524,900)	-	(27,508,524,900)
Balance as at Dec. 31, 2019	46,510,086,500	1,302,628,299,800	(11,092,609,175)	913,288,693,255	958,479,361	2,252,292,949,741
Balance as at Jan. 1, 2020	46,510,086,500	1,302,628,299,800	(11,092,609,175)	913,288,693,255	958,479,361	2,252,292,949,741
Total comprehensive income						
Net income	-	-	-	35,120,267,028	-	35,120,267,028
Remeasurements of net defined benefit liabilities	-	-	-	111,790,899	-	111,790,899
Loss on valuation of equity instruments at fair value through other comprehensive income	-	-	-	1,229,937,184	(1,087,612,109)	142,325,075
Transactions with owners						
Annual dividends	-	-	-	(32,093,279,050)	-	(32,093,279,050)
Dec. 31, 2020 (end of the current period)	46,510,086,500	1,302,628,299,800	(11,092,609,175)	917,657,409,316	(129,132,748)	2,255,574,053,693

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020 66th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Non-Consolidated Statements of Cash Flow

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

(unit: KRW)

Item	67 th (Current) Period	66 th (Preceding) Period
I. Cash flow from business operation	33,854,450,005	54,995,910,762
1. Cash generated from business operation	15,826,126,521	45,027,187,674
(1) Net income	35,120,267,028	53,195,937,259
(2) Adjustments of profits and expenses	(15,465,547,815)	(10,699,983,870)
(3) Net change in assets and liabilities	(3,828,592,692)	2,531,234,285
2. Interest received	3,662,704,187	4,117,476,317
3. Interest paid	(156,895,159)	-
4. Dividends received	23,073,117,819	18,391,361,157
5. Income tax paid	(8,550,603,363)	(12,540,114,386)
II. Cash flow from investment	(31,880,516,308)	(50,465,396,528)
Payments for short-term financial instruments	(65,000,000,000)	(160,000,000,000)
Proceeds from disposal of short-term financial instruments	95,000,000,000	135,000,000,000
Proceeds from disposal of long-term financial instruments	-	10,000,000,000
Proceeds from disposal of financial instruments at fair value through profit or loss	51,723,444,008	33,732,523,411
Increase in short-term loans	-	(4,200,000,000)
Recovery of short-term loans	4,200,000,000	-
Proceeds from disposal of equity instruments at fair value through profit or loss	3,789,742	-
Payments for debt instruments at fair value through profit or loss	(110,000,000,000)	(20,000,000,000)
Proceeds from disposal of equity instruments at fair value through other comprehensive income	1,968,992,777	-
Payments for tangible assets	(84,000,000)	(34,200,000)
Payments for intangible assets	(600,742,835)	(1,025,366,409)
Proceeds from disposal of intangible assets	178,000,000	-
Increase in lease deposits	(9,270,000,000)	-
Payments for investment in subsidiaries	-	(26,100,000,000)
Payments for investment in associates	-	(17,838,353,530)

Item	67 th (Current) Period	66 th (Preceding) Period
III. Cash flow from financial operation	(35,844,141,695)	(27,508,524,900)
Dividends paid to shareholders	(32,093,279,050)	(27,508,524,900)
Repayments of lease liabilities	(180,618,045)	-
Decrease in security deposits	(3,570,244,600)	-
IV. Decrease in cash and cash equivalents	(33,870,207,998)	(22,978,010,666)
V. Cash and cash equivalents at the beginning of the financial year	37,634,921,503	60,612,932,169
VI. Cash and cash equivalents at the end of the current period	3,764,713,505	37,634,921,503

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020 66th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Notes to the Non-Consolidated Statements of Retained Earnings

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

(unit: KRW)

Item	67 th (Current) Period	66 th (Preceding) Period
1. Unappropriated retained earnings	185,688,453,899	181,319,737,864
Unappropriated retained earnings carried over from the preceding period	149,226,458,814	128,832,111,837
Remeasurements of net defined benefit liabilities	111,790,899	(708,311,232)
Reclassification of proceeds from disposal of financial instruments at fair value through other comprehensive income	1,229,937,158	-
Net income	35,120,267,028	53,195,937,259
2. Transfer from voluntary reserves	-	-
3. Appropriation of retained earnings	45,847,541,500	32,093,279,050
Legal reserve	-	-
Cash dividends	45,847,541,500	32,093,279,050
Dividend per share (%): KRW 500 for the current period (100%), KRW 350 for the preceding period (70%)		
4. Unappropriated retained earnings to be carried forward to the subsequent period	139,840,912,399	149,226,458,814

67th Period: Jan. 1, 2020 ~ Dec. 31, 2020 Expected date of appropriation: Mar. 30, 202166th Period: Jan. 1, 2019 ~ Dec. 31, 2019 Confirmed date of appropriation: Mar. 27, 2020



Hankook Tire & Technology Co., Ltd. Financial Statements

Consolidated Financial Statements

Hankook Tire & Technology Co., Ltd. and Subsidiaries

(unit: KRW)

Item	End of the 9 th (Current) Period	End of the 8 th (Preceding) Period
Current assets	4,688,230,159,067	4,113,714,818,383
Cash and cash equivalents	1,060,864,709,315	877,600,275,927
Short-term financial instruments	239,826,956,633	33,134,195,465
Financial assets at fair value through profit or loss (current)	406,933,098,907	-
Trade receivables and Other receivables	1,314,383,164,391	1,376,866,041,544
Inventories	1,562,764,800,524	1,725,393,474,983
Other financial assets	8,933,867,435	27,136,911,006
Other current assets	56,788,841,862	73,583,919,458
Assets held for sale	37,734,720,000	-
Non-current assets	5,970,317,729,570	6,050,893,084,687
Long-term financial instruments	257,000,000	17,000,000
Trade and other receivables	62,755,261,773	18,954,626,635
Financial assets at fair value through other comprehensive income	39,697,510,698	40,314,271,467
Financial assets at fair value through profit or loss	146,255,000,000	8,140,000,000
Investment in associates	1,070,783,939,672	1,106,250,140,779
Property, plant and equipment	3,901,607,189,386	4,105,500,675,025
Investment properties	113,936,723,199	99,021,025,277
Intangible assets	271,144,476,033	340,516,293,068
Other financial assets	134,927,194,144	77,380,198,566
Other non-current assets	28,783,445,281	71,249,798,730
Deferred tax assets	200,169,989,384	183,549,055,140
Total assets	10,658,547,888,637	10,164,607,903,070

Item	End of the 9 th (Current) Period	End of the 8 th (Preceding) Period
Current liabilities	1,780,955,802,850	2,131,084,242,262
Trade and other payables	962,556,323,172	883,812,359,741
Borrowings	528,329,865,400	1,062,142,319,136
Current tax liabilities	68,469,718,332	65,650,814,112
Provisions	8,436,598,756	45,974,307,370
Other financial liabilities	4,508,214,816	3,743,853,177
Other current liabilities	208,655,082,374	69,760,588,726
Non-current liabilities	1,465,444,563,559	846,306,547,238
Borrowings	1,190,681,643,901	656,849,030,175
Net defined benefit liabilities	15,611,108,992	12,507,985,041
Provisions	62,433,417,353	24,090,108,684
Other financial liabilities	65,783,751,738	26,126,462,943
Other non-current liabilities	93,341,418,340	90,709,651,274
Deferred tax liabilities	37,593,223,235	36,023,309,121
Total liabilities	3,246,400,366,409	2,977,390,789,500
Equity attributable to the owners of the Parent Company	7,377,494,903,968	7,156,765,953,980
Capital stock	61,937,534,500	61,937,534,500
Other paid-in capital	2,927,985,079,797	2,971,745,780,697
Other components of equity	(277,692,786,109)	(220,620,981,074)
Retained earnings	4,665,265,075,780	4,343,703,619,857
Non-controlling interests	34,652,618,260	30,451,159,590
Total equity	7,412,147,522,228	7,187,217,113,570
Total liabilities and equity	10,658,547,888,637	10,164,607,903,070

End of 9th Period as of Dec. 31, 2020 End of the 8th Period as of Dec. 31, 2019



Consolidated Statements of Comprehensive Income

Hankook Tire & Technology Co., Ltd. and Subsidiaries

(unit: KRW)

Item	9 th (Current) Period	8 th (Preceding) Period
Sales	6,453,071,785,362	6,883,268,577,435
Cost of sales	(4,550,059,850,398)	(4,961,117,130,614)
Gross profit	1,903,011,934,964	1,922,151,446,821
Selling and administrative expenses	(1,093,998,198,420)	(1,183,210,434,541)
R&D expenses	(180,743,181,063)	(194,976,180,659)
Operating income	628,270,555,481	543,964,831,621
Financial income	100,607,996,470	81,413,986,627
Financial cost	(137,415,868,411)	(170,121,274,708)
Other non-operating profit	207,010,904,184	214,011,365,020
Other non-operating expenses	(225,396,137,843)	(125,358,049,045)
Gain on investment in associates	5,190,653,585	45,972,849,973
Net income before income taxes	578,268,103,466	589,883,709,488
Income tax expenses	(193,062,721,146)	(160,269,175,234)
Net income	385,205,382,320	429,614,534,254
Other comprehensive income for the year, net of tax	(43,441,110,711)	27,620,740,506
Items that will not be reclassified to profit or loss	20,785,514,482	(21,946,505,059)
Financial assets at fair value through other comprehensive income	6,631,507,450	(5,967,847,270)
Remeasurements of net defined benefit liabilities	17,573,759,581	(14,519,223,681)
Remeasurements of net defined benefit liabilities of associates	(3,419,752,549)	(1,459,434,108)
Items that may be subsequently reclassified to profit or loss	(64,226,625,193)	49,567,245,565
Cash flow hedges	5,538,152,162	6,246,556,111
Share of other comprehensive income of associates	(5,683,825,072)	6,124,555,554
Exchange differences on translating foreign operations	(64,080,952,283)	37,196,133,900

Item	9 th (Current) Period	8 th (Preceding) Period
Total comprehensive income for the period	341,764,271,609	457,235,274,760
Profit attributable to		
Owners of the Parent Company	372,337,205,172	419,513,114,714
Non-controlling interests	12,868,177,148	10,101,419,540
Total comprehensive income for the period attributable to		
Owners of the Parent Company	332,608,625,438	446,956,561,462
Non-controlling interests	9,155,646,171	10,278,713,298
Earnings per share		
Basic and diluted earnings per share	3,032	3,387

9th Period: Jan. 1, 2020 ~ Dec. 31, 2020 8th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Consolidated Statements of Changes in Equity

Hankook Tire & Technology Co., Ltd. and Subsidiaries

(unit: KRW)

Item	Capital Stock		Other Paid-in Capital		Retained Earnings	Other Components of Equity			Attributable to the Owners of the Controlling Company	Non-Controlling Interests	Total	
		Share Premium	Consolidated capital surplus	Treasury Shares		Accumulated other comprehensive income - fair value	Cash Flow Hedges	Exchange Differences on Translating Foreign Operations				Share of Other Comprehensive Income
I. Jan. 1, 2019 (beginning capital)	61,937,534,500	2,993,465,737,894	(20,631,939,392)	(1,088,017,805)	3,995,902,869,382	(7,142,901,943)	(5,432,247,782)	(244,060,142,089)	(7,407,793,797)	6,765,543,098,968	24,769,868,857	6,790,312,967,825
Annual dividends	-	-	-	-	(55,733,706,450)	-	-	-	-	(55,733,706,450)	(4,597,422,565)	(60,331,129,015)
Total comprehensive income	-	-	-	-	403,534,456,925	(5,965,450,800)	6,246,556,111	37,016,443,672	6,124,555,554	446,956,561,462	10,278,713,298	457,235,274,760
Net income	-	-	-	-	419,513,114,714	-	-	-	-	419,513,114,714	10,101,419,540	429,614,534,254
Remeasurements of net defined benefit liabilities of associates	-	-	-	-	(1,459,434,108)	-	-	-	-	(1,459,434,108)	-	(1,459,434,108)
Cash flow hedges	-	-	-	-	-	-	6,246,556,111	-	-	6,246,556,111	-	6,246,556,111
Loss on valuation of equity instruments at fair value through other comprehensive income	-	-	-	-	-	(5,965,450,800)	-	-	-	(5,965,450,800)	(2,396,470)	(5,967,847,270)
Share of other comprehensive income	-	-	-	-	-	-	-	-	6,124,555,554	6,124,555,554	-	6,124,555,554
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	37,016,443,672	-	37,016,443,672	179,690,228	37,196,133,900
Remeasurements of net defined benefit liabilities	-	-	-	-	(14,519,223,681)	-	-	-	-	(14,519,223,681)	-	(14,519,223,681)
II. Balance as at Dec. 31, 2019	61,937,534,500	2,993,465,737,894	(20,631,939,392)	(1,088,017,805)	4,343,703,619,857	(13,108,352,743)	814,308,329	(207,043,698,417)	(1,283,238,243)	7,156,765,953,980	30,451,159,590	7,187,217,113,570
III. Balance as at Jan. 1, 2020	61,937,534,500	2,993,465,737,894	(20,631,939,392)	(1,088,017,805)	4,343,703,619,857	(13,108,352,743)	814,308,329	(207,043,698,417)	(1,283,238,243)	7,156,765,953,980	30,451,159,590	7,187,217,113,570
Annual dividends	-	-	-	-	(68,118,974,550)	-	-	-	-	(68,118,974,550)	(4,954,187,500)	(73,073,162,050)
Treasury stock repurchase	-	-	-	(43,760,700,900)	-	-	-	-	-	-43,760,700,900	-	-43,760,700,900
Total comprehensive income	-	-	-	-	389,680,430,473	3,443,991,022	5,538,152,162	(60,370,123,147)	(5,683,825,072)	332,608,625,438	9,155,646,171	341,764,271,609
Net income	-	-	-	-	372,337,205,172	-	-	-	-	372,337,205,172	12,868,177,148	385,205,382,320
Remeasurements of net defined benefit liabilities of associates	-	-	-	-	(3,419,752,549)	-	-	-	-	(3,419,752,549)	-	(3,419,752,549)
Cash flow hedges	-	-	-	-	-	-	5,538,152,162	-	-	5,538,152,162	-	5,538,152,162
Loss on valuation of equity instruments at fair value through other comprehensive income	-	-	-	-	3,189,218,269	3,443,991,022	-	-	-	6,633,209,291	(1,701,841)	6,631,507,450
Share of other comprehensive income	-	-	-	-	-	-	-	-	(5,683,825,072)	(5,683,825,072)	-	(5,683,825,072)
Exchange differences on translating foreign operations	-	-	-	-	-	-	-	(60,370,123,147)	-	(60,370,123,147)	(3,710,829,136)	(64,080,952,283)
Remeasurements of net defined benefit liabilities	-	-	-	-	17,573,759,581	-	-	-	-	17,573,759,581	-	17,573,759,581
IV. Dec. 31, 2020 (end of the current period)	61,937,534,500	2,993,465,737,894	(20,631,939,392)	(44,848,718,705)	4,665,265,075,780	(9,664,361,721)	6,352,460,491	(267,413,821,564)	(6,967,063,315)	7,377,494,903,968	34,652,618,260	7,412,147,522,228



Consolidated Statements of Cash Flow

Hankook Tire & Technology Co., Ltd. and Subsidiaries

(unit: KRW)

Item	9 th (Current) Period	8 th (Preceding) Period
I. Cash flow from business operation	1,290,850,800,312	760,347,394,662
1. Cash generated from business operation	1,470,756,882,531	988,226,266,700
(1) Net income	385,205,382,320	429,614,534,254
(2) Adjustments of profits and expenses	945,118,718,675	893,585,517,283
(3) Net change in assets and liabilities from business operation	140,432,781,536	(334,973,784,837)
2. Interest received	12,751,919,865	16,480,771,119
3. Interest expenses paid	(47,945,279,339)	(57,061,362,280)
4. Dividends received	45,434,262,770	34,618,354,110
5. Income tax paid	(190,146,985,515)	(221,916,634,987)
II. Cash flow from investment	(1,004,323,442,726)	(241,307,453,658)
Net change in short-term financial instruments	(226,042,964,954)	(5,044,465,376)
Net change in long-term financial instruments	(240,000,000)	44,085,474
Payments financial assets at fair value through profit or loss	(684,377,500,000)	(6,640,000,000)
Proceeds from disposal of financial assets at fair value through profit or loss	135,405,123,943	-
Payments for equity instruments at fair value through other comprehensive income	(535,746,870)	-
Proceeds from disposal of equity instruments at fair value through other comprehensive income	9,361,102,761	1,884,236
Payments for debt instruments at fair value through other comprehensive income	(1,224,035,000)	-
Proceeds from disposal of debt instruments at fair value through other comprehensive income	1,220,564,331	4,916,450
Payments for tangible assets	(312,176,509,835)	(272,210,898,453)
Proceeds from disposal of tangible assets	14,099,875,350	47,804,081,237
Payments for intangible assets	(7,339,716,948)	(7,389,732,260)
Proceeds from disposal of intangible assets	270,058,011	1,035,208,068
Payments for investment properties	(34,516,800)	(63,452,510)
Proceeds from disposal of investment properties	-	39,064,712,318

Item	9 th (Current) Period	8 th (Preceding) Period
Settlement of derivatives	(843,105,444)	(46,243,941,588)
Net change in other financial assets	21,795,902,658	9,996,290,586
Proceeds from disposal of other investment assets	320,078,314	-
Payments for investment in associates	(221,685,000)	(1,666,141,840)
Increase in lease deposits	(81,816,645,649)	-
Decrease in lease deposits	4,696,278,406	-
Assets held for sale (advances)	123,360,000,000	-
III. Cash flow from financial operation	(100,420,430,622)	(244,803,188,464)
Net change in short-term borrowings	(248,557,483,177)	(106,334,090,647)
Borrowing of long-term loans	177,004,500,000	-
Issuance of debentures	421,765,591,549	-
Repayments of debentures	(250,000,000,000)	-
Repayments of lease liabilities	(53,649,435,369)	(54,425,568,802)
Repayments of current long-term liabilities	(58,601,200,000)	(23,712,400,000)
Dividends paid to owners of the Parent Company	(68,116,259,340)	(55,733,706,450)
Increase in financial liabilities to non-controlling interests	(1,756,600,000)	-
Dividends paid to non-controlling interests	(5,138,187,500)	(4,597,422,565)
Receipt of security deposits	30,780,544,115	-
Payment of security deposits	(391,200,000)	-
Treasury stock repurchase	(43,760,700,900)	-
IV. Net change in cash and cash equivalents	186,106,926,964	274,236,752,540
V. Cash and cash equivalents at the beginning of the financial year	877,600,275,922	611,977,138,677
VI. Effects of exchange rate changes on cash and cash equivalents	(2,842,493,571)	(8,613,615,290)
VII. Cash and cash equivalents at the end of the current period	1,060,864,709,315	877,600,275,927

9th Period: Jan. 1, 2020 ~ Dec. 31, 2020 8th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Non-Consolidated Financial Statements

Hankook Tire & Technology Co., Ltd.

(unit: KRW)

Item	9 th (Current) Period	8 th (Preceding) Period
Current assets	2,008,798,929,559	1,796,683,985,637
Cash and cash equivalents	72,692,061,597	238,421,583,837
Short-term financial instruments	-	10,000,000,000
Financial assets at fair value through profit or loss	406,933,098,907	-
Trade receivables and other receivables	881,233,526,658	913,262,366,523
Inventories	362,536,956,736	358,162,545,076
Other financial assets	230,945,086,143	263,156,881,087
Other current assets	16,723,479,518	13,680,609,114
Assets held for sale	37,734,720,000	-
Non-current assets	4,421,088,781,877	4,272,934,549,458
Long-term financial instruments	12,000,000	12,000,000
Financial assets at fair value through other comprehensive income	17,842,948,000	11,984,032,000
Financial assets at fair value through profit or loss	12,431,000,000	8,140,000,000
Investment in associates	1,062,481,213,000	1,062,259,528,000
Investment in subsidiaries	1,425,008,000,313	1,420,073,735,540
Property, plant and equipment	1,557,670,863,769	1,489,437,802,142
Investment properties	113,404,516,712	98,485,229,955
Intangible assets	26,235,535,562	31,399,976,225
Other financial assets	92,093,403,030	37,744,881,247
Other non-current assets	36,893,975,145	65,053,674,940
Net defined benefit assets	11,262,412,435	49,363,536
Deferred tax assets	55,911,479,782	48,294,325,873
Long-term trade receivables and other receivables	9,841,434,129	-
Total assets	6,429,887,711,436	6,069,618,535,095

Item	9 th (Current) Period	8 th (Preceding) Period
Current liabilities	837,189,370,022	999,164,648,142
Trade and other payables	395,935,509,145	365,043,148,399
Borrowings	232,001,764,326	517,496,815,227
Current tax liabilities	32,475,931,811	43,042,494,215
Provisions	8,417,512,286	45,952,988,156
Other financial liabilities	5,452,612,880	4,514,399,571
Liabilities		
Other current liabilities	162,906,039,574	23,114,802,574
Non-current liabilities	921,406,648,866	402,385,536,607
Borrowings	805,530,985,890	366,265,579,022
Provisions	52,542,944,541	16,689,379,539
Other financial liabilities	42,052,128,683	1,161,437,852
Other non-current liabilities	21,280,589,752	18,269,140,194
Total liabilities	1,758,596,018,888	1,401,550,184,749
Capital stock	61,937,534,500	61,937,534,500
Other paid-in capital	2,413,347,290,572	2,457,107,991,472
Other components of equity	(2,638,843,208)	(12,013,963,674)
Retained earnings	2,198,645,710,684	2,161,036,788,048
Equity		
Total equity	4,671,291,692,548	4,668,068,350,346
Total liabilities and equity	6,429,887,711,436	6,069,618,535,095

End of 9th Period as of Dec. 31, 2020 End of the 8th Period as of Dec. 31, 2019



Non-Consolidated Statements of Comprehensive Income

Hankook Tire & Technology Co., Ltd.

(unit: KRW)

Item	9 th (Current) Period	8 th (Preceding) Period
Sales	2,862,380,051,947	3,173,056,805,801
Cost of sales	(2,122,010,058,053)	(2,360,726,491,994)
Gross profit	740,369,993,894	812,330,313,807
Selling and administrative expenses	(481,208,796,088)	(536,240,966,737)
R&D expenses	(165,015,403,324)	(178,699,807,945)
Operating profit	94,145,794,482	97,389,539,125
Financial income	81,079,183,379	61,167,840,839
Financial cost	(105,967,299,919)	(119,700,050,513)
Other non-operating income	239,462,626,675	337,298,346,785
Other non-operating expenses	(99,458,079,563)	(59,119,880,706)
Net income before income taxes	209,262,225,054	317,035,795,530
Income tax expenses	(121,909,042,779)	(75,817,830,920)
Net income	87,353,182,275	241,217,964,610
Other comprehensive income for the year, net of tax	27,749,835,377	(11,987,982,875)
Items that may be subsequently reclassified to profit or loss	5,538,152,162	6,246,556,111
Cash flow hedges	5,538,152,162	6,246,556,111
Items that will not be reclassified to profit or loss	22,211,683,215	(18,234,538,986)
Remeasurements of net defined benefit liabilities	18,374,714,911	(12,269,088,186)
Financial assets at fair value through other comprehensive income	3,836,968,304	(5,965,450,800)
Total comprehensive income for the period	115,103,017,652	229,229,981,735
Earnings per share		
Basic and diluted earnings per share	711	1,948

9th Period: Jan. 1, 2020 ~ Dec. 31, 2020 8th Period: Jan. 1, 2019 ~ Dec. 31, 2019

Non-Consolidated Statements of Changes in Equity

Hankook Tire & Technology Co., Ltd.

(unit: KRW)

Item	Capital Stock		Other Paid-in Capital		Other Components of Equity	Retained Earnings	Total
			Share Premium	Other Capital Surplus			
I. Jan. 1, 2019 (beginning of the preceding period)	61,937,534,500	2,459,062,741,931	(866,732,654)	(1,088,017,805)	(12,295,068,985)	1,987,821,618,074	4,494,572,075,061
Total comprehensive income							
Net income	-	-	-	-	-	241,217,964,610	241,217,964,610
Cash flow hedges	-	-	-	-	6,246,556,111	-	6,246,556,111
Financial assets at fair value through other comprehensive income	-	-	-	-	(5,965,450,800)	-	(5,965,450,800)
Remeasurements of net defined benefit liabilities	-	-	-	-	-	(12,269,088,186)	(12,269,088,186)
Transactions with owners							
Cash dividends	-	-	-	-	-	(55,733,706,450)	(55,733,706,450)
II. Dec. 31, 2019 (end of the preceding period)	61,937,534,500	2,459,062,741,931	(866,732,654)	(1,088,017,805)	(12,013,963,674)	2,161,036,788,048	4,668,068,350,346
III. Jan. 1, 2020 (beginning of the current period)	61,937,534,500	2,459,062,741,931	(866,732,654)	(1,088,017,805)	(12,013,963,674)	2,161,036,788,048	4,668,068,350,346
Total comprehensive income							
Net income	-	-	-	-	-	87,353,182,275	87,353,182,275
Cash flow hedges	-	-	-	-	5,538,152,162	-	5,538,152,162
Financial assets at fair value through other comprehensive income	-	-	-	-	3,836,968,304	-	3,836,968,304
Remeasurements of net defined benefit liabilities	-	-	-	-	-	18,374,714,911	18,374,714,911
Transactions with owners							
Cash dividends	-	-	-	-	-	(68,118,974,550)	(68,118,974,550)
Treasury stock repurchase	-	-	-	(43,760,700,900)	-	-	(43,760,700,900)
IV. Dec. 31, 2020 (end of the current period)	61,937,534,500	2,459,062,741,931	(866,732,654)	(44,848,718,705)	(2,638,843,208)	2,198,645,710,684	4,671,291,692,548

9th Period: Jan. 1, 2020 ~ Dec. 31, 2020 8th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Non-Consolidated Statements of Cash Flow

Hankook Tire & Technology Co., Ltd.

(unit: KRW)

Item	9 th (Current) Period	8 th (Preceding) Period
I. Cash flow from business operation	313,359,732,623	374,302,117,117
1. Cash generated from business operation	428,978,211,729	486,743,005,686
(1) Net income	87,353,182,275	241,217,964,610
(2) Adjustments of profits and expenses	380,488,564,250	293,388,527,491
(3) Change in assets and liabilities from business operation	(38,863,534,796)	(47,863,486,415)
2. Interest received	10,348,806,382	20,437,015,056
3. Interest paid	(25,162,782,398)	(31,475,849,088)
4. Dividends received	37,205,666,500	39,663,698,918
5. Income tax paid	(138,010,169,590)	(141,065,753,455)
II. Cash flow from investment	(555,166,379,120)	-
Net change in short-term financial instruments	10,000,000,000	(10,000,000,000)
Payments for financial assets at fair value through profit or loss	(549,800,500,000)	(6,640,000,000)
Proceeds from disposal of financial assets at fair value through profit or loss	135,405,123,943	-
Payments for equity instruments at fair value through other comprehensive income	(535,746,870)	-
Proceeds from disposal of equity instruments at fair value through other comprehensive income	325,473,561	-
Payments for debt instruments at fair value through other comprehensive income	(1,224,035,000)	-
Proceeds from disposal of debt instruments at fair value through other comprehensive income	1,220,564,331	4,916,450
Payments for investment in subsidiaries	(11,276,800,000)	(1,869,338,796)
Proceeds from disposal of associate investments	7,026,400,000	-
Payments for investment in associates	(221,685,000)	(519,142,000)
Payments for investment properties	(34,516,800)	(63,452,510)
Proceeds from disposal of investment properties	-	39,064,712,318
Payments for tangible assets	(193,943,991,610)	(170,051,478,691)

Item	9 th (Current) Period	8 th (Preceding) Period
Proceeds from disposal of tangible assets	6,977,417,764	38,412,779,231
Payments for intangible assets	(4,864,243,780)	(6,104,218,194)
Proceeds from disposal of finance lease receivables	320,078,314	-
Settlement of derivatives	82,300,000	(21,041,047,473)
Payments for other financial assets	(36,384,266,102)	(1,119,664,099)
Proceeds from disposal of other financial assets	36,286,236,657	201,212,710,677
Payment of lease deposits	(80,190,532,257)	-
Collection of lease deposits	2,306,343,729	-
Assets held for sale (advances)	123,360,000,000	-
III. Cash flow from financial operation	71,964,403,366	-
Net change in short-term borrowings	(8,380,147,547)	(278,347,577,450)
Issuance of debentures	422,790,000,000	-
Refund of debenture issuance expenses	(1,024,408,451)	-
Repayments of debentures	(250,000,000,000)	-
Payment of security deposits	(391,200,000)	-
Collection of security deposits	29,537,230,000	-
Repayment of lease liabilities	(8,690,110,396)	(6,810,073,766)
Treasury stock repurchase	(43,760,700,900)	-
Dividends paid to shareholders	(68,116,259,340)	(55,731,100,460)
IV. Net change in cash and cash equivalents	(169,842,243,131)	94,700,142,354
V. Cash and cash equivalents at the beginning of the financial year	238,421,583,837	144,575,886,793
VI. Effects of exchange rate changes on cash and cash equivalents	4,112,720,891	(854,445,310)
VII. Cash and cash equivalents at the end of the current period	72,692,061,597	238,421,583,837

9th Period: Jan. 1, 2020 ~ Dec. 31, 2020 8th Period: Jan. 1, 2019 ~ Dec. 31, 2019



Notes to the Non-Consolidated Statements of Retained Earnings

Hankook Tire & Technology Co., Ltd.

(unit: KRW)

Item	9 th (Current) Period	8 th (Preceding) Period
1. Unappropriated retained earnings	1,995,347,696,599	1,978,738,773,963
Unappropriated retained earnings carried over from the preceding period	1,889,619,799,413	1,749,789,897,539
Net income	87,353,182,275	241,217,964,610
Remeasurements of net defined benefit liabilities	18,374,714,911	(12,269,088,186)
2. Appropriation of retained earnings	100,292,689,450	89,118,974,550
Dividend equalization reserve	10,000,000,000	10,000,000,000
Voluntary reserve	11,000,000,000	11,000,000,000
Legal reserve	-	-
Cash dividends (Dividend per share (%): KRW 650 for the current period (130%), KRW 550 for the preceding period (110%))	79,292,689,450	68,118,974,550
3. Unappropriated retained earnings to be carried forward to the subsequent period	1,895,055,007,149	1,889,619,799,413

9th Period: Jan. 1, 2020 ~ Dec. 31, 2020 Expected date of appropriation: Mar. 30, 20218th Period: Jan. 1, 2019 ~ Dec. 31, 2019 Confirmed date of appropriation: Mar. 27, 2020



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Hankook Tire Rus LLC

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Hankook Tire Ukraine LLC

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Hankook Tire d.o.o Beograd-Novi Beograd

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Hankook Tire Canada Corp.

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Miguel Hidalgo, 11000 Ciudad de México, CDMX
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Hankook Tire Colombia Ltda.

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PT. Hankook Tire Sales Indonesia

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Hankook Tires India LLP

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Hankook Tyre Australia Pty., Ltd.

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NSW 2113, Australia
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Hankook Tire Co., Ltd. Cairo Office

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R&D Centers

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Tel: 49-511-6460-9734

America Technical Center

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Chongqing Mold Repair Shop

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Hankook Engineering Works Co., Ltd.

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Hankook Car & Life Co., Ltd.

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Hankook Donggeurami Partners Co., Ltd.

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Model Solution Co., Ltd.

Headquarters

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Tel: 82-2-896-0311 Fax: 82-2-896-0318

MSUS Office

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



MILESTONES

Hankook Tire & Technology Co., Ltd.

- 1941 · Founded the Company
- 1979 · Completed the Daejeon Plant in Korea
- 1981 · Established the Hankook Tire America Corporation
- 1982 · Established the Main R&D Center in Korea
- 1992 · Established the America Technical Center (ATC) in the U.S.
- 1994 · Established the Beijing Sales Office in China
- 1996 · Established the Europe Technical Center (ETC)
- 1997 · Completed the Keumsan Plant in Korea
- 1998 · Established the China Technical Center (CTC) in China
- 1999 · Completed the Jiangsu and Jiaying Plants in China

2000 · Introduced the ERP system

2001 · Completed the Europe Distribution Center (EDC) in the Netherlands

2004 · Unveiled a new corporate identity

2005 · Launched T'Station as a premium automobile service franchise
· Selected as a strategic partner by Ford
· Completed the Geumsan Test Track (G'Trac)

2006 · Became the sole tire maker to receive the FAWVolkswagen '10 Best Suppliers' Award
· Signed a technical agreement with Audi
· Ranked 7th in the global tire industry based on sales volume
· Started the construction of the Hungary Plant

2007 · Completed the Hungary Plant
· Opened T'Station in China as a total automobile service franchise

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

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

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

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

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

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

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

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

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

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

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

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

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

Hankook & Company





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

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Hankook
& Company