

47th period
Annual report

47th period

ANNUAL REPORT

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Letter from the CEO

Dear shareholders, how are you?

On behalf of S-1's executives and employees, I would like to express our gratitude to all the shareholders who attended the 47th general shareholders' meeting today. Last year, despite the end of the pandemic, the domestic and international economy was unable to escape the recession due to the impact of high inflation and high exchange rates, and an uncertain business environment continued.

Despite these difficult conditions, S-1 recorded sales of KRW 2.6208 trillion and operating profits of KRW 212.6 billion in 2023, renewing both sales and operating profits to all-time highs and maintaining a surplus for 96 consecutive quarters.

I believe this was possible thanks to the interest and support of our shareholders. Thank you very much again.

To briefly describe the performance of each business division, our security service division achieved sales of KRW 1.2987 trillion, a 6% increase compared to the previous year. This is the result of widening the gap in the existing market through data-based market segmentation and proactive sales, and quickly responding to growth markets such as integrated apartment security, cyber security, and unmanned stores.

Our infrastructure service division achieved sales of KRW 1.3088 trillion, up 6.5% over the previous year. Expanding our target market to special facilities such as research centers and logistics centers based on accumulated business capabilities and references and reinforcing our global integrated security business for overseas business sites of domestic companies in the United States, Canada, and Hungary proved to be effective.

Dear shareholders!

Looking at this year's economic outlook, it seems that it will be a more difficult year than ever before as global uncertainty continues and the domestic economic downturn is prolonged. However, S-1 will break through vigorously without being swayed by any external environment.

First of all, we will pioneer new markets and expand our business areas with differentiated products and services based on cutting-edge technology.

We will strengthen the competitiveness of our integrated security products for apartment complexes, expand into the market of officetels and luxury housing complexes, and strengthen our targeting of the individual home market.

Also, in line with legislative trends and market trends, we will launch differentiated security products and services using S-1's intelligent image recognition and sensory technologies to seize new business opportunities.

In the infrastructure service industry, we will proactively develop solutions to respond to military force reduction to lead the future defense security industry and more actively pioneer the global integrated security market.

In addition, we will continue to expand our business scope into adjacent fields such as integrated monitoring of building facilities.

Next, we will realize a service gap through differentiated customer experiences.

To proactively enhance customer convenience and service experience, we recently launched integrated customer service apps for each major service. In this way, we will go beyond responding to customer VOC after the fact and continue to provide differentiated customer experiences by predicting and resolving customer inconveniences in advance, thereby realizing a service gap.

Lastly, we will become a company that continues to grow together with our stakeholders, including shareholders, customers, and partners.

We decided on the size of this cash dividend to reflect the company's solid growth in sales and profits, and will continue to review shareholder return policies from various angles to enhance shareholder value.

We will also advance ESG management centered on the Sustainability Management Committee and take the lead in transparent and fair management by strengthening our ethical management and compliance management systems.

We will fulfill our social responsibility to protect the underprivileged by launching the 'Samsung Senior Digital Academy', a new CSR project launched at the end of last year, and continue to operate support programs to strengthen shared growth with our partners.

Dear shareholders!

As a pioneer in the premises security and building management service industries, S-1 has firmly maintained our No. 1 position in the industry since our founding based on the cutting-edge technology, professional service capabilities, and customer trust that we have accumulated over the past 40 years.

However, the executives and employees of S-1 will not settle for their current positions and will further solidify their No. 1 leadership by strengthening the development of new markets, achieving a super-gap in service, and practicing sustainable management.

I ask for your continued support and encouragement in the future, and I sincerely wish you success and good health this year.

Thank you.

March 21, 2024

S-1 Corporation

President & CEO **BEOM NAMGOONG**



History of the Company

Beginning

1977-1988

Introduction and settling in of the domestic security business

1977

Korea Security Co., Ltd., established

1981

Launched a security monitoring system service business, the first in the country

1986

Built a national network by implementing online control systems

Pioneering

1989-1995

Rapid growth of the security industry due to industrialization

1990

Developed a security system for self-service banks

1993

Established a technical research center

1995

Founded the Samsung 3119 Rescue Team

Reborn as S-1

1996-2013

External expansion including name change (S-1), listing, introduction of IT technology

1996

Changed company name to S-1 / Listed on the Korea Stock Exchange

1998

Opened a specialty security training facility

2000

Launched the HANKS squad

2010

Applied the face recognition system to the Seoul G20 Summit

2011

Declared compliance management / Established a Chinese subsidiary

2012

Established the Suwon Integrated Control Center

Total security solution provider

2014-

Take-over of a building management business and leap into a total security solution provider

2014

Took over a building management business, and launched the Building Solution Business Division

2015

Launched "Blue Asset," a premium total building management service brand / Completed a GOP scientific surveillance system in the midwestern region

2016

Completed construction of the 'Blue Asset Technology Education Center,' a total building management training center

2017

40th anniversary / Completed construction of the 'S-1 Bike School'

2019

Launched CLES, a next-generation enterprise security solution

2020

Received the Presidential Citation in the category of helping to establish law and order at the Crime Prevention Awards

2021

Launched "S-1 Blue Scan" / Acquired S-1 face recognition algorithm certification from KISA

2022

Established the ESG Committee / Signed an MOU for S-1-CU AED

2023

Launched new CSR / Launched 'Face Reader 2.0' / Launched 'Integrated SI Manager'



①	②
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- ① Launched a security monitoring system service business, the first in the country
- ② First system security contractor Jupark



③	④	⑤
⑥	⑦	⑧

- ③ Established the technology research center
- ④ Established the 3119 Rescue Team
- ⑤ Opened the S-1 Training Center
- ⑥ HANKS Mobile Team launching ceremony
- ⑦ G20 face recognition reader
- ⑧ Established the Suwon Integrated Control Center



⑨	⑩
⑪	⑫

- ⑨ Took over the building management business
- ⑩ S-1 face recognition algorithm certified by Korea Internet & Security Agency
- ⑪ Launched 'Face Recognition Reader 2.0'
- ⑫ Intelligent School Safety Package

2.6208 trillion

18 years

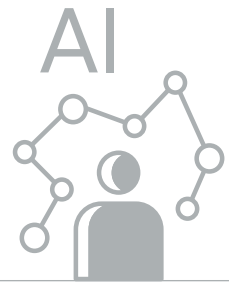
Won brand recognition/acquired service quality certification

The only company in the security industry to have achieved first place for 18 consecutive years in the Korea Brand Power Index (KPBI), it has also won first place in the National Customer Satisfaction Index (NCSI), Korea Service Quality Index (KS-SQI), and Korean Industry Customer Satisfaction Index (KCSI), which are considered three major service quality certifications.

28 types

Intelligent CCTV specialized algorithm

Ours is the first and only video analysis technology in the domestic security industry. Including AI-based facial recognition and face forgery detection, it has been recognized for its value by domestic and foreign certification authorities.

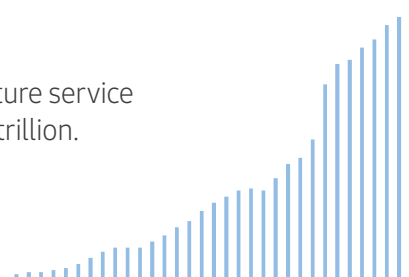


400 people

The largest sales ever

Based on the even growth of the security and infrastructure service business, S-1 achieved record-high sales of KRW 2.6208 trillion.

KRW 2.6208
trillion



Ranked No. 1 in the 2023 Korea Brand Power Index for the 18th consecutive year



Ranked No. 1 in the 2023 National Customer Satisfaction Index in the unmanned security category for the 3rd consecutive year



Ranked No. 1 in the 2023 KS-SQI (Korean Standard Service Quality Index) in the unmanned security category for the 11th consecutive year



Ranked No. 1 in the 2023 KCSI (Korean Customer Satisfaction Index) in the unmanned security category for the 9th consecutive year



KISA Intelligent CCTV Solution Certification



Launched new CSR

Through the Senior Digital Academy, we plan to provide customized education to seniors and further help them find jobs.



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1. Business overview

Alarm security service



"We are keeping customers safe and secure by adding state-of-the-art solutions to our 40 years of operational know-how."

S-1, which introduced a security service for the first time in Korea, provides seamless security through 24-hour monitoring of 140 dispatch bases and integrated control centers nationwide. Recently, we have been leading the market by introducing security solutions that incorporate cutting-edge technologies such as IoT and AI in accordance with the changing times.

Building management service



"We provide comprehensive building management services optimized for the building life cycle."

S-1 Blue Asset is S-1's premium comprehensive building management service brand that provides various facilities and asset management services throughout the life cycle of real estate, from purchase to operation, sale and disposal. Based on 61 years of building management service know-how, S-1's excellence has been recognized by winning the Korea Service Awards in the building management category for eight consecutive years (2016-2023) since the brand launch.

Security System Integration



"We provide an optimal integrated security system from security consulting to solution building and operation."

We provide customer-tailored security consulting based on systematic on-site diagnosis by experts, and have a track record of carrying out various large-scale domestic and overseas projects such as skyscrapers/complex facilities, national infrastructure facilities, government agencies, residential facilities, hotels, corporate offices, plants, airports, and ports. By providing customized total security solutions, we are expanding our competitiveness beyond the domestic market to the global security market.

Cyber security



"We provide one-stop security services based on our proprietary cyber security platform."

To protect personal information and technology assets, we provide one-stop cyber security services based on 24-hour remote control and systematic maintenance. In particular, through the S-1 Cyber security Platform, we provide various solutions such as PC security, personal information management, IT asset management, and work environment management at a reasonable cost.

| IoT security |



"We provide peace of mind 24 hours a day, 365 days a year through mobile security services using IoT technology."

S-1 Ahnsim Mobile is S-1's mobile communication brand that combines mobile phones and security services. In addition to reasonable rates, we provide specialized services for emergency dispatches. S-1 UVIS is a vehicle operation management service that combines state-of-the-art technology and control know-how. By installing a communication terminal inside the vehicle, you can check the vehicle location, status, and driving information in real time.

| R&D |



"By combining cutting-edge AI, cloud and other technologies, we develop solutions that provide convenience beyond safety."

The S-1 R&D Center is an organization specializing in future technology development that develops leading technologies and solutions in the security industry. Recently, we have been striving to develop various cutting-edge solutions, such as AI, big data analysis, unmanned store solutions that incorporate sensor technology, biometric authentication-based access control solutions, and IoT-based smart building management solutions.

Corporate Social Responsibility



"We take part in new CSR activities to fulfill our social responsibility."

S-1 Community Outreach provides customized education to digitally vulnerable seniors, providing support for convenience of living and expanding opportunities for social participation.

Human Resource Development



"Based on our philosophy of putting talent first, we nurture the most talented individuals with professional capabilities and dignity."

The S-1 Training Center was launched in 1998 as Korea's first security professional training center, and it cultivates professional personnel equipped with technical skills, service capabilities, and the dignity of mature members of society. Through various educational facilities such as the Advanced Security Training Center, S-1 Bike School, Blue Asset Technical Training Center, and Challenge Course, we are nurturing talented individuals who will become the foundation of S-1 goal of becoming a 100-year-old company.

2. Company overview

1) Objectives

- Telecommunications business
- Security services pursuant to the Security Services Business Act, including facility security services, mechanical equipment security services, escort security services and personal protection services
- Development of programs for wired and wireless information and communication businesses, such as the Internet and satellites, manufacture and sale of communication devices, and related service businesses like e-commerce
- Investigation, guidance and counseling with regard to safety management
- Transportation, management and arrangement of cash and valuables
- Security services using protection dogs and raising and training of protection dogs
- General electrical work, telecommunications business and general subsidiary construction work
- Export and import of devices and safety management
- Development, manufacturing and sales of medical devices and related services
- Manufacturing and sales of water purifiers
- Design, supervision, construction and inspection of fire protection systems
- Real estate, equipment and interior construction businesses, and other related services
- Stolen vehicle tracking and recovery systems
- Education business
- Development, manufacturing, sales, monitoring and certification of products related to information protection
- Recruiting of card merchants and members, and development, manufacturing, sales, monitoring and certification of related devices and services
- Environment-ally friendly, public hygiene, animal disease control, and related services
- Location information business, location-based services, development of programs for location-based services, and manufacturing and sales of related devices
- Manufacturing, sales and maintenance of crime-prevention, disaster prevention, and safety devices and systems
- Development and sale of software
- Manufacturing and sales of foods and pharmaceuticals, and related services
- Health and fitness coaching, management, sale of goods, visiting care and related services
- Operation of welfare facilities for senior citizens and related services
- Sale of tombs and funeral services
- Energy diagnostics for improving the efficiency of energy use, investment in facilities, and manufacturing, sales, installation, construction, R&D and management of machines and materials, and related services
- Sales and rental of medical devices for animals and quasi-drugs, and related services
- Verification business related to greenhouse gas and energy management by objective
- Renewable energy business (development and generation of renewable energy, and manufacturing, assembly, installation and sales of equipment/cultivation, storing, processing and distribution of raw materials, and other related businesses)
- Management, leasing, supply and brokerage of real estate, facility maintenance services, housing management services, and other related services
- All businesses incidental to those mentioned above

2) Description of key businesses

Business	Description
Security service	Security service, Cyber security, IoT security, security products, etc.
Infra service	Building management service, integrated security, security SI, etc.

3) Sales offices in the country

(As of December 31, 2023, unit: place)

Classification	Gyeonggi	Seoul	Bugyeong	Gyeongbuk	Chungcheong	Honam	Gangwon	Total
Business team	1	1	1	1	1	1	1	7
Branch	24	20	17	11	10	10	7	99
Total	25	21	18	12	11	11	8	106

4) Employees

(As of December 31, 2022)

(As of: December 31, 2023, unit: no. of people, KRW1 million)

Employee										Non-affiliated workers			Notes
Business division	Gender	Number of employees					Average length of service	Total annual salary	Average salary per person	Male	Female	Total	
		Workers with no fixed period		Fixed-term workers		Total							
		Total	Part-time workers	Total	Part-time workers								
Security Service	Male	4,070	—	218	1	4,288	14.0	—	—	12,963	3,868	16,831	—
	Female	288	3	3	—	291	15.6	—	—				
Infra service	Male	2,043	—	67	—	2,110	11.4	—	—				
	Female	176	—	10	—	186	9.1	—	—				
Gender totals	Male	6,113	—	285	1	6,398	13.1	489,076	76				
	Female	464	3	13	—	477	13.1	32,940	68				
Total		6,577	3	298	1	6,875	13.1	522,016	76				

※ The total annual salary is based on the earned income (before earned income deduction has been applied) indicated in the earned income payment statement submitted to the competent tax office in accordance with Article 20 of the Income Tax Act.

※ The number of employees and salaries above exclude executive directors and full-time auditors, and they are not a comparison between men and women in the same position.

※ The average salary per person is based on the sum of the average monthly salary of each month from January to December 2023

5) Information on shares

① Types and total number of shares issued

(Unit: share, KRW1,000)

Type of share	Number of shares	Amount	Component ratio	Notes
Common shares	37,999,178	18,999,589	100%	—

② Changes in capital stock

There has been no change in capital stock in the past 5 years.

③ Stock-related matters

Closing date	December 31		
Reference date	December 31	Stock book closing period	From January 1 to 31
Notification method	Website (http://www.s1.co.kr) / (Preliminary notification method: Joongang Ilbo)		
Transfer agent	Name of agent	Hana Bank Security Agency Department	
	Address	72, Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul	

6) Matters concerning corporate bonds “N/A”

3. Business performance

1) Business overview

Business area	Overview
Alarm security service	We provide safety and security to customers with an elite workforce and differentiated systems and products.
Building management service	We provide optimized total building management services based on diverse experience and expertise.
Security System Integration	We provide optimal integrated security solutions that respond to not only the physical environment but also to future changes.
Cyber security	We protect customers' information assets based on our independent cyber security platform and security control capabilities.
IoT security	We provide differentiated and safe services 24 hours a day, 365 days a year through services utilizing IOT technology.
R&D	We develop solutions that provide not only safety but also convenience by applying cutting-edge technologies such as AI and cloud storage to security.
Corporate Social Responsibility	We carry out various social contribution activities to create a society where everyone feels safe.
Human Resource Development	We train talents with the best professional competency and dignity based on a "people first" philosophy.

2) Sales(separate)

(Unit: KRW100 million)

Business division	Item	47 th	46 th	45 th
Security service	Alarm security service, Cyber security , IoT security etc.	11,806	11,173	10,624
	Security products	1,182	1,080	1,090
	Subtotal	12,988	12,253	11,714
Infra service	Building management service	7,035	6,893	6,533
	Integrated security	2,907	2,777	2,545
	Security System Integration	2,718	2,209	1,828
	Subtotal	12,660	11,879	10,906
Others	Rental, education, etc.	129	141	151
Total		25,777	24,273	22,771

3) New construction and expansion of major facilities and fund-raising status(separate)

① New construction and expansion of major facilities

(Unit: KRW100 million)

Classification	Land	Buildings and structures	Machines and tools	Construction in progress	Other tangible assets	Total
Beginning	300	511	74	275	3,572	4,732
Increase (decrease)	—	6	24	1	1,317	1,348
Depreciation	—	△21	△32	—	△1,310	△1,363
Ending	300	496	66	276	3,579	4,717

② Fund-raising status

“N/A”

4. Matters concerning business combination, etc.

1) Parent company

“N/A”

2) Subsidiaries

(As of December 31, 2023, unit: KRW1,000, share, %)

Subsidiary				Relationship		
Company name	Location	Capital stock	Business category	Number of shares owned	Ownership	Relationship
Human TSS, Inc.	Daebo Bldg., 141, Gwongwang-ro, Gwonseon-gu, Suwon, Gyeonggi-do	1,000,000	Security system	200,000	100.00	Service transaction
S-1 CRM Corporation	S-1 Bldg., 522, Gyeongsudaero, Paldal-gu, Suwon, Gyeonggi-do	700,000	Call center service and telemarketing	140,000	100.00	Service transaction
Samsung Beijing Security Systems	S-1 Corporation, 1002, 10th Floor, Building C, Wanke Square, Zhuzong Town, Daxing District Beijing, China	1,483,533	Security system service	Shares not issued	100.00	Commodity trade
S-1 CORPORATION VIETNAM CO., LTD	2nd floor, Halla Office Building, Yen Phong Industrial Park, Yen Trung Commune, Yen Phong District, Bac Ninh province, Vietnam	1,131,000	Security system service	Shares not issued	100.00	Commodity trade
S-1 CORPORATION HUNGARY LLC	1036 Budapest, Lajos utca 74-76. 4. em.	31,840	Security system service	Shares not issued	100.00	Commodity trade
SVIC No. 35 new technology business investment partnership	11, Seocho-daero 74-gil, Seocho-gu, Seoul (Seocho-dong)	2,989,800	Investment in new technology	Shares not issued	99.00	Investment partnership

5. Business performance and financial status of the past 3 years

1) Business performance(separate summary income statement)

(Unit: KRW100 million)

Title	47 th	46 th	45 th
Sales	25,777	24,273	22,771
Cost of sales	19,640	18,412	17,300
Gross profit	6,137	5,861	5,471
Selling and Administrative Expenses	4,099	3,933	3,817
Operating profit	2,038	1,928	1,654
Other non-operating income	277	98	105
Other non-operating expenses	290	236	231
Financial income	192	104	43
Financial costs	15	10	9
Profit before income tax	2,202	1,884	1,562
Income tax expense	245	469	399
Profit for the year	1,957	1,415	1,163

※ The above income statement was prepared according to the separate financial statements of IFRS.

2) Financial position(separate summary statement of financial position)

(Unit: KRW100 million)

Title	47 th	46 th	45 th
Assets	20,887	19,857	18,995
Current assets	10,124	8,668	7,894
Non-current assets	10,763	11,189	11,101
Liabilities	5,334	5,123	4,904
Current liabilities	4,298	4,111	3,847
Non-current liabilities	1,036	1,012	1,057
Capital	15,553	14,734	14,091
Capital stock	190	190	190
Capital surplus	1,929	1,929	1,929
Retained earnings	14,927	14,113	13,456
Other components of equity	△1,493	△1,498	△1,484
Total liabilities/equity	20,887	19,857	18,995

※ The above statement of financial position was prepared according to the separate financial statements of IFRS.

6. Tasks of the company

See “Business overview”

7. Directors and auditors

(As of December 31, 2023)

Name	Birthdate (gender)	Position	Registered executive	Standing / Non- Standing	Duty	Major experiences	Tenure	Tenure expiration date	Business relationship with the company	Concurrent positions at other corporations
Beom Namgoong	January 1964 (male)	President & CEO	Executive director	Standing	General manager	1989 Graduated from the Department of Business Administration, Korea University 2009 Head of the Accounting Group, Samsung Electronics 2013 Head of the Finance Team (Headquarters), Samsung Electronics	December 7, 2021 ~	March 16, 2025	—	—
Moriya Kiyoshi	August 1964 (male)	Vice- president and CEO	Executive director	Standing	General manager	1988 Graduated from the School of Law, Gakushuin University 1992 MBA, Golden Gate Univ. 2015 President & CEO of SECOM YAMANASHI 2018 Head of the Sales Department, Kyushu Headquarters, SECOM, and executive of JR KYUSHU SECOM INC. 2020 Head of the Planning and Management Department of the International Business Division of SECOM Group 2020 Vice-president & CEO of S-1	March 19, 2020 ~	March 23, 2023	—	—
Youngki Kwon	July 1966 (male)	Vice- president	Executive director	Standing	Head of the Management Support Office	1988 Graduated from the Department of Business Administration, Seoul National University 1990 Graduated from the Department of Business Administration Seoul National University with a master's degree 2002 Emory Univ. MBA 2014 Head of the Support Team, Samsung SDI (Managing Director) 2017 Head of the BE Business Division 2018 Head of the SE Business Division 2020 Head of the Security Service Business Division 2022 Head of the Infrastructure Service Business Division 2022 Head of the Management Support Office	December 7, 2015 ~	March 18, 2023	—	—
Sato Sadahiro	August 1960 (male)	Non- executive director	Non- executive director	Non- Standing	—	1984 Graduated from the Department of Political Economics, Waseda University 2013 Head of the Sales Department, International Business Division of SECOM 2015 Part-time auditor of S-1 2016 Head of the International Business Division of SECOM executive officer 2017 Non-executive director of S-1 Current) Head of the International Business Division of SECOM Group	March 24, 2017 ~	March 23, 2023	—	—

(As of December 31, 2023)

Name	Birthdate (gender)	Position	Registered executive	Standing / Non- Standing	Duty	Major experiences	Tenure	Tenure expiration date	Business relationship with the company	Concurrent positions at other corporations
Jaehoon Lee	September 1955 (male)	Outside director	Outside director	Non- Standing	Outside director	1978 Graduated from the Department of Economics, Seoul National University 2002 Doctor of Public Administration, Sungkyunkwan University 2006 Head of the Office of Industrial Policy, Ministry of Commerce, Industry and Energy 2007 2nd Vice-minister, Ministry of Commerce, Industry and Energy 2008 2nd Vice-minister, Ministry of Knowledge Economy 2014 6th President of Korea Polytechnic University 2021 S-1 outside director Current) Advisor to Kim & Chang Current) Outside director of S-Oil Corporation Current) Representative of the Future of MPE (Materials, Parts, and Equipment) Forum	March 18, 2021 ~	March 17, 2024	—	Outside director of S-Oil
Manwoo Lee	November 1954 (male)	Outside director	Outside director	Non- Standing	Outside director	1977 Bachelor of Business Administration, Korea University 1984 Master of Accounting, Syracuse University Graduate School 1987 PhD in Business Administration (Accounting), University of Georgia Graduate School, USA 1980 Certified public accountant in Korea 1987 Certified public accountant in the US 1988 Professor at Korea University Business School 1994 Member of the Tax Development Review Committee, Ministry of Strategy and Finance 2006 President of the Korean Academic Society of Taxation 2006, 2010 Member of the National Economic Advisory Committee 2006 KBS guest commentator 2007 President of Korean Accounting Association 2013 Chairman of the IR Advisory Committee of the KOREA Investor Relations Service 2020 Professor emeritus, Korea University Business School	March 17, 2022 ~	March 16, 2025	—	—
Yunhwan Kim	November 1953 (male)	Standing Auditor	Auditor	Standing	Auditor	1997 Master of Administration, Yonsei University 2009 Doctor of Business Administration Seoul Venture University 2010 Commissioner of the Incheon Metropolitan Police Agency 2013 Business Management Director of Police Mutual Aid Association 2016 Full-time auditor of S-1	March 11, 2016 ~	March 20, 2022	—	—
Ishida Shozaburo	August 1946 (male)	Non- Standing Auditor	Auditor	Non- Standing	Auditor	1969 Graduated from the School of Law, Joongang University 2015 Designated attorney serving as a prosecutor in the Tokyo Electric Power Corporation compulsory prosecution case 2020 S-1 non-standing auditor Current) Attorney at Ishida Law Office Current) Arbitration member of the Second Tokyo Bar Association	March 19, 2020 ~	March 18, 2023	—	—

8. Major shareholders

(As of December 31, 2023)

Name of shareholder	Number of shares owned (share)	Ownership (%)	Business relationship with the company	The company's investment in the major shareholder	Notes
SECOM	9,747,383	25.65	Yes	—	
Samsung SDI	4,190,681	11.03	Yes	—	
National Pension Service	2,425,070	6.38	Yes	—	
Samsung Life Insurance	2,030,476	5.34	Yes	—	
FIDELITY	889,751	2.34	—	—	

9. Investments in other companies made by the company, the company and subsidiaries, or the company's subsidiaries

(As of December 31, 2023)

Name of other company	Parent company	Invested in other companies		Of other companies that invested in S-1	
		Number of shares owned	Ownership (%)	Number of shares	Ownership (%)
Human TSS, Inc.	S-1	200,000	100.00	—	—
S-1 CRM Corporation	S-1	140,000	100.00	—	—
Samsung Beijing Security Systems	S-1	Shares not issued	100.00	—	—
S-1 CORPORATION VIETNAM CO.,LTD	S-1	Shares not issued	100.00	—	—
S-1 CORPORATION HUNGARY LLC	S-1	Shares not issued	100.00	—	—
SVIC No. 35 New technology business investment partnership	S-1	Shares not issued	99.00	—	—
Igloo Corp.	S-1	1,209,829	11.00	—	—

10. Major creditors, etc.

“N/A”

11. Important facts after settlement of accounts

“N/A”

12. Other important information regarding business

“N/A”

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1. Statement of financial position

47th period as of December 31, 2023

46th period as of December 31, 2022

S-1 Corporation

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
Assets				
I. Current assets		1,012,362,036,750		866,826,726,799
1. Cash and cash equivalents	203,290,544,850		190,130,689,006	
2. Short-term financial instruments	453,262,109,130		364,762,109,130	
3. Accounts receivable and other receivables	174,927,881,288		154,206,014,044	
4. Contract assets	49,479,324,082		38,937,002,168	
5. Accrued revenue	7,793,657,649		5,608,640,957	
6. Inventories	14,426,649,152		15,370,293,059	
7. Advance payments	1,915,607,647		2,309,567,126	
8. Prepaid expenses	86,711,396,084		78,853,165,002	
9. Loans and receivables	20,554,866,868		16,649,246,307	
II. Non-current assets		1,076,349,137,250		1,118,872,434,645
1. Long-term contract assets	4,967,225,296		3,531,866,786	
2. Long-term financial assets	6,000,000		6,000,000	
3. Other comprehensive income: Financial assets at fair value	18,139,723,497		14,543,017,547	
4. Profit and loss: Financial assets at fair value	14,195,644,010		13,184,824,900	
5. Loans and receivables	23,267,540,774		27,631,572,512	
6. Subsidiary and joint venture equity securities	10,855,661,265		11,176,421,265	
7. Investments in real estate	22,006,758,600		22,006,758,600	
8. Tangible assets	471,662,803,893		473,242,391,065	
9. Intangible assets	395,963,596,272		404,894,755,764	
10. Right-of-use assets	36,620,982,151		45,408,664,494	
11. Long-term prepaid expenses	78,663,201,492		71,762,987,104	
12. Net defined benefit assets	—		31,483,174,608	
Total assets		2,088,711,174,000		1,985,699,161,444

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
Liabilities				
I. Current liabilities		429,850,847,543		411,013,161,173
1. Accounts payable and other liabilities	223,169,180,819		212,903,813,161	
2. Lease liabilities	21,227,412,074		20,073,981,918	
3. Value-added tax withheld	21,296,036,969		20,684,596,329	
4. Income tax payable	13,196,489,276		26,031,936,606	
5. Advances from customers	91,539,466,794		73,372,480,380	
6. Unearned revenue	19,206,184,721		18,411,770,577	
7. Deposits received	8,290,935,918		7,497,896,726	
8. Current portion of deposits received	31,925,140,972		32,036,685,476	
II. Non-current liabilities		103,572,769,382		101,245,120,797
1. Long-term accounts payable and other liabilities	6,107,932,100		6,571,754,100	
2. Long-term lease liabilities	17,161,854,352		26,170,542,031	
3. Net defined benefit liability	8,494,671,882		—	
4. Deferred tax liabilities	14,485,272,019		11,040,409,879	
5. Deposits received	4,308,894,822		5,209,124,204	
6. Provisions	2,974,836,781		3,676,187,486	
7. Long-term unearned revenue	16,803,672,229		16,784,766,835	
8. Other non-current liabilities	33,235,635,197		31,792,336,262	
Total liabilities		533,423,616,925		512,258,281,970
Equity				
I. Capital stock		18,999,589,000		18,999,589,000
1. Common capital stock	18,999,589,000		18,999,589,000	
II. Capital surplus		192,913,601,374		192,913,601,374
III. Retained earnings		1,492,741,089,386		1,411,353,278,661
IV. Other components of equity		(149,366,722,685)		(149,825,589,561)
Total equity		1,555,287,557,075		1,473,440,879,474
Total liabilities and equity		2,088,711,174,000		1,985,699,161,444

2. Income statement

47th period from January 1, 2023 to December 31, 2023

46th period from January 1, 2022 to December 31, 2022

S-1 Corporation

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Sales		2,577,731,932,791		2,427,260,264,241
II. Cost of sales		1,964,016,750,880		1,841,174,342,283
III. Gross profit		613,715,181,911		586,085,921,958
1. Selling and Administrative expenses	409,957,381,012		393,260,775,584	
IV. Operating profit		203,757,800,899		192,825,146,374
1. Other non-operating income	27,684,156,022		9,810,886,152	
2. Other non-operating expenses	29,026,501,034		23,580,788,519	
3. Financial income	19,205,397,247		10,375,471,185	
4. Financial costs	1,391,848,377		1,030,374,483	
V. Profit before income tax		220,229,004,757		188,400,340,709
1. Income tax expense	24,556,189,518		46,868,999,225	
VI. Profit for the year		195,672,815,239		141,531,341,484
VII. Earnings per share				
Basic earnings per share		5,787		4,186
Diluted earnings per share		5,787		4,186

3. Statement of comprehensive income

47th period from January 1, 2023 to December 31, 2023

46th period from January 1, 2022 to December 31, 2022

S-1 Corporation

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Net income		195,672,815,239		141,531,341,484
II. Other comprehensive income		(29,300,540,138)		7,300,252,573
Items not later reclassified as profit or loss				
1. Reassessment of the net defined benefit liability (assets)	(29,759,407,014)		8,763,880,514	
2. Other comprehensive income: Valuation gain and loss of financial assets at fair value	458,866,876		(1,463,627,941)	
III. Total comprehensive income		166,372,275,101		148,831,594,057

4. Statement of changes in equity

47th period from January 1, 2023 to December 31, 2023

46th period from January 1, 2022 to December 31, 2022

S-1 Corporation

(Unit: KRW)

Title	Capital stock	Paid-in capital in excess of par value	Retained earnings	Other capital items	Total
January 1, 2022 (beginning of the prior period)	18,999,589,000	192,913,601,374	1,345,583,654,163	(148,361,961,620)	1,409,134,882,917
A. Total comprehensive income					
1. Net income	—	—	141,531,341,484	—	141,531,341,484
2. Other comprehensive income: Valuation gain and loss of financial assets at fair value	—	—	—	(1,463,627,941)	(1,463,627,941)
3. Reassessment of net defined benefit liabilities (assets)	—	—	8,763,880,514	—	8,763,880,514
B. Transactions with the owner					
1. Dividends	—	—	(84,525,597,500)	—	(84,525,597,500)
December 31, 2022 (end of the prior period)	18,999,589,000	192,913,601,374	1,411,353,278,661	(149,825,589,561)	1,473,440,879,474
January 1, 2023 (beginning of the current period)	18,999,589,000	192,913,601,374	1,411,353,278,661	(149,825,589,561)	1,473,440,879,474
A. Total comprehensive income					
1. Net income	—	—	195,672,815,239	—	195,672,815,239
2. Other comprehensive income: Valuation gain and loss of financial assets at fair value	—	—	—	458,866,876	458,866,876
3. Reassessment of net defined benefit liabilities (assets)	—	—	(29,759,407,014)	—	(29,759,407,014)
B. Transactions with the owner					
1. Dividend	—	—	(84,525,597,500)	—	(84,525,597,500)
December 31, 2023 (end of the current period)	18,999,589,000	192,913,601,374	1,492,741,089,386	(149,366,722,685)	1,555,287,557,075

5. Statement of cash flow

47th period from January 1, 2023 to December 31, 2023

46th period from January 1, 2022 to December 31, 2022

S-1 Corporation

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Cash flow from operating activities		367,619,242,005		262,034,568,668
1. Cash flows created from operating activities	361,305,382,463		294,981,193,987	
A. Net income	195,672,815,239		141,531,341,484	
B. Adjustment	217,392,613,590		253,203,893,056	
C. Changes in assets and liabilities related to operating activities	(51,760,046,366)		(99,754,040,553)	
2. Interest received	17,007,696,244		6,589,779,226	
3. Payment of interest	(1,367,012,116)		(958,128,049)	
4. Dividend revenue	15,818,357,440		1,272,637,314	
5. Income tax paid	(25,145,182,026)		(39,850,913,810)	
II. Cash flows from investing activities		(249,155,535,594)		(138,976,841,530)
1. Acquisition of short-term financial instruments	(473,000,000,000)		(369,500,000,000)	
2. Disposal of short-term financial instruments	384,500,000,000		364,520,000,000	
3. Other comprehensive income: Acquisition of financial assets at fair value	(3,000,000,000)		—	
4. Gain and loss: Acquisition of financial assets at fair value	(4,000,000,000)		—	
5. Gain and loss: Disposal of financial assets at fair value	2,194,222,344		—	
6. Disposal of stocks invested in subsidiaries	320,760,000		—	
7. Acquisition of tangible assets	(154,825,582,328)		(135,891,150,749)	
8. Disposal of tangible assets	129,912,741		39,296,160	
9. Acquisition of intangible assets	(1,932,751,640)		(803,317,867)	
10. Disposal of intangible assets	—		2,600,000,000	
11. Increase in deposits	(8,903,415,403)		(7,406,804,983)	
12. Decrease in deposits	9,361,318,692		7,465,135,909	
III. Cash flow from financial activities		(105,303,850,567)		(104,967,306,407)
1. Payment of dividends	(84,525,597,500)		(84,525,597,500)	
2. Payment of lease liabilities	(20,778,253,067)		(20,441,708,907)	
IV. Net increase in cash and cash equivalents (I + II + III)		13,159,855,844		18,090,420,731
V. Beginning cash and cash equivalents		190,130,689,006		172,040,268,275
VI. Cash and cash equivalents at the end of the current period		203,290,544,850		190,130,689,006

6. Statements of appropriation of retained earnings

47th period from January 1, 2023 to December 31, 2023
 46th period from January 1, 2022 to December 31, 2022
 S-1 Corporation

Date of appropriation: March 21, 2024
 Final date of appropriation: March 16, 2023

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Unappropriated retained earnings		166,286,962,271		150,899,151,546
1. Retained earnings brought forward from the previous year	373,554,046		603,929,548	
2. Reassessment of the net defined benefit liability (assets)	(29,759,407,014)		8,763,880,514	
3. Net income	195,672,815,239		141,531,341,484	
II. Appropriated retained earnings		165,287,645,300		150,525,597,500
1. Voluntary reserve	74,000,000,000		66,000,000,000	
2. Dividend	91,287,645,300		84,525,597,500	
Cash dividend				
Dividend per share (rate)				
Current period: KRW2,700				
Prior period: KRW2,500				
III. Unappropriated retained earnings carried over to subsequent year		999,316,971		373,554,046

7. Notes to financial statements

For information on the notes, please read the audit report disclosed in the Data Analysis, Retrieval and Transfer System of the Financial Supervisory Service (<http://dart.fss.or.kr>) published on March 13, 2024.

Consolidated Financial Statements

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1. Consolidated statement of financial position

47th period as of December 31, 202346th period as of December 31, 2022

S-1 Corporation and its subsidiary companies

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
Assets				
I. Current assets		1,096,505,825,046		950,422,185,740
1. Cash and cash equivalents	241,861,776,471		238,856,121,359	
2. Short-term financial instruments	483,300,509,130		385,318,851,157	
3. Accounts receivable and other receivables	183,695,382,925		161,639,993,129	
4. Contract assets	53,252,164,128		40,719,736,030	
5. Accrued revenue	8,035,846,157		5,679,775,999	
6. Inventories	16,004,323,528		17,702,423,813	
7. Advance payments	2,684,173,384		3,710,407,855	
8. Prepaid expenses	86,951,282,455		79,034,341,806	
9. Value-added tax refundable	—		119,121,245	
10. Loans and receivables	20,720,366,868		17,641,413,347	
II. Non-current assets		1,082,999,533,131		1,125,236,409,762
1. Long-term contract assets	4,967,225,296		3,531,866,786	
2. Long-term financial assets	6,000,000		6,000,000	
3. Other comprehensive income: Financial assets at fair value	18,139,723,497		14,543,017,547	
4. Profit and loss: Financial assets at fair value	16,469,001,694		15,138,357,576	
5. Loans and receivables	26,010,219,358		29,644,670,222	
6. Stocks invested in joint ventures	2,354,182,145		2,459,627,811	
7. Investments in real estate	22,006,758,600		22,006,758,600	
8. Tangible assets	473,117,918,334		474,713,277,975	
9. Intangible assets	397,092,263,566		405,722,224,361	
10. Right-of-use assets	37,069,577,769		46,062,691,542	
11. Long-term prepaid expenses	78,668,818,929		71,771,929,958	
12. Net defined benefit assets	4,839,499,006		38,314,191,987	
13. Deferred tax assets	2,258,344,937		1,321,795,397	
Total assets		2,179,505,358,177		2,075,658,595,502

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
Liabilities				
I. Current liabilities		469,223,945,057		444,737,224,516
1. Accounts payable and other liabilities	242,245,316,039		237,136,729,203	
2. Lease liabilities	21,541,195,563		20,526,166,961	
3. Value-added tax withheld	27,076,640,296		24,902,958,527	
4. Income tax payable	13,970,537,433		27,543,079,845	
5. Advances from customers	103,236,235,823		74,991,357,797	
6. Unearned revenue	19,206,184,721		18,411,770,577	
7. Deposits received	10,022,694,210		9,188,476,130	
8. Current portion of deposits received	31,925,140,972		32,036,685,476	
II. Non-current liabilities		112,374,644,461		107,932,108,419
1. Long-term accounts payable and other liabilities	6,107,932,100		6,571,754,100	
2. Long-term lease liabilities	17,307,721,378		26,410,563,833	
3. Net defined benefit liability	8,494,671,882		—	
4. Deferred tax liabilities	14,485,272,019		11,040,409,879	
5. Deposits received	4,308,894,822		5,209,124,204	
6. Provisions	2,974,836,781		3,676,187,486	
7. Long-term unearned revenue	16,803,672,229		16,784,766,835	
8. Other non-current liabilities	41,891,643,250		38,239,302,082	
Total liabilities		581,598,589,518		552,669,332,935
Equity				
Controlling Company Shareholder's Equity		1,597,883,288,628		1,522,965,763,397
I. Capital stock		18,999,589,000		18,999,589,000
1. Common capital stock	18,999,589,000		18,999,589,000	
II. Capital surplus		192,913,601,374		192,913,601,374
III. Retained earnings		1,535,056,142,631		1,460,752,209,838
IV. Other components of Equity		(149,086,044,377)		(149,699,636,815)
Non-controlling interests		23,480,031		23,499,170
Total equity		1,597,906,768,659		1,522,989,262,567
Total liabilities and equity		2,179,505,358,177		2,075,658,595,502

2. Consolidated income statement

47th period from January 1, 2023 to December 31, 202346th period from January 1, 2022 to December 31, 2022

S-1 Corporation and its subsidiary companies

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Sales		2,620,810,541,515		2,467,960,276,573
II. Cost of sales		2,003,912,115,995		1,876,917,910,496
III. Gross profit		616,898,425,520		591,042,366,077
1. Selling and administrative expenses	404,289,104,836		386,903,461,787	
IV. Operating profit		212,609,320,684		204,138,904,290
1. Other non-operating income	13,700,667,391		9,819,414,196	
2. Other non-operating expenses	29,201,278,920		23,819,054,157	
3. Financial income	21,244,304,642		12,491,799,276	
4. Financial cost	2,090,525,892		1,870,793,445	
V. Profit before income tax		216,262,487,905		200,760,270,160
1. Income tax expenses	26,781,942,036		49,729,437,339	
VI. Profit for the year		189,480,545,869		151,030,832,821
Controlling Company Shareholder's Equity		189,477,325,008		151,031,868,638
Non-controlling interests		3,220,861		(1,035,817)
VII. Gain and loss per share of the controlling company Shareholder's equity				
Basic earnings per share		5,604		4,467
Diluted earnings per share		5,604		4,467

3. Consolidated comprehensive income statement

47th period from January 1, 2023 to December 31, 202346th period from January 1, 2022 to December 31, 2022

S-1 Corporation and its subsidiary companies

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Net income		189,480,545,869		151,030,832,821
II. Other comprehensive income		(30,034,202,277)		13,588,222,743
Items not later reclassified as profit or loss				
1. Reassessment of the net defined benefit liability (asset)	(30,647,794,715)		15,659,045,263	
2. Other comprehensive income: Valuation gain and loss of financial assets at fair value	458,866,876		(1,463,627,941)	
Items that may be reclassified as profit or loss in the future				
1. Gain or loss on overseas operations translation	154,725,562		(607,194,579)	
III. Total comprehensive income		159,446,343,592		164,619,055,564
1. Total comprehensive income attributable to controlling interests		159,443,122,731		164,620,091,381
2. Non-controlling interests		3,220,861		(1,035,817)

4. Consolidated statement of changes in equity

47th period from January 1, 2023 to December 31, 2023

46th period from January 1, 2022 to December 31, 2022

S-1 Corporation and its subsidiary companies

(Unit: KRW)

Title	Owners' equity					Non-controlling interests	Total
	Capita stock	Paid-in capital in excess of par value	Retained earnings	Other capital items	Owners' equity		
January 1, 2022 (beginning of the prior period)	18,999,589,000	192,913,601,374	1,378,586,893,437	(147,628,814,295)	1,442,871,269,516	24,534,987	1,442,895,804,503
A. Total comprehensive income							
1. Net income	—	—	151,031,868,638	—	151,031,868,638	(1,035,817)	151,030,832,821
2. Other comprehensive income: Valuation gain and loss of financial assets at fair value	—	—	—	(1,463,627,941)	(1,463,627,941)	—	(1,463,627,941)
3. Reassessment of net defined benefit liabilities (assets)	—	—	15,659,045,263	—	15,659,045,263	—	15,659,045,263
4. Overseas business profit/loss on foreign exchange	—	—	—	(607,194,579)	(607,194,579)	—	(607,194,579)
B. Transactions with the owner							
1. Dividends	—	—	(84,525,597,500)	—	(84,525,597,500)	—	(84,525,597,500)
December 31, 2022 (end of the prior period)	18,999,589,000	192,913,601,374	1,460,752,209,838	(149,699,636,815)	1,522,965,763,397	23,499,170	1,522,989,262,567
January 1, 2023(beginning of the current period)	18,999,589,000	192,913,601,374	1,460,752,209,838	(149,699,636,815)	1,522,965,763,397	23,499,170	1,522,989,262,567
A. Total comprehensive income							
1. Net income	—	—	189,477,325,008	—	189,477,325,008	3,220,861	189,480,545,869
2. Other comprehensive income: Valuation gain and loss of financial assets at fair value	—	—	—	458,866,876	458,866,876	—	458,866,876
3. Reassessment of net defined benefit liabilities (assets)	—	—	(30,647,794,715)	—	(30,647,794,715)	—	(30,647,794,715)
4. Overseas profit/loss on foreign exchange	—	—	—	154,725,562	154,725,562	—	154,725,562
B. Transactions with the owner							
1. Dividends	—	—	(84,525,597,500)	—	(84,525,597,500)	—	(84,525,597,500)
2. Other	—	—	—	—	—	(3,240,000)	(3,240,000)
December 31, 2023 (end of the current period)	18,999,589,000	192,913,601,374	1,535,056,142,631	(149,086,044,377)	1,597,883,288,628	23,480,031	1,597,906,768,659

5. Consolidated statement of cash flow

47th period from January 1, 2023 to December 31, 202346th period from January 1, 2022 to December 31, 2022

S-1 Corporation and its subsidiary companies

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
I. Cash flow from operating activities		368,354,305,337		277,448,190,365
1. Operating cash flow	378,264,956,504		312,429,849,142	
A. Net income	189,480,545,869		151,030,832,821	
B. Adjustment	239,115,549,684		261,646,216,618	
C. Increase (decrease) in assets and liabilities related to operating activities	(50,331,139,049)		(100,247,200,297)	
2. Interest received	18,459,531,591		7,572,003,806	
3. Payment of interest	(1,383,782,004)		(981,806,635)	
4. Dividend revenue	1,818,357,440		1,096,184,294	
5. Income tax paid	(28,804,758,194)		(42,668,040,242)	
II. Cash flows from investing activities		(260,168,309,769)		(151,570,872,498)
1. Acquisition of short-term financial instruments	(537,326,991,706)		(428,400,000,000)	
2. Disposal of short-term financial instruments	439,000,000,000		413,820,000,000	
3. Other comprehensive income: Acquisition of financial assets at fair value	(3,000,000,000)		—	
4. Gain and loss: Acquisition of financial assets at fair value	(4,000,000,000)		—	
5. Gain and loss: Disposal of financial assets at fair value	2,194,222,344		—	
6. Acquisition of tangible assets	(155,418,019,610)		(136,950,831,717)	
7. Disposal of tangible assets	167,063,554		90,833,160	
8. Acquisition of intangible assets	(2,412,487,640)		(968,704,867)	
9. Disposal of intangible assets	—		2,600,000,000	
10. Increase in deposits	(8,903,415,403)		(9,447,304,983)	
11. Decrease in deposits	9,531,318,692		7,685,135,909	

(Unit: KRW)

Title	47 th (current) period		46 th (prior) period	
III. Cash flow from financial activities		(105,792,052,621)		(105,351,471,127)
1. Payment of dividends	(84,525,597,500)		(84,525,597,500)	
2. Payment of lease liabilities	(21,263,215,121)		(20,825,873,627)	
3. Decrease in non-controlling interests	(3,240,000)		—	
IV. Profit/loss on foreign exchange of cash flow		611,712,165		(569,575,949)
V. Net increase in cash and cash equivalents (I + II + III + IV)		3,005,655,112		19,956,270,791
VI. Beginning cash and cash equivalents		238,856,121,359		218,899,850,568
VII. Ending cash and cash equivalents		241,861,776,471		238,856,121,359

6. Notes to consolidated financial statements

For information on the notes, please read the audit report disclosed in the Data Analysis, Retrieval and Transfer System of the Financial Supervisory Service (<http://dart.fss.or.kr>) published on March 13, 2024.

Resolution of Board of Directors

Resolution of Board of Directors

By a resolution of the Board of Directors, the financial statements and annual report of the 47th period (January 1, 2023 ~ December 31, 2023) are submitted as described above

January 26, 2024

S-1 Corporation
CEO BEOM NAMGOONG

CEO	Moriya Kiyoshi
Director	Youngki Kwon
Director	Sato Sadahiro
Outside director	Jaehoon Lee
Outside director	Manwoo Lee

Audit report

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1. Auditors' report

The auditors audited the accounting and business of the 47th business year (from January 1, 2023 to December 31, 2023), and report the following:

1) Outline of the auditing method

The auditors perused accounting books and related documents for auditing, reviewed financial statements, consolidated financial statements and supplementary schedules, made comparisons, conducted due diligence, requested the presence of related officials, asked questions if it was deemed necessary, and followed the appropriate auditing procedure.

For the purpose of auditing, the auditors used appropriate methods: e.g., the auditors attended BOD meetings and other important meetings, and if deemed necessary, received business reports from directors, and inspected and reviewed documents related to important businesses. In their perusal, they used appropriate methods. The auditors received and reviewed a report on the operating status of the internal accounting management system, which was instituted to prepare and disclose reliable accounting data.

2) Matters concerning financial statements, such as the statement of financial position, the consolidated statement of financial position, the comprehensive income statement and the consolidated comprehensive income statement.

Financial statements, including the statement of financial position, the consolidated statement of financial position, the comprehensive income statement, and the consolidated comprehensive income statement, appropriately reflect the financial status and management performance of the company according to laws and the articles of incorporation.

3) Matters concerning the statements of appropriation of retained earnings

The statements of appropriation of retained earnings are appropriate according to laws and the articles of incorporation.

4) Matters concerning the annual report

The annual report appropriately reflects the status of the company according to laws and the articles of incorporation.

February 21, 2024

S-1 Corporation

Auditor Yunhwan Kim

Auditor Ishida Shozaburo

2. Independent auditor's report on financial statements

To shareholders and the Board of Directors

Our opinion

We audited the financial statements of S-1 Corporation (hereinafter referred to as the "Company"). The financial statements consist of the statement of financial position as of December 31, 2023, as well as the income statement, comprehensive income statement, statement of changes in equity, statement of cash flow of the reporting period ending on the same date, and the notes to the financial statements including a summary of significant accounting policies.

In our opinion, the financial statements of S-1 Corporation impartially reflect the financial position of S-1 Corporation as of December 31, 2023 and the financial performance and cash flow of S-1 Corporation ending on the same date in accordance with Korean equivalents of International Financial Reporting Standards (K-IFRS) from the viewpoint of materiality.

We also audited the internal accounting management system of S-1 based on the "concept system of the internal accounting management system design and operation" as of December 31, 2023 according to the auditing standards of the Republic of Korea, and expressed a qualified opinion in the audit report dated March 13, 2024.

Basis for audit opinion

We audited according to Korean auditing standards. Our responsibility according to these standards is described in the paragraph concerning the auditors' responsibility for the financial statements in this audit report. We are independent from the company according to the ethical requirements of the Republic of Korea related to the auditing of the financial statements, and we fulfilled other ethical responsibilities according to these requirements. We believe that the auditing evidence we obtained is sufficient and appropriate as the basis for the audit opinion.

Key audit matters

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

Assessment of the impairment of the cash-generating units of the Building Management Division

A. Reasons for designation as a key audit matter

As mentioned in Note 15 to the financial statements, the Company has performed an impairment review of cash-generating units to which goodwill has been allocated, and we paid attention to this area because the future cash flow estimates included in the value-in-use assessment of the Building Management Division include management assumptions and judgments regarding financial budget projections, growth rates, and discount rates, and the impact on financial statements is significant.

B. How key audit matters were handled

We performed key audit procedures, including the following, in relation to the impairment assessment of the Building Management Division's cash-generating units.

- We evaluated the appropriateness of the valuation model used by management to estimate value in use.
- We conducted internal control testing, including management's review and approval of value-in-use estimates.
- We compared the actual performance of the current period with the estimates of the previous year to determine after the fact whether the estimates included optimistic assumptions.
- We evaluated eligibility and independence of the external management experts who participated in value-in-use estimation.
- We evaluated the rationality of the key assumptions applied when estimating value in use.
- We evaluated the results of a sensitivity analysis of discount rates and terminal growth rates performed by management to assess the impact of changes in key assumptions on the impairment assessment.

Other matters

The Company's financial statements for the reporting period ending on March 31, 2022 were audited by another auditor in accordance with the accounting auditing standards of the Republic of Korea, and this auditor's audit report dated March 7, 2023 expressed an unqualified opinion.

Management and governing body's responsibilities for the financial statements

The management is responsible for impartially preparing and presenting financial statements according to K-IFRS as well as the internal controls internally determined to be necessary for preparing the financial statements without any material distortion caused by error or fraud.

When preparing the financial statements, the management is responsible for evaluating the company's ability to continue to exist as a going concern, and if applicable, disclosing matters related to the going concern.

As long as the management does not have any intention of liquidating the company or ceasing operations, the management is also responsible for using the going concern's accounting methods.

The governing body is responsible for auditing the financial reporting procedure of the company.

Auditors' responsibility for the auditing of the financial statements

Our purpose is to gain reasonable confidence concerning the absence of material distortions due to fraud or errors in the company's financial statements, and publish an audit report including our opinions. Reasonable confidence means a high level of confidence, but does not guarantee that the audit conducted according to the auditing standards will always discover material distortion. Distortions may be caused by fraud or error, and if it is reasonably expected that distortions will affect the economic decision making of stakeholders based on the financial statements individually or collectively, such distortions will be regarded as material.

As part of the audit, we make professional judgments throughout the auditing process with a reasonable amount of professional skepticism and in strict accordance with auditing standards.

- We identify and assess the risk of a material misstatement of the financial statements due to fraud or error, and design and conduct the auditing procedure in response to such a risk. We also obtain sufficient and adequate audit evidence as grounds for our opinions. Since fraud may involve collusion, forgery, intentional omissions, false statements or neutralization of an internal control, the risk of not discovering a material misstatement due to fraud is greater than the risk due to an error.
- We understand the internal controls related to auditing in order to design audit procedures that are appropriate for the situation.
- We assess the adequacy of the accounting policy that management had applied to prepare the financial statements, and the rationality of the disclosure related to the accounting estimates derived by the management.
- If we make a conclusion about whether there is material uncertainty related to accidents or situations likely to cause significant skepticism about the adequacy of the going concern's assumptions of accounting used by management, our conclusion concerning the ability to continue as a going concern is based on the audit evidence that we have obtained. If we conclude that there is material uncertainty, we call attention to the audit report in regard to the related disclosure of the financial statements, and if the disclosure is deemed inadequate, we are required to change our opinion. Our conclusion is based on the audit evidence we obtained by the audit report date, but a future accident or situation may halt the Company's continuation as a going concern.
- We evaluate the overall representation, structure and contents of the financial statements including disclosures, and evaluate whether the financial statements impartially represent the transactions and accidents on which the financial statements are based.

We communicate with the governing body about significant findings of the audit such as the planned scope and timing of auditing, and significant inadequacies of internal controls identified during the audit.

Also, we are careful to comply with all ethical requirements related to independence, and provide the governing body with a statement that we communicate with the governing body about all relations thought to be related to the issue of our independence, other matters and related institutional safety devices, if applicable.

We selected the most significant matters among those we had communicated with the governing body as key audit matters. Unless laws exclude their public disclosure, or in an extremely rare case, we conclude that they should not be communicated in the audit report because the negative results of describing them in the audit report are reasonably expected to exceed the public benefits of communicating them, we describe them in the audit report.

The executive officer who conducted the audit that served as the basis for this audit report is Hojoon Park.

Samil PwC, 100, Hangang-daero, Yongsan-gu, Seoul
CEO **Hoonsoo Yoon**

March 13, 2024

This audit report is valid as of the audit report date (March 13, 2024). Accordingly, it is highly possible that incidents or situations may occur between the audit report date and perusal of this report that may seriously affect the attached financial statements of the company, and as a result this audit report may be subsequently modified.

3. Independent auditor's report on consolidated financial statements

To shareholders and the Board of Directors

Our opinion

We audited the consolidated financial statements of S-1 Corporation and its subsidiary companies (hereinafter referred to as "consolidated companies"). The financial statements consist of the consolidated statement of financial position as of December 31, 2023, and the consolidated income statement, consolidated comprehensive income statement, consolidated statement of changes in equity, and consolidated statement of cash flow of the reporting period ending on the same date, and the notes to the consolidated financial statements including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of S-1 Corporation impartially reflect the consolidated financial position of S-1 Corporation as of December 31, 2023 and the consolidated financial performance and consolidated cash flow of S-1 Corporation ending on the same date according to K-IFRS from the viewpoint of materiality.

Basis for audit opinion

We audited according to Korean auditing standards. Our responsibility according to these standards is described in the paragraph concerning the auditors' responsibility for the consolidated financial statements in this audit report. We are independent from the company according to the ethical requirements of the Republic of Korea related to the auditing of the consolidated financial statements, and we fulfilled other ethical responsibilities according to these requirements. We believe that the auditing evidence we obtained is sufficient and appropriate as the basis for the audit opinion.

Key audit matters

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

Assessment of the impairment of the cash-generating units of the Building Management Division

A. Reasons for designation as a key audit matter

As mentioned in Note 15 to the consolidated financial statements, the Company has performed an impairment review of cash-generating units to which goodwill has been allocated, and we paid attention to this area because the future cash flow estimates included in the value-in-use assessment of the Building Management Division include management assumptions and judgments regarding financial budget projections, growth rates, and discount rates, and the impact on financial statements is significant.

B. How key audit matters were handled

We performed key audit procedures, including the following, in relation to the impairment assessment of the Building Management Division's cash-generating units.

- We evaluated the appropriateness of the valuation model used by management to estimate value in use.

- We conducted internal control testing, including management's review and approval of value-in-use estimates.
- We compared the actual performance of the current period with the estimates of the previous year to determine after the fact whether the estimates included optimistic assumptions.
- We evaluated eligibility and independence of the external management experts who participated in value-in-use estimation.
- We evaluated the rationality of the key assumptions applied when estimating value in use.
- We evaluated the results of a sensitivity analysis of discount rates and terminal growth rates performed by management to assess the impact of changes in key assumptions on the impairment assessment.

Other matters

The Company's consolidated financial statements for the reporting period ending on March 31, 2022 were audited by another auditor in accordance with the accounting auditing standards of the Republic of Korea, and this auditor's audit report dated March 7, 2023 expressed an unqualified opinion.

The management and governing body's responsibility for the consolidated financial statements

Management is responsible for impartially preparing and presenting the consolidated financial statements according to Korean equivalents of International Financial Reporting Standards (K-IFRS) as well as the internal controls internally determined to be necessary for preparing the consolidated financial statements without any material distortion caused by fraud or error. When preparing the consolidated financial statements, management is responsible for evaluating the company's ability to continue to exist as a going concern, and if applicable, disclosing matters that may imperil the company's ability to continue as a going concern. As long as management does not have any intention of liquidating the company or ceasing operations, management is also responsible for using the assumptions of accounting of the going concern.

The governing body is responsible for auditing the financial reporting procedure of the company.

Auditors' responsibility for the auditing of the consolidated financial statements

Our purpose is to gain reasonable confidence concerning the absence of material distortions due to fraud or errors in the consolidated companies' consolidated financial statements, and publish an audit report including our opinions. Reasonable confidence means a high level of confidence, but does not guarantee that the audit conducted according to the auditing standards will always discover any material distortion. Distortions may be caused by fraud or error, and if it is reasonably expected that any distortion will affect the economic decision making of stakeholders based on the consolidated financial statements individually or collectively, such distortion will be regarded as material.

As part of the audit conducted in accordance with auditing standards, we also make professional judgments throughout the auditing process with a reasonable amount of professional skepticism.

- We design and conduct the auditing procedure to uncover any material misstatement within the consolidated financial statements due to fraud or error, and carefully assess the risk thereof. We are also careful to obtain adequate evidence as grounds for our audit opinion. Since fraud may involve collusion, forgery, intentional omissions, false statements or neutralization of an internal control, the risk of not discovering a material misstatement due to fraud is greater than a risk due to an error.

- We understand the internal controls related to auditing to design audit procedures that are appropriate for the situation. However, it is not intended to express an opinion on the effectiveness of the internal controls.
- To prepare the consolidated financial statements, the adequacy of the accounting policies applied by management and the rationality of the disclosures related to the accounting estimates derived by management are to be assessed.
- If we make a conclusion about whether there is material uncertainty related to accidents or situations likely to cause significant skepticism about the adequacy of the going concern's assumption of accounting used by the management, the conclusion will be based on the audit evidence obtained. If we conclude that there is material uncertainty, we will call attention to the audit report with regard to the related disclosure of the consolidated financial statements, and if the disclosure is deemed inadequate, we are required to change our opinion. Importantly, our conclusion is based on the audit evidence we have obtained by the audit report date, but a subsequent accident or situation may halt the consolidated companies' continuation as going concerns.
- We evaluate the overall representation, structure and contents of the consolidated financial statements including disclosures, and evaluate whether the financial statements impartially represent the transactions and accidents on which the consolidated financial statements are based.
- To express our opinion on the consolidated financial statements, we obtain sufficient and adequate audit evidence related to the financial information of the company or the business activities in the group. We are responsible for directing; supervising and performing the group audit, and take full responsibility for the audit opinion.

We communicate with the governing body concerning the significant findings of the audit, such as the planned scope and timing of auditing and any significant inadequacies of any internal controls identified during the audit.

Also, we comply with all ethical requirements related to independence as we provide the governing body with a statement that we communicate with them regarding all relations thought to be related to our independence, any other related matters and relevant institutional safety devices, if applicable.

Among all the matters of the audit of the consolidated financial statements, we selected the most significant ones to discuss with the governing body as key concerns. Unless laws exclude their public disclosure, or in an extremely rare case, we conclude that they should not be communicated in the audit report because the negative results of describing them in the audit report are reasonably expected to exceed the public benefits of communicating them, we describe them in the audit report.

The executive officer who conducted the audit that served as the basis for this audit report is Hojoon Park.

Samil PwC, 100, Hangang-daero, Yongsan-gu, Seoul

CEO **Hoonsoo Yoon**

March 13, 2024

This audit report is valid as of the audit report date (March 13, 2024). Accordingly, it is highly possible that incidents or situations may occur between the audit report date and perusal of this report that may seriously affect the attached consolidated financial statements of the Company, and as a result this audit report may be subsequently modified.

4. Independent auditors' report on the internal controls over financial reporting

To shareholders and the Board of Directors of S-1 Corp

Auditors' opinion on the internal controls over financial reporting

We audited the internal accounting management system of S-1 based on the "concept system of the internal accounting management system design and operation" as of December 31, 2023.

In our opinion and after thorough review, we consider that the company's internal controls over financial reporting are designed effectively and operated from the viewpoint of the "conceptual design and operation of an internal accounting management system" as of December 31, 2023.

In accordance with the accounting auditing standards of the Republic of Korea, we also audited the Company's statement of financial position as of December 31, 2023, income statement, comprehensive income statement, statement of changes in equity, statement of cash flows and the notes to the financial statements including a summary of significant accounting policies, and expressed a qualified opinion in the audit report dated March 13, 2024.

Basis for audit opinion

We audited the financial records of the company according to Republic of Korea auditing standards. Our responsibility according to these standards is described in the paragraph concerning the auditors' responsibility for the auditing of the internal controls over financial reporting in this audit report.

We are independent from the company according to the ethical requirements of the Republic of Korea related to the auditing of the internal controls over financial reporting, and we fulfilled all other ethical responsibilities according to these requirements. We believe that the auditing evidence we obtained is sufficient and appropriate as the basis for the audit opinion.

The responsibilities of management and the governing bodies for the internal controls over financial reporting

The management is responsible for designing and executing effective internal controls over financial reporting, which includes assessing the effectiveness of the internal controls over financial reporting.

The governing body is responsible for monitoring the company's internal controls over financial reporting.

Auditors' responsibility for the auditing of the internal controls over financial reporting

Our responsibility is to express opinions on the company's internal controls over financial reporting based on our auditing practices and expertise. We audited according to Republic of Korea auditing standards. The standards require that we should plan and execute the audit to gain reasonable confidence concerning the effective maintenance of the internal controls over financial reporting from the viewpoint of materiality.

The auditing of the internal controls over financial reporting includes the performance of the procedure for obtaining audit evidence concerning the existence of material weakness. The selection of evidence varies depending on the auditors' judgment, including risk assessment related to the existence of material weakness. The auditing includes the acquisition of an understanding of the internal controls over financial reporting, and testing and evaluation of the design and operation of the internal controls over financial reporting based on the assessed risk.

Definition and inherent limitations of the internal controls over financial reporting

The company's internal controls over financial reporting are handled by the governing body, the management and other employees. It is a process designed to provide reasonable confidence concerning the preparation of reliable financial statements according to the Korean International Financial Reporting Standards. The company's internal controls over financial reporting include policies and procedures for (1) maintaining records that reflect the trading and disposition of the company's assets with a reasonable level of correctness and impartiality, (2) providing reasonable confidence that transactions are recorded so that the financial statements are prepared according to the Korean International Financial Reporting Standards, and that the revenues and expenditures of the company are made with the approval of the company's management and Board of Directors, and (3) providing reasonable confidence in preventing or discovering the inappropriate acquisition, use and disposition of the company's assets, which may have a material influence on the financial statements, and to report such instances in a timely manner.

The internal controls over financial reporting may not discover or prevent material distortion in the financial statements due to inherent limitations. Also, when estimating the future effectiveness of an evaluation, the internal controls over financial reporting may become inappropriate as the situation may have changed or procedures or policies were not followed, and the evaluation and estimations concerning a future period may change.

The executive officer who conducted the audit that served as the basis for this audit report is Hojoon Park.

Samil PwC, 100, Hangang-daero, Yongsan-gu, Seoul

CEO **Hoonsoo Yoon**

March 13, 2024

This audit report is valid as of the audit report date (March 13, 2024). Accordingly, it is highly possible that incidents or situations may occur between the audit report date and perusal of this report that may seriously affect the attached financial statements of the company, and as a result this audit report may be subsequently modified.

Internal Controls over Financial Reporting Operating Status Report

Internal Controls over Financial Reporting Operating Status Report

To S-1 shareholders, board of directors, and auditors

The CEO and the internal accounting manager evaluated the design and operating status of our internal accounting management system for the fiscal year ending on December 31, 2023.

The management of the company, including the CEO and the internal accounting manager, is responsible for the design and operation of the internal accounting management system.

To prepare and disclose reliable financial statements, the CEO and internal accounting manager both evaluated whether the company's internal accounting system was designed and operated effectively so as to prevent and find errors or illegalities that may cause distortions in the financial statements.

The CEO and the internal accounting manager used the "conceptual design and operation of an internal accounting management system" announced by the Operating Committee of Internal Control over Financial Reporting as the frame of reference for the design and operation of the internal controls over financial reporting. Also, in evaluating the design and operation of the internal controls over financial reporting, we used the "best-practices guideline for internal control over financial reporting" announced by the Operating Committee of Internal Control over Financial Reporting.

As a result of evaluating the operating status of internal controls over financial reporting, the CEO and the internal accounting manager believe that the company's internal controls over financial reporting as of December 31, 2023 are designed and operated effectively from the viewpoint of materiality based on the "conceptual design and operation of an internal accounting management system".

The CEO and internal accounting manager confirm that the report does not include any false descriptions or statements, and anything that must be described or stated has not been omitted.

Additionally, the CEO and internal accounting manager confirm that nothing likely to cause a serious misunderstanding of the report has been described or stated, and both have directly checked and reviewed the report with due care.

February 21, 2024

CEO BEOM NAMGOONG

Internal Accounting Manager Youngki Kwon

S-1 CORPORATION



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