

BUSINESS INFORMATION REPORT

Company Name : XXXXX ELECTRONICS CO., LTD.
Address : XXX-ro, XXX-si XXX-gu, Gyeonggi
Your Ref. : 11242689
Our Ref. : TBI-2016-00178
Ordered by : XXXXX
Inquiry Date : Jan. 5, 2016
Report Date : Jan. 6, 2016
Report Type : Business Information Report
Exchange Rate : USD 1 = KRW 1,187.70 (As of Jan. 6, 2016)

Remark

Credit Opinion

Notice

Please be advised that this report, which is provided at your request, shall be used confidentially for your legitimate business purpose only. Every possible effort has been made to obtain the best data and information for the report. KED does not guarantee, however, the accuracy or completion of the data and information, and shall not be liable for any loss or injury resulting from reliance on the report.

In addition, there might be blanked pages in our report in case that the pertinent data (page) could not be obtained or don't apply to the company you inquired.

REPORT HIGHLIGHTS

Company Profile

Company Name (English) : XXXXX ELECTRONICS CO., LTD.
Company Name (Korean) : XXXXX (주)
President & CEO : SHIN, JONG-GYUN / KWON, OH-HYUN / YOON, BU-GEUN
Address : XXX-ro, XXX-si XXX-gu, Gyeonggi

TEL/FAX : 82-31-200-XXXX / 82-31-200-XXXX
Corporate Reg. No. : 130111-000XXXX
Business Reg. No. : 124-81-00XXX
Line of Business : Manufacture of Mobile Phone
Homepage : www.XXX.co.kr
E-mail : XXX@XXXX.co.kr

Credit Rating

Corporate Credit Rating Cash Flow Rating

 AAA CR-1

Date of Rating : Jul. 15, 2015 Date of Rating : Feb. 18, 2016
Fiscal Year-end: Dec. 31, 2014 Fiscal Year-end: Dec. 31, 2014

Financial Highlights

(Unit : KRW million)

* Fiscal Year-end Total Assets Paid-in Capital Equity Sales Net Income *

* Dec. 31, 2015 168,969,630 897,514 136,428,255 135,205,045 12,238,469 *

Summary Credit Information

Items Occurred or Not

Non-Performance Information Corporate Not Occurred
 CEO Not Occurred

Ohter Related Information Lawsuit Occurred
 Close of Business Not Occurred

CREDIT RATING

Corporate Credit Rating

Corporate Credit Rating : AAA
Date of Rating : Jul. 15, 2015
Fiscal Year-end : Dec. 31, 2014
Rating Explanation :
The company has exceptionally strong capacity for timely payment of financial commitments.

Historical Corporate Credit Ratings

Date of Rating	Fiscal Year-end	Corporate Credit Rating	Fluctuation
Jul. 15, 2015	Dec. 31, 2014	AAA	
Apr. 13, 2015	Dec. 31, 2014	AAA	SAME
Sep. 19, 2014	Dec. 31, 2013	AAA	SAME
May 30, 2014	Dec. 31, 2013	AAA	SAME

Cash Flow Rating

Cash Flow Rating : CR-1
Fiscal Year-end : Dec. 31, 2014
Rating Explanation :
The company has exceptionally strong capacity and stability for generation of cash flow.

BUSINESS INFORMATION

1. Profile

Company Profile

Company Name (English) : XXXXX ELECTRONICS CO., LTD.
Company Name (Korean) : XXXXX(주)
President & CEO : SHIN, JONG-GYUN / KWON, OH-HYUN / YOON, BU-GEUN
Address : XXX, XXX-ro, XXX-si XXX-gu, Gyeonggi
TEL/FAX : 82-31-200-XXXX / 82-31-200-XXXX
SIC Code : 366
NACE Code : 2630
Line of Business : Manufacture of Mobile Phone
Main Items : CTV, Monitor, Printer, Computer, Air Conditioner,
Refrigerator, Washing Machine, etc.
Main Bank : Woori Bank
Homepage : www.XXX.co.kr
E-mail : XXX@XXXXX.co.kr
Staff Employeed : 98,999 Person(s)

Statutory Information

Legal Form : Company limited by shares
Date of Registration : Jan. 13, 1969
Stock Listing : Listed on the Stock Market Division in Korea Exchange
Par Value : KRW 5,000
Market Price : KRW 1,172,000
Number of Shares Issued : 170,132,764 shares

Paid-in Capital : KRW 897,514 million
 Listed Date : Jun. 11, 1975
 Delisted Date :
 Stock Code : 00XXXX
 Business Group Name : XXXXXXXX
 Company Size : Large
 Corporate Reg. No. : 130111-000XXXX
 Business Reg. No. : 124-81-00XXX
 Ex/Import Reg. No. : 00700XXX2

Financial Info

(Unit : KRW million)

* Fiscal Year-end	Total Assets	Paid-in Capital	Equity	Sales	Net Income
* Dec. 31, 2015	168,969,630	897,514	136,428,255	135,205,045	12,238,469

Head Office

Address : XXX, XXX-ro, XXX-si XXX-gu, Gyeonggi
 Tel : 82-31-200-XXXX
 Location : Factory Area
 Land / Floor Space : Land 929,258 m2 Floor Space 49,763 m2
 Owner : This building is owned by the subject
 Infringement : No
 Mortgaged or Not : No

Factory

Address : XXX-ro, XXX-si XXX-gu, Gyeonggi
 TEL : 82-31-209-XXXX
 Location : Factory Area
 Land / Floor space : Land 262,413 m2 Floor Space 5,553 m2
 Owner : This building is owned by the subject
 Infringement : No
 Mortgaged or Not : No

Domestic Branch

Address : XX XXX-daero XX-gil, XXX-gu, Seoul
 TEL : 82-2-2255-0114
 Location : Commercial Area
 Land / Floor Space : Land 13,105 m2 Floor Space 196,561 m2
 Owner : This building is owned by the subject
 Infringement : No
 Mortgaged or Not : No

- (4) Other Factory(ies)
- (0) Other Branch(es)

History

Established by the former chairman, Lee,XXXXX in Jan. 1969.

Listed its stocks on the Stock Market Division in Korea Exchange in Jun. 1975.

First overseas plant (XXX) established in Portugal in Sep. 1982.

Changed its company name from XXXXX Ind. Co., Ltd. to the current one in Feb. 1984.

Merged XXXXX Communication Co., Ltd. in Nov. 1988.

Achieved the USD 4 billion for its exports volume in Dec. 1991.

Took over the world-famous semiconductor company, XXX of the U.S. in May 1993.

Achieved the TL 9000 certificate in Sep. 2000.

Achieved the GSM Certificate on its Mobile Phone in Sep. 2001.

Most recent increase in capital was to KRW 897,514 million in Feb. 2004.

Concluded a strategic tie-up on System LSI with XXX of the U.S. in Mar. 2004.

Designated as ranking 27th respectable enterprise by Fortune Magazine in Feb. 2006.

Selected as the best TV brand in the U.S. in Jun. 2006.

Developed the largest capacity of cellular phone memory card in May 2007.

Merged XXXXX Co., Ltd. in Apr. 2010.

Merged XXXXX Electronics Co., Ltd. in Jan. 2011.

Merged XXXXXCo., Ltd. in Apr. 2012.

Merged XXXXX XXXXX Korea Co.,Ltd. in Dec. 2012.

Established XXXXX Display Co., Ltd. by spin-off in Apr. 2012.

Current president, Kwon, Oh-hyun was elected in Jun. 2012.

Merged XXXXX Electronics XXXXX Korea Co., Ltd. in Dec. 2012.

Current co-presidents, Yoon, XXX and Shin, XXX were elected in Mar. 2013.

Took over 100% of XXXXX' shares of its affiliate, XXX (XXX Electronics America Inc.) in Aug. 2014.

Affiliated Companies

Company (1)

Company name : XXX XXX CORPORATION
 President & CEO : KIM, SHIN
 Business Reg. No. : 104-81-26728
 Line of Business : Brokerage of Other Commodity
 Main Item(s) :
 Share Ratio(%) :
 Remark : Affiliate
 Financial Info

(Unit : KRW million)

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*****
* Fiscal Year-end Total Assets Paid-in Capital Sales Net Income *
*****
* Dec. 31, 2014 25,978,493 804,332 19,150,028 360,818 *
*****
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Company (2)

Company name : XXX SDI CO., LTD.
 President & CEO : CHO, NAM-SUNG
 Business Reg. No. : 124-81-31282
 Line of Business : Manufacture of Accumulators
 Main Item(s) :
 Share Ratio(%) :
 Remark : Affiliate
 Financial Info

(Unit : KRW million)

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*****
* Fiscal Year-end Total Assets Paid-in Capital Sales Net Income *
*****
* Dec. 31, 2014 15,215,158 356,712 4,720,208 -166,999 *
*****
```

Company (3)

Company name : XXX ELECTRO-XXX CO., LTD.
 President & CEO : LEE, YOON-TAE
 Business Reg. No. : 124-81-00979
 Line of Business : Manufacture of Other Electronic Valves, Tubes and
 Electronic Components n. e. c.
 Main Item(s) :
 Share Ratio(%) :
 Remark : Affiliate
 Financial Info

(Unit : KRW million)

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*****
* Fiscal Year-end Total Assets Paid-in Capital Sales Net Income *
*****
* Dec. 31, 2014 5,921,198 388,003 5,182,707 451,590 *
*****
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BUSINESS INFORMATION**2. Management**President & CEO(1)

Name : KWON, XXX
Date of Birth : Oct. 15, 1952
Standing : Yes
Nationality : KOR
Date of Inauguration : Jun. 8, 2012
Date of Retirement :
Work Experience of Representative : 3 year(s) in this line of business
Work Experience : 27 year(s) in this line of business
Final Education : Stanford University of the U. S.
Business Ability : Above Average

President & CEO Private Residence

Address : Rm. XXX, XXX-ro 30-gil, XXX-gu,
Seoul
Owner : This building is owned by the president
Infringement : No

President & CEO(2)

Name : YOON, BU-GEUN
Date of Birth : Feb. 6, 1953
Standing : Yes
Nationality : KOR
Date of Inauguration : Mar. 15, 2013
Date of Retirement :
Work Experience of Representative : 2 year(s) in this line of business
Work Experience : 19 year(s) in this line of business
Final Education : Hanyang Univ.
Business Ability : Above Average

President & CEO Private Residence

Address : XXX-dong, 17, Dongbaek 1-ro XXX-gil,
Yongin-si Giheung-gu, Gyeonggi
Owner : This building is owned by the president
Infringement : No

President & CEO(3)

Name : SHIN, JONG-GYUN
Date of Birth : Jan. 16, 1956
Standing : Yes
Nationality : KOR
Date of Inauguration : Mar. 15, 2013
Date of Retirement :

Work Experience of Representative : 2 year(s) in this line of business
 Work Experience : 34 year(s) in this line of business
 Final Education : Kwangwoon Univ.
 Business Ability : Above Average

President & CEO Private Residence

Address : XXX-dong, 74, XXX-ro, Seongnam-si
 Bundang-gu, Gyeonggi
 Owner : This building is owned by others
 Infringement : No

Management

* Position	Name	Date of Birth	*
* President & CEO	KWON, XXX	Oct. 15, 1952	*
* President & CEO	YOON, XXX	Feb. 6, 1953	*
* President & CEO	SHIN, XXX	Jan. 16, 1956	*
* Director	LEE, SANG-HOON	Jun. 15, 1955	*
* Outside Director	LEE, BYUNG-KI	May 12, 1951	*
* Outside Director	KIM, HAN-JOONG	Nov. 2, 1948	*
* Outside Director	LEE, IN-HO	Nov. 2, 1943	*

(2) Other (Outside) Director(s)
 (0) Other Auditor(s)

Major Shareholders

(Unit : KRW thousand, as of Sep. 30, 2015)

Name	Reg. No. Date of Birth	Position	No. of Shares	Amount	Ratio (%)
XXX Culture Foundation	-	Affiliated Co.	37,615	188,075	
XXX Welfare Foundation	-	Affiliated Co.	89,683	448,415	0.10
XXX Life Insurance Co., Ltd. (Special Account)	-	Affiliated Co.	538,379	2,691,895	0.32
XXX Fire & Marine Insurance Co., Ltd.	-	Affiliated Co.	1,856,370	9,281,850	1.30
Hong, Ra-hee	-	Pres.'s Relative	1,083,072	5,415,360	0.70
XXXX C&T Corporation	-	Affiliated Co.	5,976,362	29,881,810	4.10
Lee, Kun-hee	-	Top Decision Marker	4,997,862	24,927,320	2.90

Lee, Sang-hun -	Pres.'s Relative	1,473	7,365	
Lee, Jae-young -	Pres.'s Relative	840,403	4,202,015	0.60
Kwon, Oh-hyun -	President	3,000	15,000	
XXX Life Insurance Co., Ltd. -	Affiliated Co.	10,623,693	53,114,070	7.20
National Pension Service-others -	Others	12,064,074	60,320,370	8.20
	Others	132,979,372	664,896,860	78.16

Par Value (unit : KRW) : 5,000
Number of Shares Issued : 170,132,764
No. of Shareholders :
Paid-In Capital (unit : KRW million) : 897,513
Authorized Capital (unit : KRW million) :

BUSINESS INFORMATION

3. Business

Business (1)

Line of Business : Manufacture of Television
SIC Code : 3663
Main Item(s) : CTV, Monitor, printer, air conditioner, etc.
Sales Ratio (%) : 23.2
Market Share (%) :
Export Ratio (%) :

Business (2)

Line of Business : Manufacture of Mobile Phone
SIC Code : 366
Main Item(s) : HHP, communication system, computer, digital camera, etc.
Sales Ratio (%) : 46.6
Market Share (%) :
Export Ratio (%) :

Business (3)

Line of Business : Manufacture of Electronic Integrated Circuits
SIC Code : 367
Main Item(s) : DRAM, NAND Flash, Mobile AP, etc.
Sales Ratio (%) : 17.8
Market Share (%) :
Export Ratio (%) :

Business (4)

Line of Business : Manufacture of liquid crystal Flat Display Boards
 SIC Code : 3679
 Main Item(s) : TFT-LCD, OLED, etc.
 Sales Ratio(%) : 11.3
 Market Share(%) :
 Export Ratio(%) :

Sales Trend

(Unit : KRW million)

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*****
Line of Business      Dec, 2012      Dec, 2013      Dec, 2014
                        Amount / Ratio  Amount / Ratio  Amount / Ratio
*****
Manufacture of Mobile Phone  141,206,37
                        7 / 100      158,372,08
                        9 / 100      137,825,54
                        7 / 100
*****
Total                  141,206,37
                        7 / 100      158,372,08
                        9 / 100      137,825,54
                        7 / 100
*****
  
```

Recent Quarterly Sales

(Unit : KRW million)

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*****
Item                  Year 2014
                        1/4      2/4      3/4      4/4      Total
*****
Manufacture of Mobile Phone  /        /        /        /
*****
  
```

(Unit : KRW million)

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*****
Item                  Year 2015
                        1/4      2/4      3/4      4/4      Total
*****
Manufacture of Mobile Phone  31,689,206/ 32,552,308/ 35,820,499/ /100,062,013
*****
  
```

Suppliers & Customers

- Suppliers

(Unit : KRW million, as of May 30, 2006)

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*****
Company Name          Business          Amount Ratio(%) Transaction
  
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	REG. NO.	Period
CORNING PRECISION MATERIALS CO., LTD	513-81-08910	15.20 0
CMI, AUO		10.90 0
DONGWOO FINE-CHEM CO., LTD.	403-81-06691	8.30 0
ILJIN DISPLAY CO., LTD.	303-81-10352	6.60 0
others		59.00 0

- Customers

(Unit : KRW million, as of May 30, 2006)

Company Name	Business Reg. No.	Amount	Ratio(%)	Transaction Period
KT, General Companies, etc.		36.00		0
Local sales agents, distributors, etc.		33.00		0
General consumers		26.00		0
others		5.00		0

- Terms of Payment

Terms of Purchase : 50% in cash, 50% on 30 day(s) credit
Terms of Sale : 50% in cash, 50% on 30 day(s) credit

COMPANY OVERVIEW

The subject was established by the former chairman, Lee, XXX in Jan. 1969. Then it listed its stocks on the Stock Market Division in Korea Exchange in Jun. 1975.

Then, the subject merged XXXXX Communication Co., Ltd. in Nov. 1998, XXXXX Imaging Co., Ltd. in Apr. 2010, XXXXX Electronics Co., Ltd. in Jan. 2011, and XXXXX LED Co., Ltd. in Apr. 2012.

In Dec. 2012, it merged XXXXX Hainan Fiberoptics Korea Co., Ltd. for the purposes of increasing management efficiency in camera module and touch screen business, etc. and maximizing synergy effect between the existing businesses.

And, it merged with XXXXX Co., Ltd., XXXXX Co., Ltd., and XXX Co., Ltd. in Jan. 2013. As of the 3rd quarter of 2015, It is the flagship company of the XXX Business Group, which is composed of 64 domestic affiliated companies.

As of the 3rd quarter of 2015, its total assets were amounted to KRW 171,988,837 million with its registered capital of KRW 897,513 million.

The co-president, Kwon, XXX was elected in Jun. 2012. He had worked at Electronics and Telecommunications Research Institute of the U.S. and at XXXXX R&D Center since 1985 and 1988 as a researcher. Then he had worked at XXX Electronics Co., Ltd. XXX Division and Semiconductor from 2004 and from 2008 as a president. He currently gets involved in the overall management of DS Division.

The co-president, Yoon, Bu-geun was elected in Mar. 2013. He had worked at XXX Electronics Co., Ltd. CE division from 1996.

He currently gets involved in the overall management of CE Division.

The co-president, Shin, Jong-gyun was elected in Mar. 2013. He had worked at ECHO ELECTRONICS and MAXON ELECTRONICS from Feb. 1981 to Nov. 1984, and joined XXX Electronics Co., Ltd. in Dec. 1984. He currently gets involved in the overall management of IM Division.

The subject manufactures a wide range of electronic products, comprising mobile devices such as smart phone and tablet PC, semiconductors, computers, TV and telecommunication equipment, etc. Recently, the mobile device sector has shown remarkable growth, significantly contributing to the company's profits. And, it is the world's largest D-RAM manufacturer.

It has 3 major business divisions: CE (CTV, Monitor, Printer, Air Conditioner, Refrigerator, Washing Machine, etc.), IM (Cellular Phone, Network System, Computer, Digital Camera, etc.), and DS which is divided into two departments of Semiconductor (DRAM, NAND Flash, etc.), and DP (TFT-LCD, OLED, etc.).

As of the 3rd quarter of 2015, its sales ratios by each division are as follows.

- CE : 23.2%
- IM : 46.6%
- DS : 30.2%

In the 3rd quarter of 2015, its market share by each item is as follows.

- CE : 21.2% in the world market
 - IM : 21.9% in the world market
 - DS : semiconductor - 44.9% in the world market / DP - 21.9% in the world market
- Sales over the last few years are as follows.

KRW 120,815,977 million in 2011

KRW 141,206,377 million in 2012

KRW 158,372,089 million in 2013

KRW 137,825,547 million in 2014

KRW 100,062,013 million in the third quarter of 2015 (according to the 3rd quarterly report)

There is difference between the figure for paid-up capital in the shareholders' list and the financial statements due to profit retirement of 9,370,000 shares.

No negative information about the subject was found in our database.

end/cho/kdy/hee

FINANCIAL HIGHLIGHTS

Balance Sheet

(Unit : KRW million)

Accounting Items	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Independent Auditor's Opinion	Unqualified	Unqualified	Unqualified	Unqualified

ASSETS	133,264,055	154,825,957	164,060,583	168,969,630
I. Current Assets	43,952,271	60,603,694	62,054,773	67,002,055
II. Leased Housing Assets	-	-	-	-
III. Non-Current Assets	89,311,784	94,222,263	102,005,810	101,967,575
LIABILITIES	27,376,186	32,455,190	31,383,508	32,541,375
I. Current Liabilities	24,770,263	27,597,944	28,208,638	29,630,488
II. Non-Current Liabilities	2,605,923	4,857,246	3,174,870	2,910,887
III. Deferred Liabilities	-	-	-	-
STOCKHOLDERS' EQUITY	105,887,869	122,370,767	132,677,075	136,428,255
I. Capital Stock	897,514	897,514	897,514	897,514
II. Additional Paid-In Capital	4,403,893	4,403,893	4,403,893	4,403,893
III. Capital Adjustments	-5,597,284	-5,567,465	-6,644,709	-11,681,971
IV. Accumulated Other Comprehensive Income	877,226	607,406	-443,812	-820,358
V. Retained Earnings	105,306,520	122,029,419	134,464,189	143,629,177

Income Statement

	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015
Accounting Items	~Dec. 31, 2012	~Dec. 31, 2013	~Dec. 31, 2014	~Dec. 31, 2015

I. Net Sales	141,206,377	158,372,089	137,825,547	135,205,045
II. Cost of Sales	99,431,997	110,731,528	99,188,713	99,659,336
III. Gross Profit	41,774,380	47,640,561	38,636,834	35,545,709
IV. Selling and Administrative Expenses	23,263,944	25,833,556	24,711,840	22,147,494
V. Operating Income	18,510,436	21,807,005	13,924,994	13,398,215
VI. Non-Operating Income	6,064,114	7,049,208	7,796,421	6,460,575
VII. Non-Operating Expense	3,826,692	4,638,954	4,440,774	5,506,173
VIII. Income Before Income Taxes Expenses	20,747,858	24,217,259	17,280,641	14,352,617
IX. Income Taxes Expenses	3,349,328	6,287,739	2,688,860	2,114,148
X. Ongoing Business Income	17,398,530	17,929,520	14,591,781	12,238,469
XI. Net Income	17,398,530	17,929,520	14,591,781	12,238,469

Cash Flow Analysis

Cash Flow Rating	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
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Cash Flow Rating

CR-1

CR-1

CR-1

FINANCIAL INFORMATION

1. Financial Statements

Balance Sheet

(Unit : KRW million)

Accounting Items

Dec. 31, 2012

Dec. 31, 2013

Dec. 31, 2014

Dec. 31, 2015

ASSETS	133,264,055	154,825,957	164,060,583	168,969,630
I. Current Assets	43,952,271	60,603,694	62,054,773	67,002,055
1. Total Quick Assets	38,625,854	54,723,231	56,500,939	60,423,943
Cash and cash equivalents	2,269,422	2,030,307	1,643,318	3,062,960
Short-term financial instrument	13,400,572	27,463,345	26,454,093	27,763,589
Accounting receivable	17,296,647	17,748,978	18,940,786	20,251,464
2. Total Inventories	5,326,417	5,880,463	5,553,834	6,578,112
II. Leased Housing Assets	-	-	-	-
III. Non-Current Assets	89,311,784	94,222,263	102,005,810	101,967,575
1. Investment Assets	43,097,019	46,215,001	48,963,665	47,312,681
Long-Term Financial Instruments	-	-	-	-
Investment Securities	3,618,727	3,956,952	7,106,234	3,205,283
2. Tangible Assets	39,808,935	41,439,372	43,744,259	45,148,629
Land	5,701,112	5,946,296	6,295,538	6,289,122
Building and auxiliary facilities	6,335,305	8,321,327	8,459,613	11,238,107
Machinery and Equipment	23,949,077	21,321,365	19,045,504	21,578,887
3. Intangible Assets	2,325,810	2,349,970	2,901,852	3,255,636
Industry Rights	770,962	827,953	925,734	950,499
4. Other Non-Current Assets	4,080,020	4,217,920	6,396,034	6,250,629
5. Deferred Assets	-	-	-	-
LIABILITIES	27,376,186	32,455,190	31,383,508	32,541,375
I. Current Liabilities	24,770,263	27,597,944	28,208,638	29,630,488
Account Payables	5,785,104	5,742,116	4,677,527	3,887,983
Short-Term Borrowings	3,034,621	2,811,565	2,928,182	7,127,527
Current Portion of Long-Term Debt	5,150	5,083	5,304	5,666
II. Non-Current Liabilities	2,605,923	4,857,246	3,174,870	2,910,887
Bonds	72,103	66,079	63,648	62,326
Long-Term Borrowings(*)	-	-	-	-
III. Deferred Liabilities	-	-	-	-
STOCKHOLDERS' EQUITY	105,887,869	122,370,767	132,677,075	136,428,255
I. Capital Stock	897,514	897,514	897,514	897,514
II. Additional Paid In Capital	4,403,893	4,403,893	4,403,893	4,403,893
III. Capital Adjustments	-5,597,284	-5,567,465	-6,644,709	-11,681,971
IV. Accumulated Other Comprehensive Income	877,226	607,406	-443,812	-820,358
V. Retained Earnings	105,306,520	122,029,419	134,464,189	143,629,177

Income Statement

(Unit : KRW million)

	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015
Accounting Items	~Dec. 31, 2012	~Dec. 31, 2013	~Dec. 31, 2014	~Dec. 31, 2015
I. Net Sales	141,206,377	158,372,089	137,825,547	135,205,045
Sales of Merchandise	-	-	-	-
Sales of Finished Goods	-	-	-	-
Construction Revenue	-	-	-	-
Other Sales	141,206,377	158,372,089	137,825,547	135,205,045
II. Cost of Sales	99,431,997	110,731,528	99,188,713	99,659,336
Cost of Merchandise Sold	-	-	-	-
Cost of Finished Goods Sold	-	-	-	-
Cost of Construction	-	-	-	-
Cost of Other Sales	99,431,997	110,731,528	99,188,713	99,659,336
III. Gross Profit	41,774,380	47,640,561	38,636,834	35,545,709
IV. Selling and Administrative Expenses	23,263,944	25,833,556	24,711,840	22,147,494
Salaries	1,315,592	2,161,771	1,744,060	1,795,010
Severance and Retirement Benefits	124,813	140,986	186,627	161,681
Employee Benefits	-	-	-	-
Rent	-	-	-	-
Bad Debt Expenses	-	-	-	-
Depreciation and Amortization	185,055	202,229	277,761	301,743
Others	21,638,484	23,328,570	22,503,392	19,889,060
V. Operating Income	18,510,436	21,807,005	13,924,994	13,398,215
VI. Non-Operating Income	6,064,114	7,049,208	7,796,421	6,460,575
Interest Income	351,695	649,608	948,261	726,410
Dividend Income	-	1,337,598	2,524,861	570,696
Other Non-Operating Income	5,712,419	5,062,002	4,323,299	5,163,469
VII. Non-Operating Expense	3,826,692	4,638,954	4,440,774	5,506,173
Interest Expenses	134,934	118,935	224,579	288,345
Loss on Foreign Currencies Transaction	-	-	-	-
Other Non-Operating Expense	3,691,758	4,520,019	4,216,195	5,217,828
VIII. Income Before Income Taxes Expenses	20,747,858	24,217,259	17,280,641	14,352,617
IX. Income Taxes Expenses	3,349,328	6,287,739	2,688,860	2,114,148
X. Ongoing Business Income	17,398,530	17,929,520	14,591,781	12,238,469
XI. Net Income	17,398,530	17,929,520	14,591,781	12,238,469

FINANCIAL INFORMATION

1. Financial Statements

Schedules of Cost of Goods Manufactured

(Unit : KRW million)

Accounting Items	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Raw Materials	-	-	-	-

Labor Costs	-	-	-	-
Manufacturing Overhead	-	-	-	-
Employee Benefits	-	-	-	-
Depreciation	-	-	-	-
Rent	-	-	-	-
Insurance Premium	-	-	-	-
Transportation Expenses	-	-	-	-
Research	-	-	-	-
Total Manufacturing Overhead	-	-	-	-
Beginning Work-In Process	-	-	-	-
Total	-	-	-	-
Ending Work-In Process	-	-	-	-
Cost of Goods Manufactured	-	-	-	-

Statements of Appropriation of Retained Earnings

(Unit : KRW million)

Accounting Items	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Unappropriated Retained Earnings	17,391,245	17,854,184	14,516,403	12,089,583
Unappropriated Retained Earnings Carried Over from Prior Years	68,022	30	30	30
Accumulated Effect of Accounting Policy Change	-	-	-	-
Net Income (Net Loss) for The Year	17,398,530	17,929,520	14,591,781	12,238,469
Transfer of Voluntary Reserves	-	-	-	-
Appropriation of Retained Earnings	17,391,215	17,854,154	14,516,373	12,089,553
Legal Reserve	-	-	-	-
Reserve for Business Stabilization	5,000,000	5,000,000	4,000,000	3,000,000
Dividends	1,131,255	2,081,603	2,924,564	2,919,821
Others	11,259,960	10,772,551	7,591,809	6,169,732
Unappropriated Retained Earnings (Deficit) Carried Over to Subsequent Year	30	30	30	30

Remark

Financial ratios and cash flows, etc. only for quarterly financial statements are not available since quarterly financial statements are not settled yet.

FINANCIAL INFORMATION

2. Financial Analysis

Cash Flow Analysis

(Unit : KRW million)

Accounting Items	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Net Sales	158,372,089	137,825,547	135,205,045
Gross Profit on Cash Sales	55,441,305	46,404,719	42,802,845
Operating Cash Income	30,382,474	21,450,625	20,501,044
Cash Flow after Operating Activities	27,660,363	18,312,902	17,337,148
Cash Flow after Payment of Interest	27,541,428	18,088,323	17,048,803
Cash Flow after Current Activities	28,598,716	18,577,332	17,193,139
Cash Flow after Investing Activities	1,436,654	3,784,077	5,708,546
Cash Flow after Financing Activities	-239,115	-386,989	1,419,642
Net Increase(Decrease) in Cash and Cash Equivalents	-239,115	-386,989	1,419,642
1. Total Debt Ratio of Working Capital Debt (%)	565.43	414.05	167.80
2. Cash Coverage Ratio (%)	957.77	482.94	439.13

Cash Flow Rating CR-1 CR-1 CR-1

Debt Analysis

(Unit : KRW million)

Accounting Items	Dec. 31, 2013		Dec. 31, 2014		Dec. 31, 2015	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Short-Term						
Short-Term Borrowings	2,811,565	97.53	2,928,182	97.69	7,127,527	99.05
Short-Term Borrowings-Foreign Currencies	-	-	-	-	-	-
Current Portion of Long-Term Debt	5,083	.17	5,304	.17	5,666	.07
Current Portion of Long-Term Borrowings-Foreign Currencies	-	-	-	-	-	-
Sub-Total	2,816,648	97.7	2,933,486	97.87	7,133,193	99.13
Long-Term						
Bonds	66,079	2.29	63,648	2.12	62,326	.86
Long-Term Borrowings	-	-	-	-	-	-
Long-Term Borrowings-Foreign Currencies	-	-	-	-	-	-
Lease Obligations	-	-	-	-	-	-
Sub-Total	66,079	2.29	63,648	2.12	62,326	.86
TOTAL Borrowing	2,882,727	100	2,997,134	100	7,195,519	100

Financial Ratio Analysis

(Unit : KRW million)

Ave.

Key Financial Ratio (%)	in same industry	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
Quick Ratio	-	198.28	200.29	203.92
Current Ratio	174.15	219.59	219.98	226.12
Debt Ratio	139.38	26.52	23.65	23.85
Short-Term Borrowings/ Total Borrowings	50.72	97.70	97.87	99.13
Fixed Assets to Invested Capital Ratio	58.87	74.05	75.08	73.17
Total Debt to Capitalization Ratio	36.04	1.86	1.82	4.25
Total Assets Turnover (times)	1.14	1.09	0.86	0.81
Sales Growth Rate	5.46	12.15	-12.97	-1.90
Cost of Sales to Sales Ratio	76.38	69.91	71.96	73.70
Operating Income to Sales Ratio	4.55	13.76	10.10	9.90
Interest Coverage Ratio	2.70	183.35	62.00	46.46
ROIC	10.16	29.50	21.56	19.33
ROE	10.69	15.70	11.44	9.09
EBITDA/Sales	6.83	19.73	17.43	18.11
EBITDA/Financial Expenses (times)	4.52	262.75	107.02	84.92
Financial Expense/Sales	1.20	0.07	0.16	0.21
EBITDA/Total Borrowings	18.75	1,084.06	801.96	340.32
Cash from Operating Activities/ Borrowings	12.57	940.96	602.33	229.01
FCF(Free Cash Flow)/Borrowings	-3.45	628.78	134.66	52.90
FCF(Free Cash Flow)/Sales	-0.60	11.44	2.92	2.81
Cash from Operatings/ Financial Expenses	272.22	22,806.84	8,038.46	5,714.85

FINANCIAL INFORMATION Statements

3. Consolidated Financial

Consolidated Balance Sheet

(Unit : KRW million)

Accounting Items	Dec. 31, 2012	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2015
ASSETS	181,071,570	214,075,018	230,422,958	242,179,521
I. Current Assets	87,269,017	110,760,271	115,146,026	124,814,725
1. Total Quick Assets	69,521,604	91,625,403	97,828,522	106,002,931
Cash and Cash Equivalents	18,791,460	16,284,780	16,840,766	22,636,744
Short-Term Financial Instruments	17,397,937	36,722,702	41,689,776	44,228,800
Accounting Receivables	23,861,235	24,988,532	24,694,610	25,168,026
2. Total Inventories	17,747,413	19,134,868	17,317,504	18,811,794
II. Leased Housing Assets	-	-	-	-
III. Non-Current Assets	93,802,553	103,314,747	115,276,932	117,364,796
1. Investment Assets	14,014,664	12,660,672	17,899,970	13,608,828
Long-Term Financial Instruments	-	-	-	-
Investment Securities	5,229,175	6,238,380	12,667,509	8,332,480

2. Tangible Assets	68,484,743	75,496,388	80,872,950	86,477,110
Land	7,152,141	7,429,287	7,710,352	7,848,432
Building and Auxiliary Facilities	13,008,839	15,715,064	17,598,547	22,453,296
Machinery and Equipment	38,046,176	110,961,728	118,727,507	136,918,282
3. Intangible Assets	3,729,705	3,980,600	4,785,473	5,396,311
Industry Rights	1,186,033	1,231,673	1,340,481	1,342,104
4. Other Non-Current Assets	7,573,441	11,177,087	11,718,539	11,882,547
5. Deferred Assets	-	-	-	-
LIABILITIES	59,591,364	64,059,008	62,334,770	63,119,716
I. Current Liabilities	46,933,052	51,315,409	52,013,913	50,502,909
Account Payables	9,489,111	8,437,139	7,914,704	6,187,291
Short-Term Borrowings	8,443,752	6,438,517	8,029,299	11,155,425
Current Portion of Long-Term Debt	999,010	2,425,831	1,778,667	221,548
II. Non-Current Liabilities	12,658,312	12,743,599	10,320,857	12,616,807
Bonds	1,829,374	1,311,068	1,355,882	1,230,448
Long-Term Borrowings	3,521,257	902,715	23,989	193,598
III. Deferred Liabilities	-	-	-	-
STOCKHOLDERS' EQUITY	121,480,206	150,016,010	168,088,188	179,059,805
I. Capital Stock	897,514	897,514	897,514	897,514
II. Additional Paid-In Capital	4,403,893	4,403,893	4,403,893	4,403,893
III. Capital Adjustments	-7,194,333	-7,476,737	-8,495,082	-13,592,112
IV. Accumulated Other Comprehensive Income	-998,711	-1,982,336	-4,154,204	-3,964,542
V. Retained Earnings	119,985,689	148,600,282	169,529,604	185,132,014

FINANCIAL INFORMATION Statements

3. Consolidated Financial

Consolidated Income Statement

(Unit : KRW million)

	Jan. 1, 2012	Jan. 1, 2013	Jan. 1, 2014	Jan. 1, 2015
Accounting Items	~Dec. 31, 2012	~Dec. 31, 2013	~Dec. 31, 2014	~Dec. 31, 2015
I. Net Sales	201,103,613	228,692,667	206,205,987	200,653,482
Sales of Merchandise	-	-	-	-
Sales of Finished Goods	-	-	-	-
Construction Revenue	-	-	-	-
Other Sales	201,103,613	228,692,667	206,205,987	200,653,482
II. Cost of Sales	126,651,931	137,696,309	128,278,800	123,482,118
Cost of Merchandise Sold	-	-	-	-
Cost of Finished Goods Sold	-	-	-	-
Cost of Construction	-	-	-	-
Cost of Other Sales	126,651,931	137,696,309	128,278,800	123,482,118
III. Gross Profit	74,451,682	90,996,358	77,927,187	77,171,364
IV. Selling and Administrative Expenses	45,402,344	54,211,345	52,902,116	50,757,922
Salaries	4,032,848	5,559,339	5,214,171	5,542,701
Severance and Retirement Benefits	204,929	232,676	300,776	295,652
Employee Benefits	-	-	-	-
Rent	-	-	-	-
Bad Debt Expenses	-	-	-	-

Depreciation and Amortization	442,080	555,944	670,709	714,883
Others	40,722,487	47,863,386	46,716,460	44,204,686
V. Operating Income	29,049,338	36,785,013	25,025,071	26,413,442
VI. Non-Operating Income	10,376,154	10,948,286	12,403,702	13,302,758
Interest Income	845,431	1,351,609	1,833,361	1,761,157
Dividend Income	-	-	1,436,235	183,730
Other Non-Operating Income	9,530,723	9,596,677	9,134,106	11,357,871
VII. Non-Operating Expense	9,510,475	9,369,020	9,553,739	13,755,205
Interest Expenses	599,006	509,658	592,940	776,511
Loss on Foreign Currencies Transaction	-	-	-	-
Other Non-Operating Expense	8,911,469	8,859,362	8,960,799	12,978,694
VIII. Income Before Income Taxes Expenses	29,915,017	38,364,279	27,875,034	25,960,995
IX. Income Taxes Expenses	6,069,732	7,889,515	4,480,676	6,900,851
X. Ongoing Business Income	23,845,285	30,474,764	23,394,358	19,060,144
XI. Net Income	23,845,285	30,474,764	23,394,358	19,060,144

CREDIT INFORMATION

Corporate Credit Information

- Non-Performance Information

(Unit : KRW thousand)

No. of Item(s) : 0 Total Amt. :

(Unit : KRW thousand)

* Institution	Occurred Date	Cancelled Date	Amount	*
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- Lawsuits as a Defendant

(Unit : KRW thousand)

* Status	No. of Court Action	Total Amt. of Court Action	Compared to Total Assets (%)	Compared to Sales (%)	*
Ongoing Court Action					
Losing Lawsuit					
Partially Losing Lawsuit					
Total	1				

- Close of Business

* Inquired Date	Occurred Date	*
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CEO Credit Information

* Record of Non-Performance Information of CEO *

* N *

APPENDIX

Definition of Credit Rating

Credit Rating	Credit Status	Definition
AAA	Highest	The company has exceptionally strong capacity for timely payment of financial commitments.
AA	Very High	The company has very strong capacity to meet its financial commitments but carries a higher risk than companies in the AAA category.
A	High	The company has strong capacity to meet its financial commitments, but has less stability than companies in higher rated categories.
BBB	Good	The company has adequate capacity to meet financial commitments, but is expected to have less stability in the future than companies in higher rated categories.
BB	Above Average	The company is expected to be vulnerable to adverse changes in circumstances and economic conditions, but has capacity to meet its financial commitments at present.
B	Average	The company's stability is expected to be impaired by adverse changes in circumstances and economic conditions, but has capacity to meet its financial commitments at present.
CCC	Below Average	The company's capacity for meeting financial commitments is solely reliant upon sustained, favorable business or economic conditions.
CC	Poor	The company manages to operate at present, but is vulnerable to nonpayment, posing high default risk.
C	Very Poor	The company is highly vulnerable to nonpayment, posing very high default risk.
D	Default	The company defaulted or is facing impending default on its financial obligations.
NR	Not-Rated	The company's information is not sufficient for credit rating purposes.

Definition of Cash Flow Rating

Cashflow Rating	Credit Status	Definition
CR1	Very High	The company has exceptionally strong capacity and stability for generation of cash flow.
CR2	High	The company has strong capacity and stability to generate cash flow but carries a higher risk than companies in the CR1 category.
CR3	Above Average	The company's capacity to generate cash flow is expected to be vulnerable to adverse change in circumstances and economic conditions, but has better capacity than companies in the CR4 category.
CR4	Average	The company's capacity to generate cash flow is expected to be impaired by adverse change in circumstances and economic conditions, but has capacity to generate cash flow at present.
CR5	Below Average	The company's capacity to generate cash flow is lower or the generate amount is smaller than total borrowings, which also means that the cash solvency is lower than average.
CR6	Poor	The company's capacity to generate cash flow is very low or the generate amount is very small than total borrowings, which also means that the company has some problem in cash solvency.
NF	Exclusion from Rating	Financial statements lack the credibility or are incomplete. (ex. Statements of appropriation of retained earnings)
NR	Not-Rated	As of the recent fiscal year-end, cash flow less than two years is calculated.

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