

2022

ANNUAL REPORT

17th ANNUAL REPORT
[2022.1.1~2022.12.31]

NOROO

Paint & Coatings

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Message from CEO

Dear shareholders,

First of all, I would like to express my deep gratitude to the shareholders who attended the 17th regular shareholders' meeting today. In 2022, supply chain disruptions in major economies, rising raw material prices and a global recession continued due to the prolonged Russia-Ukraine war, side effects of inflation, accelerating monetary tightening in major economies and the resurgence of the COVID-19 variant. Nevertheless, under the management index of "Future Creation NOROO! Steady Leap", we were awarded the "Golden Tower Industrial Medal" in recognition of our contribution to the development of the national industry by continuously improving quality and innovating. It also realized sales of 667.8 billion won and operating profit of 18.1 billion won, proving NOROO Paint's competitive advantage in the market. This management performance was supported by the continuous interest and support of shareholders along with the efforts of executives and employees. I think it is possible to pledge a new leap forward in 2023 despite difficult conditions because of the unchanged trust of shareholders.

Dear shareholders,

2023 is expected to be a difficult year once again, with limited growth expected amid uncertainties caused by internal and external business conditions, such as the conflict between the U.S. and China and growing global economic uncertainties due to interest rate hikes.

Despite this crisis, we will declare this year's group management indicators as "Future Creation NOROO ! Steady Leap" for future growth and internal management and promote the following three key goals.

First, we will focus our capabilities on securing discriminatory competitiveness based on the development of high-tech related to future growth industries. Currently, social environment indicators show an overall low economic growth, which requires companies to focus on future growth industries such as eco-friendly, bio, and specialized chemicals related to future growth industries through fundamental technological paradigm changes. Based on this trend of change, we will expand 'discriminatory competitiveness' and 'market dominance' in the market by preempting business areas such as eco-friendly/new materials/new technology development to lead change through the convergence of business and technology.

Message from CEO

Second, we will manage management risks by strengthening the liquidity management system for internal management. This year will be a year when the aftereffects of the three high phenomena, including global high prices, high interest rates and high exchange rates, become visible. The aftermath of high-intensity austerity and a slowdown in the economy could lead to worsening profitability and a financial crunch, which could lead to uncontrollable situations if vulnerable companies become difficult. Therefore, we will recognize cash generation through inventory, bonds, and reduced working capital as an important item in management indicators and set financial soundness as a key management indicator for this year by innovating into a structure that improves constitution and increases returns.

Third, we will internalize the ESG management system for continuous growth. Corporate responsibilities and roles are becoming more important in solving various problems at hand, such as the environmental crisis caused by climate change. Consumers' preference for eco-friendly products is increasing, and ESG standards for companies are increasing every year to meet global standards. In 2022, the company received the highest grade of A in its industry for two consecutive years due to its continuous efforts to publish sustainable management reports and to the environment, society and governance sectors. This year, we will build an advanced ESG response system to comply with global standards and internalize the ESG management system by developing eco-friendly products and expanding the application of zero-carbon production methods.

Dear shareholders,

This year, many difficulties are expected at home and abroad, but we will take the crisis as a new opportunity and continue to challenge ourselves without fear of failure to achieve the management goals and tasks given from new employees to CEO. We will also do our best to fulfill our social responsibilities and achieve good results to increase the value of companies and shareholders. Once again, I would like to thank the shareholders for their constant support so far, and I ask for your generous support and support in the future.

Cho Sung-Kug,
President



Financial Review _ Business Scope

1. Company Outlook

- Manufacturing and sales of paints, synthetic resins, adhesives, pigments and inks
- Manufacturing and sales of waterproof coating products
- Manufacturing and sales of surface treatment coating products
- Manufacturing and sales of machinery for printing material
- Printing Business
- Construction and coating services
- Consignment sales and purchases and its agency
- Import and export
- Real estate development
- Real estate leasing services and warehousing
- E-commerce
- Manufacturing and sales of organic & inorganic products (disinfectant, whitening, deodorant, additives, etc.)
- Provide research and development
- Consulting of color and interior
- Etcetera subsidiary business

2. Major Business

NOROO Paint & Coatings Co., Ltd. is Korea's leading paint company that has continued to grow Steadily through continuous technological development and innovation since its establishment in 1945.

We produce and sell paint products from architecture, PCM, automotive repair, general industrial paint and paint base resin, while also focusing on developing new products with global market in mind.

In addition, we are conducting various social sharing activities including helping disadvantaged neighbors, to establish ourselves as a win-win company that contributes to the community and customers and becomes happy together.

We will preemptively respond to changing markets, lead differentiated color services and continue to grow sustainably.

Financial Review _ Business Scope

3. Business Office and Factory Status

Name	Business	Location
HQ & Anyang Factory	Manufacturing /Sales of paints	351, Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Korea
Chilseo Factory	Manufacturing paints	129, Gongdandong-gil, Chilseo-myeon, Haman-gun, Gyeongsangnam-do, Korea
Poseung Factory	Manufacturing paints	314, Pyeongtaekhang-ro, Poseung-eup, Pyeongtak-si, Gyeonggi-do, Korea
Seoul Branch 1	Sales of paints product	351, Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Korea
Seoul Branch 2	Sales of paints product	127, Eulji-ro, Jung-gu, Seoul, Korea (Eulji-ro Bldg. 3rd floor)
Seoul Branch 3	Sales of paints product	16, Uijeongbu-si, Gyeonggi-do (3rd floor of Oseong Building)
Gyeongin Branch 1	Sales of paints product	750 Namdong-daero, Namdong-gu, Incheon (Yuyeong Building No. 802 on the 8th floor)
Gyeongin Branch 2	Sales of paints product	351, Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Korea
Gyeongin Branch 3	Sales of paints product	32, Ingye-ro 94beon-gil, Paldal-gu, Suwon-si, Gyeonggi-do (3rd floor of Jeongjin Building)
Wonju Branch	Sales of paints product	10, City Hall-ro, Wonju-si, Gangwon-do (No. 703 on the 7th floor of Geumjeong Tower)
Daejeon Branch	Sales of paints product	359 Sintan-ro, Daedeok-gu, Daejeon
Busan Branch	Sales of paints product	1663, Jungang-daero, Geumjeong-gu, Busan
Daegu branch	Sales of paints product	53, Gongdan-ro, Buk-gu, Daegu, Republic of Korea
Changwon Branch	Sales of paints product	129 Gongdan-dong-gil, Chilseo-myeon, Haman-gun, Gyeongsangnam-do (Inside Chilseo Factory)
Cheonan Branch	Sales of paints product	42-4, Hope-ro 46beon-gil, Baebang-eup, Asan-si, Chungcheongnam-do (Jeongdong Building No. 201)
Gwangju Branch	Sales of paints product	176, Yangil-ro, Buk-gu, Gwangju, Republic of Korea
Gangneung Office	Sales of paints product	308, Gajak-ro, Gangneung-si, Gangwon-do, Republic of Korea
Ulsan Office	Sales of paints product	7th floor of Taekyung Building, 126, Daehak-ro, Nam-gu, Ulsan
Pohang Office	Sales of paints product	54, Jangheung-ro 39beon-gil, Nam-gu, Pohang-si, Gyeongbuk
Jeonju Office	Sales of paints product	1115 Jeongyeop-ro, Deokjin-gu, Jeonju-si, Jeollabuk-do (No. 51 2 Nanum Dongji Town)
Suncheon Office	Sales of paints product	20, Daeseok 1-gil, Suncheon-si, Jeollanam-do (3rd floor of Sanho Building)
Japan office	Market research and networking	608 Tensho Higashi Shinjuku Bldg, 1-2-1, Okubo, Shinjuku-ku, Tokyo 169-0072

Financial Review _ Business Scope

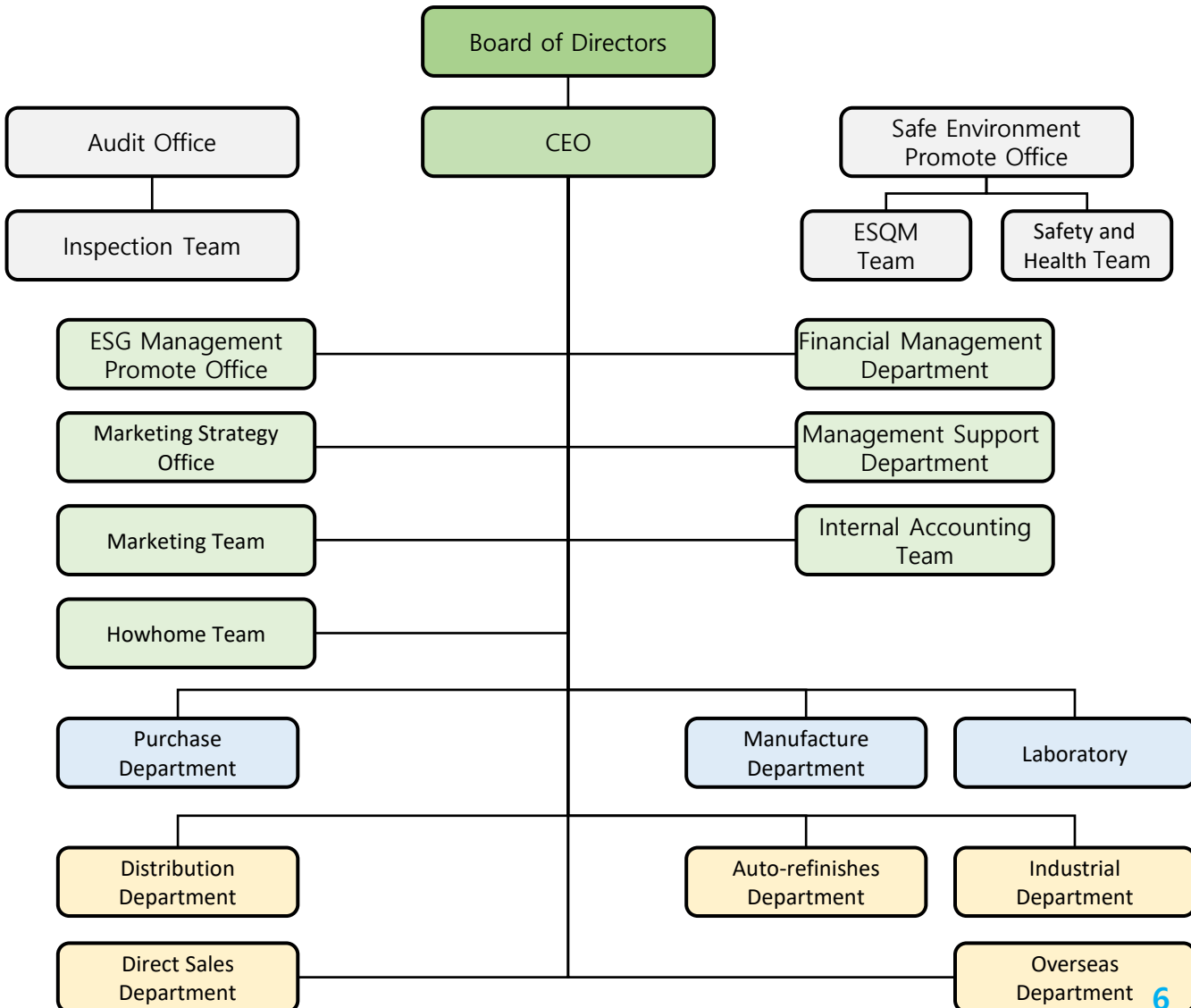
4. Current Status of Employee

As of 31st of December, 2022 (Unit: person, 1000 won)

Division	Gender	Employee					Outside Worker			Remark			
		The Number of Employee					Average Working Year	Total Annual Salary	Average Salary per person		Male	Female	Total
		Regular Worker	Non-regular Worker		Total								
Part-time Worker	Part-time Worker												
Paint	Male	672	-	10	-	682	12y 10m	53,167,136	77,958				
Paint	Female	80	-	6	-	86	10y 8m	4,989,975	58,023	30	13	43	-
	Sum	752	-	16	-	768	12y 7mn	58,157,111	75,725				

5. Organization Chart

As of 31st of December, 2022



Financial Review _ Business Scope

6. Matters concerning Stocks

① Issued Stocks

(Unit: stock, 1000 won)

Type of Stock	Issued Stock	Amount	Ratio (%)	Remark
Common	20,000,000	10,000,000	97.74%	-
Preferred	463,126	231,563	2.26%	-
Total	20,463,126	10,231,563	100.00%	-

② Changes in Capital : No Change

③ Stock Seam

(Unit: stock)

Settlement Day	December 31st.		
Base Day	December 31st.	Closing period of shareholder list	From January 1st to January 31st
Notification Method	Korea Economic Daily		
Stock Business Agency	the name of an agent	Hana Bank Securities Department	
	Office handling place	72, International Finance-ro, Yeongdeungpo-gu, Seoul (43-2 Yeouido-dong)	

7. Matters concerning Corporate Bonds

(Unit: 1000 won)

Type	Date of Issue	Issue Amount	Interest Ratio	Outstanding Balance	Redemption Date	Payment Guarantee Agency
27th Private Equity Bond	2021.05.27	15,000,000	2.06%	15,000,000	2024.05.27	Non-guaranteed
Total	-	15,000,000	-	15,000,000	-	-

Financial Review _ Company Financial Highlights

1. Major Business and Product

(Unit: 1000 won)

Business	Product	FY 2022 (17th)	FY2021 (16th)	FY2020 (15th)
Architectural, Industrial Coatings etc.	Architectural	380,424,369	360,661,775	310,365,729
	Industrial	126,743,719	123,238,389	94,796,926
	Auto-refinishes	64,183,874	66,888,562	59,548,028
	total	96,473,677	96,164,195	90,303,334
Total		667,825,639	646,952,921	555,014,018

2. Sales performance

(Unit: 1000 won)

Business	Sales Type	Classification	FY 2022 (17th)	FY2021 (16th)	FY2020 (15th)
Architectural, Industrial Coatings etc.	Product	Domestic	415,629,553	400,268,962	330,906,807
		Export	39,248,771	31,287,289	25,298,364
		total	454,878,324	431,556,251	356,205,171
	Goods	Domestic	188,943,147	192,946,657	180,085,196
		Export	24,004,168	22,450,012	18,723,650
		total	212,947,315	215,396,669	198,808,846
Total			667,825,639	646,952,921	555,014,018

3. New and Expanded Major Facilities and Current Status of Financing

① New and Expanded Major Facilities

(Unit: 1000 won)

Sortation	Land	Buildings and Structures	Mechanical Equipment	Assets under Construction	Other Tangible Assets	Total
Beginning of term	212,074,550	27,454,521	17,993,230	176,580	12,198,752	269,897,633
Variation	306,566	118,927	4,470,501	43,144	5,441,518	10,380,656
Amortization	-	(1,842,350)	(4,327,903)	-	(4,208,928)	(10,379,180)
End of term	212,381,117	25,731,098	18,135,828	219,724	13,431,342	269,899,109

Financial Review _ Company Financial Highlights

② Current Status of Financing

(Unit: 1000 won)

Type	No.	Payment Date	Funding Plan in the Main Points Report		Actual Fund Usage Details		Reason for Difference, etc
			Usage	Procurement Amount	Content	Amount	
Private Equity Bond	27th	2021.05.27	Operating Funds	15,000,000	Operating Funds	15,000,000	-

Financial Review _ Holding, Subsidiaries, Biz Combinations, etc

1. Holding Company

(Unit: stock, 1000 won)

Name	NOROO Holdings Co., Ltd.		
Address	351, Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Republic of Korea		
Equity	8,529,355	Major Business	Holding Biz.
Number of Shares Owned	10,100,138	Proportion of Ownership	50.50%
Major Transaction Status with Holding Company	Sales, etc.		309,681
	Commissions, etc.		2,735,202

2. Subsidiaries Company

(Unit: stock, 1000 KRW/CNY/VND/THB/EUR)

Subsidiaries				Relationship with our Company			
Name	Location	Equity	Major Business	Number of shares Owned	Ratio	Transaction	
					(%)	Sale	Purchase
NOROO Coil Coating	54, Jangheung-ro 39 beon-gil, Nam-gu, Pohang, Gyeongsangbuk-do	KRW 10,000,000	Manufacturing and sales of P CM paints, etc	2,000,000	100	75,904,347	1,150,028
Colormate	351, Bakdal-ro, Manan-gu, Anyang-si, Gyeonggi-do, Republic of Korea	KRW 4,700,000	Paint Trade	940,000	100	4,870,737	3,218,458
NOROO Vina Co., Ltd.	Vietnam	VND 41,962,981	Manufacture and Sale of Paints	-	100	7,204,485	-
NOROO Paint (Shanghai)Co.,Ltd.	China	CNY 196,649	Paint Manufacturing	-	100	2,482,663	5,688
NOROO Trading (Shanghai)Co.,Ltd.	China	CNY 19,568	Paint Trade	-	100	-	77,273
NOROO Paint (Thailand)Co.,Ltd.	Thailand	THB 131,000	Manufacturing and sales of P CM paints, etc	-	-	421,830	-
Noroo Milano Design Studio(NMDS), S. R. L.	Italy	EUR 740,000	Design Research and Consulting	-	100	-	200,000

※NOROO Paint (Thailand) CO., LTD. is a wholly owned subsidiary of NOROO Coil Co., Ltd.

Financial Statements _ Business performance and property status for the last 3 years

1. Business Performance

Summary Separate Income Statement

(Unit: stock, 1000 won)

Subject	17th	16th	15th
	Amount	Amount	Amount
Sales	667,825,639	646,952,920	555,014,018
Cost of sales	(561,440,074)	(547,301,346)	(443,380,172)
Gross profit on sales	106,385,565	99,651,574	111,633,846
Sales and Administrative Expenses	(88,294,242)	(84,019,064)	(89,673,049)
Sales Profits	18,091,323	15,632,510	21,960,797
Other Revenue	4,021,962	6,226,341	3,717,447
Other Expenses	(9,813,358)	(2,963,874)	(3,085,719)
Financial Income	5,203,794	2,759,983	2,053,770
Financial Expenses	(6,587,255)	(3,964,985)	(5,986,216)
Net Income before Income Tax Expense Deduction	10,916,465	17,689,975	18,660,079
Corporate tax Expense	(3,488,220)	(7,703,138)	(7,364,998)
Net Income	7,428,246	9,986,837	11,295,081

2. State of one's Property

Summary Separate Statement of Financial Position

(Unit: stock, 1000 won)

Subject	17th	16th	15th
	Amount	Amount	Amount
Current Asset	252,120,393	250,996,441	253,519,528
non-Current Assets	341,603,045	349,509,017	345,137,166
Total Assets	593,723,438	600,505,458	598,656,694
Current liabilities	186,587,228	177,913,430	218,493,992
non-Current liabilities	93,047,901	110,592,711	72,276,194
Total liabilities	279,635,129	288,506,141	290,770,186
Capital	10,231,563	10,231,563	10,231,563
Capital Surplus	104,673,523	104,673,523	104,673,523
Accumulated Other Comprehensive Income	-	-	-
Retained Earnings	199,183,223	197,094,231	192,981,422
Total Capital	314,088,309	311,999,317	307,886,508
Total liabilities and Capital	593,723,438	600,505,458	598,656,694

Financial Statements _ Challenges for the Company

1. In the company's overview, Refer to 2) the contents of the important business

Financial Statements _ Director and Audit Status

Name	Gender	Birth	Position	Regi.	Task	Major Career	Tenure of Office
Han Young Jae	Male	1955.02	Chairman	Executive Director	- Chairman - Overall Management	- (USA)Boston University Graduate School - NOROO Holdings Chairman	81 month
Kim Yong Gi	Male	1955.01	Vice Chairman	Executive Director	- Vice Chairman - Overall Management	- Department of Business Administration at Yonsei University - NOROO Holdings CEO	77 month
Cho Seong Guk	Male	1959.03	CEO	Executive Director	- CEO - Overall Management	- Department of Trade, Chungnam National University - Head of the Distribution Business Department in NOROO Paint	119 month
Han Won Seok	Male	1986.03	Vice President	Executive Director	- Deputy General Manager of Business	- (USA)Department of Business Administration, Centennial University - Head of Business Strategy Division in NOROO Holdings	33 month
Song Jun Seo	Male	1965.02	Director	Executive Director	- Head of a Research Institute - Head of the Automotive Division	- Department of Industrial Chemistry, Dankook University - Head of a Research Institute in NOROO Auto Coating	36 month
Kim Tae Hyeong	Male	1969.06	Audit	Audit	- Audit	- Department of Industrial Engineering at Hanyang University - Audit in NOROO Paint	69 month
Yoo Young Seok	Male	1967.11	Outside Director	Outside Director	- Outside Director	- Department of Business Administration, Sogang University - Dominion Asset Management CEO	33 month
Choi Chung In	Male	1971.01	Outside Director	Outside Director	- Outside Director	- Yulchon, a law firm American lawyer - Kim & Chang Law Office American lawyer	21 month

Financial Statements _ Current status of Major Shareholders

(Unit: stock, 1000 won)

Shareholder's Name	Number of Shares Owned	Ratio(%)	Relationship	Investment Status	Remark
NOROO Holdings, etc.	10,351,684	51.76%	Sales, etc. : 309,681 / Commission, etc. : 2,735,202	-	-
National Pension	617,086	3.10%	-	-	-
Korea Securities Finance	230,920	1.20%	-	-	-
Hana Bank	113,935	0.60%	-	-	-
Morgan Stanley	79,225	0.40%	-	-	-

Financial Statements _ Investment Status of the Company

(Unit: stock)

Name	Investment Company	Owned by Investment		Investment in our Company	
		Stocks	Ratio(%)	Stocks	Ratio(%)
NOROO Coil Coating	NOROO Paint	2,000,000	100.00	-	-
Colormate	NOROO Paint	940,000	100.00	-	-
NOROO Vina Co., Ltd.	NOROO Paint	-	100.00	-	-
NOROO Paint(Shanghai)Co.,Ltd.	NOROO Paint	-	100.00	-	-
NOROO Trading (Shanghai)Co.,Ltd.	NOROO Paint	-	100.00	-	-
Noroo Milan Design Studio(NMDS), S. R. L.	NOROO Paint	-	100.00	-	-
NOROO Holdings (H.K.) Co., Ltd.	NOROO Paint	5,313,000	33.00	-	-
NOROO KAYALAR Boya Sanayi ve Ticaret.A.S	NOROO Paint	200,000	50.00	-	-
NOROO KOSSAN Paint Sdn, Bhd	NOROO Paint	1,010,895	50.00	-	-
NOROO FZCO	NOROO Paint	3	50.00	-	-
SHEENLAC-NOROO Coatings India Pvt., Ltd.	NOROO Paint	5,000,000	50.00	-	-
NOROO HUALUN ADVANCED MATERIALS CO., LTD.	NOROO Paint	-	50.00	-	-
NOROO NANPAO Paint & Coating(Vietnam) Co.,Ltd.	NOROO Paint	4,500,000	50.00	-	-
NOROO HOLDINGS SINGAPORE PTE.LTD	NOROO Paint	-	30.30	-	-
NOROO PAINT (THAILAND) COMPANY LIMITED	NOROO Coil Coating	-	100.00	-	-
-	NOROO Holdings	-	-	10,100,138	50.50%

Financial Statements _ Major Creditors, etc

(Unit: stock, 1000 won)

Creditor's Name	Amount of a Bond	Number of Shares Owned	Ratio(%)
Korea Development Bank	44,000,000	-	-
Kookmin Bank	29,900,000	-	-

Financial Statements _ Important Fact after the Settlement Period

1. Not Applicable

Financial Statements _ Other Important Business Matters

1. Not Applicable

Financial Statements _ Separate Statement of Financial Position

(Unit: won)

Subject	17th	16th
Assets		
I . Current Asset	252,120,392,869	250,996,440,751
1.Cash and Cashable Assets	49,075,286,201	42,089,934,901
2.Accounts Receivable	129,681,848,416	135,836,956,303
3.Accounts Receivable and Other Receivables	6,839,195,112	9,061,923,612
4.Inventory Assets	63,417,688,942	61,194,841,366
5.Other Current Assets	1,695,420,271	2,502,920,483
6.Other Current Financial Assets	1,086,267,803	2,400,000
7.Return Product Collection Right	271,047,459	307,464,086
8.Short-term Financial Lease Bond	53,638,665	-
II. non-Current Assets	341,603,045,576	349,509,017,186
1.Other long-term Receivables	3,664,588,031	3,464,525,651
2.Subsidiary, Affiliated, and Joint Enterprise Investments	41,220,630,444	41,864,397,318
3.Tangible Assets	269,899,109,036	269,897,632,953
4.Licensed Assets	1,104,964,261	626,000,736
5.Investment Real Estate	14,543,995,302	14,544,265,026
6.Intangible Asset	10,865,840,306	18,780,341,441
7.Other non-Current Financial Assets	294,109,193	331,854,061
8.long-term Financial Lease Bond	9,809,003	-
Total Assets	593,723,438,445	600,505,457,937
Liabilities		
I . Current Liabilities	186,587,228,050	177,913,429,992
1.Purchases Liabilities	116,869,583,582	113,591,382,461
2.Accounts Payable and Other Payment Liabilities	20,349,102,508	19,347,822,999
3.Current Borrowings	39,673,000,000	37,100,000,000
4.Current Corporate Tax Liability	3,192,345,370	3,193,006,554
5.Other Current Liabilities	5,663,714,108	3,856,205,595
6.Other Current Financial Liabilities	24,697,552	42,214,204
7.Current Lease Liabilities	476,926,826	401,546,230
8.Refund Liabilities	337,858,104	381,251,949
II. non-Current Liabilities	93,047,901,135	110,592,710,522
1.Other Long-term Payment Liabilities	159,575,561	390,726,197
2.Long-term Borrowings and Debentures	49,986,666,660	64,806,666,664
3.Other non-Current Financial Liabilities	-	87,872,943
4.Defined Benefit Liability	8,387,911,041	9,170,701,669
5.Other Long-term Employee Liabilities	2,934,672,200	3,221,605,256
6.Deferred tax Liabilities	30,957,015,911	32,732,260,946
7.Non-Current Lease Liabilities	622,059,762	182,876,847
Total Liabilities	279,635,129,185	288,506,140,514
Equity		
I . Capital	10,231,563,000	10,231,563,000
II. Capital Surplus	104,673,523,433	104,673,523,433
III. Accumulated Other Comprehensive Income	-	-
IV. Retained Earnings	199,183,222,827	197,094,230,990
Total Equity	314,088,309,260	311,999,317,423
total Liabilities and Equity	593,723,438,445	600,505,457,937

As of December 31, 2022, at the end of the 17th term / As of December 31, 2021, at the end of the 16th term

Financial Statements _ Separate Income Statement

As of December 31, 2022, at the end of the 17th term
As of December 31, 2021, at the end of the 16th term

(Unit: won)

Subject	17th	16th
I. Sales	667,825,638,930	646,952,920,572
II. Cost of Sales	(561,440,073,924)	(547,301,346,333)
III. Gross Profit on Sales	106,385,565,006	99,651,574,239
IV. Sales and Administrative Expenses	(88,294,242,422)	(84,019,063,537)
V. Operating Profit	18,091,322,584	15,632,510,702
VI. Other Revenue	4,021,962,242	6,226,340,584
VII. Other Expenses	(9,813,358,056)	(2,963,874,315)
VIII. Financial Income	5,203,793,916	2,759,983,117
IX. Financial Expenses	(6,587,255,308)	(3,964,985,416)
X. Net Income before Income tax Expense Deduction	10,916,465,378	17,689,974,672
XI. Corporate Tax Expense	(3,488,219,675)	(7,703,137,537)
XII. Net Profit	7,428,245,703	9,986,837,135
XIII. Earnings per Share		
1. Common Stock	363	488
2. Preferred Stock	368	493

Audit report of an auditor

The auditor conducts an audit of the accounting and operations of NOROO Paint Co., Ltd. for the 17th fiscal year (January 1, 2022 to December 31, 2022) and reports the results as follows.

1. Overview of audit methods

For the audit, we reviewed the accounting books and related documents, reviewed the financial statements, consolidated financial statements, and annexed detailed statements and applied other appropriate audit procedures if necessary.

For the audit, we used appropriate methods, such as attending the board of directors and other important meetings, receiving reports on sales from directors if necessary and reading documents on important tasks and reviewing them closely.

2. Matters concerning the statement of financial position, consolidated statement of financial position and (comprehensive) income statement And consolidated (comprehensive) income statement

The statement of financial position, consolidated financial position and (comprehensive) income statement and consolidated (comprehensive) income statement properly display the company's financial position and management performance in accordance with laws and articles of incorporation.

3. Matters concerning the statement of disposition of retained earnings (statement of loss)

The statement of disposition of retained earnings (loss handling statement) is prepared in accordance with the laws and articles of association.

4. Matters concerning business reports

The business report properly displays the company's situation in accordance with laws and articles of association.

March 7, 2023

NOROO Paint & Coatings Co., Ltd.

Auditor Kim Tae Hyeong



Internal Accounting Manager's Operational Status Report

To NOROO Paint & Coatings Co., Ltd. Shareholders, Board of Directors and Auditors

The representative director and internal accounting manager evaluated the design and operation of our internal accounting management system for the fiscal year ending with the same person as of December 31, 2022.

The responsibility for the design and operation of the internal accounting management system rests with the company's management, including the CEO and internal accounting manager. The CEO and internal accounting manager evaluated whether the company's internal accounting management system is effectively designed and operated to prevent and detect errors or irregularities that may cause distortion of financial statements for the preparation and disclosure of reliable financial statements.

The CEO and internal accounting manager used the "Internal Accounting Management System Design and Operation Conceptual System" announced by the Internal Accounting Management System Steering Committee as the reference standard for the design and operation of the internal accounting management system. In addition, in evaluating the design and operation status of the internal accounting management system, the 'Best Standard for Evaluating and Reporting the Internal Accounting Management System' was used as the evaluation standard.

According to the evaluation of the internal accounting management system by the CEO and internal accounting manager, our internal accounting management system as of December 31, 2022 is effectively designed and operated based on the 'Internal Accounting

The CEO and the internal accounting manager confirmed that the report was not falsely stated or displayed, and that the matters to be stated or displayed were not omitted.

In addition, the CEO and the internal accounting manager confirmed that the report did not contain or indicate any material that caused serious misunderstanding, and with sufficient care, they reviewed it directly.

March 7, 2023

CEO

Internal Accounting Manager

Cho Seong-guk
Kwak Sang-hoon

