

POSCO and its subsidiaries

Interim condensed consolidated financial statements
for the three-month period ended March 31, 2024
with the independent auditor's review report

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Report on review of interim condensed consolidated financial statements

(English translation of a report originally issued in Korean)

The Stockholder and Board of Directors POSCO

We have reviewed the accompanying interim condensed consolidated financial statements of POSCO (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as of March 31, 2024, and the related interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period ended March 31, 2024, and a summary of material accounting policies and other explanatory information.

Management’s responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

We conducted our review in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing (“KSA”) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Other matter

The interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period ended March 31, 2023, presented for comparative purposes, have been reviewed by KPMG Samjong, whose review report dated May 12, 2023 expressed that nothing has come to its attention that causes it to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with KIFRS 1034 *Interim Financial Reporting*.

Moreover, the consolidated statement of financial position as of December 31, 2023, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein) have been audited by KPMG Samjong, in accordance with KSA, whose report dated March 12, 2024 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2023, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.



May 14, 2024

This review report is effective as of May 14, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

POSCO and its subsidiaries

Interim condensed consolidated financial statements
for each of the three-month periods ended March 31, 2024 and 2023

“The accompanying interim condensed consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group.”

Si-woo Lee
Representative Director and President
POSCO

POSCO and its subsidiaries
Interim condensed consolidated statements of financial position
as of March 31, 2024 (unaudited) and December 31, 2023

(in millions of Won)

	<u>Notes</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Assets			
Cash and cash equivalents	19	₩ 1,998,522	2,426,344
Trade accounts and notes receivable, net	4,19,22,29,31	5,837,701	5,600,881
Other receivables, net	5,19,29,31	670,644	531,514
Other short-term financial assets	6,19	5,437,595	5,216,059
Inventories	7,31	8,772,917	8,547,046
Current income tax assets		13,989	18,411
Other current assets	12,31	151,654	145,873
Total current assets		<u>22,883,022</u>	<u>22,486,128</u>
Long-term trade accounts and notes receivable, net	4,19,22,31	24,059	25,278
Other receivables, net	5,19,31	154,844	154,401
Other long-term financial assets	6,19	653,052	540,171
Investments in subsidiaries, associates and joint ventures	8	76,394	74,974
Investment property, net	9	75,723	80,546
Property, plant and equipment, net	10	23,898,285	23,601,579
Intangible assets, net	11	439,308	447,620
Defined benefit assets, net	17,31	319,576	324,232
Deferred tax assets		2,109,327	2,142,437
Other non-current assets	12,31	63,526	56,930
Total non-current assets		<u>27,814,094</u>	<u>27,448,168</u>
Total assets		<u>₩ 50,697,116</u>	<u>49,934,296</u>

POSCO and its subsidiaries

Interim condensed consolidated statements of financial position, continued as of March 31, 2024 (unaudited) and December 31, 2023

(in millions of Won)

	Notes	March 31, 2024	December 31, 2023
Liabilities			
Trade accounts and notes payable	19,29,31	₩ 3,402,004	3,334,297
Short-term borrowings and current installments of long-term borrowings	13,19,29	3,288,553	3,009,380
Other payables	14,19,29,31	2,197,214	1,712,172
Other short-term financial liabilities	15,19	763	769
Current income tax liabilities		81,560	107,089
Provisions	18,22,31	45,103	52,902
Other current liabilities		135,875	132,269
Total current liabilities		9,151,072	8,348,878
Long-term borrowings, excluding current installments	13,19	8,237,606	7,956,334
Other payables	14,19,31	631,960	633,130
Other long-term financial liabilities	15,19	2,538	56,076
Defined benefit liabilities, net	17,31	34,147	26,807
Deferred tax liabilities		28,951	26,696
Long-term provisions	16,31	37,937	33,755
Other non-current liabilities	18,22,31	1,303	1,651
Total non-current liabilities		8,974,442	8,734,449
Total liabilities		18,125,514	17,083,327
Equity			
Share capital	20	482,403	482,403
Capital surplus	20	22,663,764	22,659,008
Accumulated other comprehensive income	21	52,258	(22,112)
Retained earnings		8,408,759	8,753,924
Equity attributed to owners of the controlling company		31,607,184	31,873,223
Non-controlling interests		964,418	977,746
Total equity		32,571,602	32,850,969
Total liabilities and equity		₩ 50,697,116	49,934,296

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

POSCO and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for each of the three-month periods ended March 31, 2024 and 2023
(unaudited)

<i>(in millions of Won, except per share information)</i>	Notes	March 31, 2024	March 31, 2023
Revenue	22,29	₩ 11,260,105	10,480,950
Cost of sales	26,29	<u>(10,532,716)</u>	<u>(9,849,370)</u>
Gross profit		727,389	631,580
Selling and administrative expenses	23,26		
Other administrative expenses	23	(287,060)	(261,072)
Selling expenses	23	<u>(73,354)</u>	<u>(69,077)</u>
Operating profit		<u>366,975</u>	<u>301,431</u>
Share of profit of equity-accounted investees, net	8	(217)	25
Finance income and costs	19,24		
Finance income	24	587,357	684,706
Finance costs	24	<u>(598,944)</u>	<u>(602,644)</u>
Other non-operating income and expenses			
Other non-operating income	25	14,447	25,479
Other non-operating expenses	25,26	<u>(107,167)</u>	<u>(61,566)</u>
Profit before income tax		262,451	347,431
Income tax expense	27	<u>(36,939)</u>	<u>(102,357)</u>
Profit		225,512	245,074
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans	17	2,791	5,743
Net changes in fair value of equity investments at fair value through other comprehensive income	19,21	29,290	6,685
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		55,958	38,660
Capital adjustment arising from investments in equity-accounted investees	8	<u>1,573</u>	<u>2,597</u>
Other comprehensive income, net of tax		<u>89,612</u>	<u>53,685</u>
Total comprehensive income		₩ <u>315,124</u>	<u>298,759</u>
Profit attribute to:			
Owners of the controlling company		₩ 241,921	238,595
Non-controlling interests		<u>(16,409)</u>	<u>6,479</u>
Profit		₩ <u>225,512</u>	<u>245,074</u>
Total comprehensive income attribute to:			
Owners of the controlling company		₩ 318,956	283,448
Non-controlling interests		<u>(3,832)</u>	<u>15,311</u>
Total comprehensive income		₩ <u>315,124</u>	<u>298,759</u>
Earnings per share (in Won)	28		
Basic earnings per share (in Won)		2,507	2,456
Diluted earnings per share (in Won)		₩ <u>2,507</u>	<u>2,456</u>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

POSCO and its subsidiaries

Interim condensed consolidated statements of changes in equity
for each of the three-month periods ended March 31, 2024 and 2023
(unaudited)

(in millions of Won)

	Attributable to owners of the controlling company						Non-controlling interests	Total
	Share capital	Capital surplus	Hybrid bonds	Accumulated other comprehensive income	Retained earnings	Subtotal		
Balance as of January 1, 2023	₩ 482,403	30,314,258	199,384	(2,503)	697,091	31,690,633	522,769	32,213,402
Comprehensive income:								
Profit	-	-	-	-	238,595	238,595	6,479	245,074
Other comprehensive income (loss)								
Remeasurements of defined benefit plans, net of tax	-	-	-	-	5,758	5,758	(15)	5,743
Capital adjustment arising from investments in equity-accounted investees, net of tax	-	-	-	2,574	-	2,574	23	2,597
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	6,685	-	6,685	-	6,685
Foreign currency translation differences, net of tax	-	-	-	29,836	-	29,836	8,824	38,660
Transactions with owners of the controlling company, recognized directly in equity:								
Year-end dividends	-	-	-	-	(325,043)	(325,043)	(5,320)	(330,363)
Changes due to business combination	-	(6,303)	-	-	-	(6,303)	11,468	5,165
Shared based payments	-	(2,003)	-	-	-	(2,003)	-	(2,003)
Interest of hybrid bonds	-	-	-	-	(2,268)	(2,268)	-	(2,268)
Share premium transferred to retained earnings	-	(7,000,000)	-	-	7,000,000	-	-	-
Others	-	(14,207)	-	-	-	(14,207)	(243)	(14,450)
Balance as of March 31, 2023	₩ 482,403	23,291,745	199,384	36,592	7,614,133	31,624,257	543,985	32,168,242

POSCO and its subsidiaries

Interim condensed consolidated statements of changes in equity, continued
for each of the three-month periods ended March 31, 2024 and 2023
(unaudited)

(in millions of Won)

	Attributable to owners of the controlling company						Non-controlling interests	Total
	Share capital	Capital surplus	Hybrid bonds	Accumulated other comprehensive income	Retained earnings	Subtotal		
Balance as of January 1, 2024	₩ 482,403	22,659,008	-	(22,112)	8,753,924	31,873,223	977,746	32,850,969
Comprehensive income:								
Profit	-	-	-	-	241,921	241,921	(16,409)	225,512
Other comprehensive income (loss)	-	-	-	-	2,696	2,696	95	2,791
Remeasurements of defined benefit plans, net of tax	-	-	-	-	-	-	-	-
Capital adjustment arising from investments in equity-accounted investees, net of tax	-	-	-	1,583	-	1,583	(10)	1,573
Net changes in fair value of equity investments at fair value through other comprehensive income, net of tax	-	-	-	29,290	-	29,290	-	29,290
Foreign currency translation differences, net of tax	-	-	-	43,465	-	43,465	12,493	55,958
Transactions with owners of the controlling company, recognized directly in equity:								
Year-end dividends	-	-	-	-	(589,786)	(589,786)	(5,828)	(595,614)
Shared based payments	-	4,577	-	-	-	4,577	-	4,577
Others	-	179	-	32	4	215	(3,671)	(3,456)
Balance as of March 31, 2024	₩ 482,403	22,663,764	-	52,258	8,408,759	31,607,184	964,416	32,571,600

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

POSCO and its subsidiaries
Interim condensed consolidated statements of cash flows
for each of the three-month periods ended March 31, 2024 and 2023
(unaudited)

(in millions of Won)

	<u>Notes</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Cash flows from operating activities			
Profit	₩	225,512	245,074
Adjustments for :			
Depreciation		657,793	559,404
Amortization		23,883	23,658
Finance income		(476,863)	(510,320)
Finance costs		483,532	442,963
Income tax expense		36,939	102,356
Gain on disposal of property, plant and equipment		(4,778)	(1,780)
Loss on disposal of property, plant and equipment		39,347	22,119
Impairment loss on property, plant and equipment		40,770	-
Impairment loss on intangible assets		11	11
Share of profit of equity-accounted investees		217	(25)
Expenses related to post-employment benefit		30,632	25,015
Impairment loss on trade and other receivables		3,420	1,060
Loss on valuation of inventories		41,337	37,180
Increase to provisions		8,852	14,171
Gain on disposal of emission rights		(2,970)	(14,788)
Others, net		13	(5,020)
Changes in operating assets and liabilities	31	(517,306)	(214,934)
Interest received		36,439	22,835
Interest paid		(215,977)	(115,714)
Dividends received		207	205
Income taxes paid		(36,615)	(247,611)
Net cash provided by operating activities	₩	<u>374,395</u>	<u>385,859</u>

POSCO and its subsidiaries

Interim condensed consolidated statements of cash flows, continued for each of the three-month periods ended March 31, 2024 and 2023 (unaudited)

(in millions of Won)

	<u>Notes</u>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Cash flows from investing activities			
Acquisition of short-term financial instruments	₩	(1,224,948)	(24,655,045)
Proceeds from disposal of short-term financial instruments		1,106,486	22,434,123
Increase in loans		(17,926)	(3,679)
Collection of loans		6,139	43,694
Acquisition of securities		(220,553)	(100,000)
Proceeds from disposal of securities		220,555	50,000
Proceeds from disposal of long-term financial instruments		-	1
Acquisition of property, plant and equipment		(901,702)	(811,838)
Proceeds from disposal of property, plant and equipment		(36,679)	(8,341)
Acquisition of intangible assets		(14,173)	(10,501)
Proceeds from disposal of intangible assets		3,037	14,830
Collection of lease receivables		2,845	161
Cash outflows due to business combinations, net of cash acquired		-	(19,966)
Others, net		(4,058)	4,676
Net cash used in investing activities	₩	<u>(1,080,977)</u>	<u>(3,061,885)</u>
Cash flows from financing activities			
Proceeds from borrowings		1,226,090	3,584,967
Repayment of borrowings		(997,572)	(1,365,565)
Payment of interest of hybrid bonds		-	(2,268)
Repayment of lease liabilities		(26,360)	(10,623)
Increase in derivatives		-	(23,596)
Decrease in derivatives		76,360	43,669
Others, net		(7,381)	(306)
Net cash provided by financing activities	₩	<u>271,137</u>	<u>2,226,278</u>
Effect of exchange rate fluctuation on cash held		7,623	6,582
Net decrease in cash and cash equivalents		(427,822)	(443,166)
Cash and cash equivalents at beginning of the period		<u>2,426,344</u>	<u>2,383,755</u>
Cash and cash equivalents at end of the period	₩	<u><u>1,998,522</u></u>	<u><u>1,940,589</u></u>

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements

March 31, 2024

(unaudited)

1. General Information

General information about POSCO (the "Company"), the controlling company in accordance with KIFRS 1110, its 11 domestic subsidiaries including POSCO STEELEON CO., Ltd, 21 foreign subsidiaries including POSCO YAMATO VINA STEEL JOINT STOCK COMPANY and its 13 associates is as follows:

(a) The controlling company

POSCO, the controlling company, was newly established with the purpose of production and sales of steel rolled products and plates, upon a vertical spin-off of steel business of POSCO HOLDINGS INC. ("Pre-spin off Company", known as POSCO before spin-off, the surviving company) on March 1, 2022 (the date of spin-off). As of March 31, 2024, POSCO is wholly owned by POSCO HOLDINGS INC. (100% ownership).

(b) Consolidated subsidiaries

Details of consolidated subsidiaries as of March 31, 2024 and December 31, 2023 are as follows:

	Principal operations	Ownership (%)						Region
		March 31, 2024			December 31, 2023			
		POSCO	Subsidiaries	Total	POSCO	Subsidiaries	Total	
[Domestic]								
POSCO STEELEON Co., Ltd.(*1)	Coated steel manufacturing	56.87	-	56.87	56.87	-	56.87	Pohang
eNtoB Corporation	Electronic commerce	69.32	-	69.32	69.32	-	69.32	Seoul
POSCO M-TECH(*2)	Packing materials							
	manufacturing and sales	48.85	-	48.85	48.85	-	48.85	Pohang
PNR	Steel by product processing and sales	70.00	-	70.00	70.00	-	70.00	Pohang
POSCO Humans	Business assistance service	100.00	-	100.00	75.49	0.78	76.27	Pohang
POSCO PS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO PH Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Pohang
POSCO GYS Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GYR Tech	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
POSCO GY Solution	Maintenance service	100.00	-	100.00	100.00	-	100.00	Gwangyang
[Foreign]								
POSCO (Thailand) Company Ltd	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO-MKPC SDN BHD	Steel processing and sales	70.00	-	70.00	70.00	-	70.00	Malaysia
POSCO-India Private Limited	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	India
POSCO-VIETNAM Co., Ltd.	Steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Vietnam
POSCO-Poland Wroclaw Processing Center Sp. z o. o.	Steel processing and sales	60.00	-	60.00	60.00	-	60.00	Poland
POSCO Thainox Public Company Limited	STS cold-rolled steel manufacturing and sales	74.56	-	74.56	74.56	-	74.56	Thailand
POSCO(Chongqing) Automotive Processing Center Co., Ltd.	Steel processing and sales	90.00	-	90.00	90.00	-	90.00	China
POSCO-Malaysia SDN. BHD.	Steel processing and sales	81.79	-	81.79	81.79	-	81.79	Malaysia
Myanmar POSCO C&C Company Limited.	Steel processing and sales	-	70.00	70.00	-	70.00	70.00	Myanmar
POSCO COATED STEEL (THAILAND) CO., LTD.	Automotive steel manufacturing and sales	100.00	-	100.00	100.00	-	100.00	Thailand
POSCO ChengDu Processing Center(*2)	Steel processing and sales	33.00	-	33.00	33.00	-	33.00	China
POSCO Philippine Manila Processing Center, Inc.	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Philippines
POSCO TNPC Otomotiv Celik San. Ve Tic. A.S	Steel processing and sales	100.00	-	100.00	100.00	-	100.00	Turkiye
POSCO BRAZIL LTDA	Office Administration, Management Consulting	100.00	-	100.00	100.00	-	100.00	Brazil
POSCO YAMATO VINA STEEL JOINT STOCK COMPANY	Steel manufacturing and sales	51.00	-	51.00	51.00	-	51.00	Vietnam
Port Hedland Green Steel Pty Ltd	Other iron and steel manufacturing	100.00	-	100.00	100.00	-	100.00	Australia
POSCO MEXICO S.A. DE C.V.	Automotive steel manufacturing and sales	83.28	-	83.28	83.28	-	83.28	Mexico
PT. POSCO INDONESIA JAKARTA PROCESSING CENTER	Steel processing and sales	70.51	-	70.51	70.51	-	70.51	Indonesia
PT. KRAKATAU POSCO(*2)	Steel manufacturing and sales	50.00	-	50.00	50.00	-	50.00	Indonesia
POSCO-Mexico Villagran Wire-rod Processing Center	Steel processing and sales	56.75	-	56.75	56.75	-	56.75	Mexico
PT.KRAKATAU POSCO SOCIAL ENTERPRISE SERVICES INDONESIA	Social enterprise	-	99.91	99.91	-	99.91	99.91	Indonesia

(*1) Excluding the treasury shares acquired for the year ended December 31, 2023, the ownership of the controlling company in terms of voting rights is 56.96%.

(*2) As of March 31, 2024, the Group classified the entities as investments in a subsidiary, considering additional facts and circumstances, such as the relative size of the voting rights held by the Group, structure of its Board of Directors and the degree of diversification of other voting rights holders, although the Group holds less than half of the voting rights of the entities.

POSCO and its subsidiaries
Notes to the interim condensed consolidated financial statements, continued
March 31, 2024
(unaudited)

(c) Details of associates

Details of associates as of March 31, 2024 and December 31, 2023 are as follows:

Investee	Category of business	Ownership (%)		Region
		March 31, 2024	December 31, 2023	
[Domestic]				
DAEHO GLOBAL MANAGEMENT CO., LTD.	Investment advisory service	35.82	35.82	Pohang
Pohang Special Welding Co., Ltd.	Welding material and tools manufacturing and sales	50.00	50.00	Pohang
[Foreign]				
POSK(Pinghu) Steel Processing Center Co., Ltd.	Steel processing and sales	20.00	20.00	China
LLP POSUK TITANIUM	Titanium raw material manufacturing and sales	33.90	33.90	Kazakhstan
POSCO SUZHOU PROCESSING CENTER CO.,LTD	Steel processing and sales	30.00	30.00	China
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	Steel processing and sales	23.82	23.82	China
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	Steel processing and sales	30.00	30.00	Slovakia
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*1)	Steel processing and sales	17.50	17.50	China
POSCO Vietnam Processing Center. Co.,Ltd(*1)	Steel processing and sales	9.17	9.17	Vietnam
NS-Thainox Auto Co., Ltd.	STS cold-rolled steel sales and Distribution	49.00	49.00	Thailand
POS-SeAH Steel Wire (Thailand) Co., Ltd.	Steel manufacturing and sales	25.00	25.00	Thailand
SAMHWAN VINA CO., LTD(*1)	Steel manufacturing and sales	17.26	17.26	Vietnam
Brazil Sao Paulo Steel Processing Center	Steel processing and sales	25.00	25.00	Brazil

(*1) The Group has determined that it has significant influence even though the Group's percentage of ownership is less than 20%, considering the structure of its Board of Directors and others.

(d) There are no consolidated subsidiaries newly included for the three-month period ended March 31, 2024.

(e) There are no subsidiaries for which the Group has lost control for the three-month period ended March 31, 2024.

2. Basis of Preparation

Statement of compliance

POSCO and its subsidiaries (collectively referred to as the "Group") prepares its statutory interim condensed consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("KIFRS") 1034 *Interim Financial Reporting*, enacted based on the *Act on External Audit of Stock Companies*. The accompanying interim condensed consolidated financial statements have been translated into English from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as of and for the year ended December 31, 2023.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

March 31, 2024

(unaudited)

Use of estimates and judgments

(a) Judgments, assumptions and estimation uncertainties

The preparation of the interim condensed consolidated financial statements in conformity with KIFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. If estimates and assumptions that are based on management's best judgment at the end of the interim reporting period differ from the actual environment, actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

(b) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of KIFRS including the level in the fair value hierarchy in which such valuation techniques should be classified.

Significant valuation issues are reported to the Group's Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3. Summary of Material Accounting Policies

Except as described in KIFRS 1034 *Interim Financial Reporting* and below, the accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended December 31, 2023. The changes in accounting policies described below are expected to be applied to the consolidated financial statements as of and for the year ending December 31, 2024.

Changes in accounting policies

- 1) KIFRS 1007 *Statement of Cash Flows* and 1107 *Financial Instruments: Disclosures* amendments – Supplier Finance Arrangements

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Group's interim condensed consolidated financial statements.

- 2) KIFRS 1116 *Lease* amendments – Lease Liability in a Sale and Leaseback

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.

- 3) KIFRS 1001 *Presentation of Financial Statements* amendments – Classification of Liabilities as Current or Non-current

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The amendments to paragraphs 69 to 76 of KIFRS 1001 specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- what is meant by a right to defer settlement
- that a right to defer must exist at the end of the reporting period
- that classification is unaffected by the likelihood that an entity will exercise its deferral right and
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments had no impact on the Group's interim condensed consolidated financial statements.

4. Trade Accounts and Notes Receivable

Trade accounts and notes receivable as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Trade accounts and notes receivable	₩	5,851,538	5,614,573
Less: Allowance for doubtful accounts		(13,837)	(13,692)
	₩	<u>5,837,701</u>	<u>5,600,881</u>
Non-current			
Trade accounts and notes receivable	₩	38,541	37,309
Less: Allowance for doubtful accounts		(14,482)	(12,031)
	₩	<u>24,059</u>	<u>25,278</u>

The Group discounted its trade receivables in accordance with a factoring agreement entered into with financial institutions. These trade accounts and notes receivable have not been derecognized from the statement of financial position because the Group retains substantially all of the risks and rewards associated with the transferred assets. The amounts received on transfer have been recognized as secured borrowings. As of March 31, 2024 and December 31, 2023, the carrying amounts of such secured borrowings are ₩130,409 million and ₩34,238 million, respectively, which are presented in the statements of financial position as short-term borrowings (Note 13).

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5. Other Receivables

Other receivables as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Loans	₩	58,997	43,257
Other accounts receivable		571,189	443,596
Lease receivables		11,773	11,648
Accrued income		25,647	31,353
Others		3,350	1,963
Less: Allowance for doubtful accounts		(312)	(303)
	₩	<u>670,644</u>	<u>531,514</u>
Non-current			
Loans	₩	54,786	55,667
Other accounts receivable		16,319	16,124
Lease receivables		50,737	46,930
Deposits		55,703	57,648
Less: Allowance for doubtful accounts		(22,701)	(21,968)
	₩	<u>154,844</u>	<u>154,401</u>

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6. Other Financial Assets

(a) Other financial assets as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Derivative assets	₩	161,957	115,362
Debt securities		292,763	292,857
Deposit instruments		1,730,301	1,212,639
Short-term financial instruments		3,252,574	3,595,201
	₩	<u>5,437,595</u>	<u>5,216,059</u>
Non-current			
Derivative assets	₩	171,006	98,030
Equity securities		468,933	429,192
Other securities		13,001	12,836
Deposit instruments(*1)		112	113
	₩	<u>653,052</u>	<u>540,171</u>

(*1) As of March 31, 2024 and December 31, 2023, deposit instruments amounting to ₩112 million ₩113 million, respectively, are restricted in use for financial arrangements, pledge and others.

(b) Equity securities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>				<u>December 31, 2023</u>		
	Number of shares	Ownership (%)	Acquisition cost	Fair value	Net changes in fair value of equity securities	Book value	Book value
Marketable equity securities							
SAMWONSTEEL Co., Ltd.	5,700,000	14.25	₩ 14,878	16,302	1,424	16,302	17,471
YODOGAWA STEEL WORKS, LTD.	600,000	1.72	13,842	24,363	10,521	24,363	20,891
DONGKUK INDUSTRIES CO., LTD.	2,611,989	4.82	12,852	23,743	10,891	23,743	12,577
PT.Krakatau Steel	236,625,000	1.22	6,876	2,852	(4,024)	2,852	2,809
AJUSTEEL Co., Ltd.	510,000	1.93	4,600	3,392	(1,208)	3,392	3,621
dhSteel	782,148	7.21	4,224	3,238	(986)	3,238	3,113
Woori Financial Group Inc.	20,280,000	2.79	261,638	290,410	28,772	290,410	263,640
Others (5 companies)			14,616	12,639	(1,977)	12,639	13,020
			<u>333,526</u>	<u>376,939</u>	<u>43,413</u>	<u>376,939</u>	<u>337,142</u>
Non-marketable equity securities							
TAECHANG STEEL	99,999	10.99	8,845	8,845	-	8,845	8,845
Pinetree PosMagnesium Co., Ltd.	11,144,000	19.90	8,794	8,794	-	8,794	8,794
WINSTEEL CO.	342,577	10.00	8,060	8,060	-	8,060	8,060
KOH-A JUNG GONG CO., LTD.	490,000	19.84	7,573	7,573	-	7,573	7,573
POONGSAN SPECIAL METAL CO., L	315,790	5.00	7,556	7,556	-	7,556	7,556
DK Corporation	55,000	4.91	7,446	7,446	-	7,446	7,446
DaeSung SnMCo., Ltd.	50,567	8.21	7,237	7,237	-	7,237	7,237
Others (23 companies)			37,710	36,483	(1,227)	36,483	36,539
			<u>93,221</u>	<u>91,994</u>	<u>(1,227)</u>	<u>91,994</u>	<u>92,050</u>
			<u>₩ 426,747</u>	<u>468,933</u>	<u>42,186</u>	<u>468,933</u>	<u>429,192</u>

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7. Inventories

Inventories as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Finished goods	₩	1,956,432	1,819,803
Merchandise		9,805	12,972
Semi-finished goods		2,272,421	2,481,107
Raw materials		1,930,098	1,650,216
Fuel and materials		719,683	685,347
Materials-in-transit		1,895,350	1,924,383
Others		31,407	31,443
		<u>8,815,196</u>	<u>8,605,271</u>
Less: Allowance for inventories valuation		<u>(42,279)</u>	<u>(58,225)</u>
	₩	<u>8,772,917</u>	<u>8,547,046</u>

The amounts of loss on valuation of inventories recognized in cost of sales for the three-month period ended March 31, 2024 and for the year ended December 31, 2023 were ₩42,279 million and ₩58,225 million, respectively.

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8. Investments in Associates and Joint ventures

(a) Details of investments in associates as of March 31, 2024 and December 31, 2023 are as follows:

(in millions of Won)

Company	March 31, 2024			December 31, 2023	
	Number of shares	Ownership (%)	Acquisition cost	Book value	Book value
[Domestic]					
DAEHO GLOBAL MANAGEMENT CO., LTD.	71,647	35.82	₩ 4,108	4,502	3,943
Pohang Special Welding Co.,Ltd.	400,000	50.00	3,111	4,268	4,221
			7,219	8,770	8,164
[Foreign]					
POSK(Pinghu) Steel Processing Center Co., Ltd.	-	20.00	2,313	793	1,041
LLP POSUK TITANIUM	-	33.90	10,068	10,654	10,420
POSCO SUZHOU PROCESSING CENTER CO.,LTD	-	30.00	2,763	2,387	2,382
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	-	23.82	23,489	21,972	21,998
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	-	30.00	6,206	4,717	4,719
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD(*1)	-	17.50	2,885	2,840	2,760
POSCO Vietnam Processing Center. Co.,Ltd(*1)	6,544,366	9.17	12,101	13,009	12,255
Others (4 companies)			12,468	11,252	11,235
			72,293	67,624	66,810
			₩ 79,512	76,394	74,974

(*1) As of March 31, 2024, it is classified as an associate even though the Group's ownership percentage is less than 20% but considering the Group's significant influence over the investee when it comes to the structure of its Board of Directors and others.

(b) The movements of investments in associates for the three-month period ended March 31, 2024 are as follows:

(in millions of Won)

Company	December 31, 2023 Book value	Share of profits (losses)	Other increase (*1)	March 31, 2024 Book value
[Domestic]				
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩ 3,943	460	99	4,502
Pohang Special Welding Co.,Ltd.	4,221	47	-	4,268
	8,164	507	99	8,770
[Foreign]				
POSK(Pinghu) Steel Processing Center Co., Ltd.	1,041	(280)	32	793
LLP POSUK TITANIUM	10,420	19	215	10,654
POSCO SUZHOU PROCESSING CENTER CO.,LTD	2,382	(43)	48	2,387
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.	21,998	(568)	542	21,972
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	4,719	(11)	9	4,717
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD	2,760	(95)	175	2,840
POSCO Vietnam Processing Center. Co.,Ltd	12,255	295	459	13,009
Others (4 companies)	11,235	(41)	58	11,252
	66,810	(724)	1,538	67,624
	₩ 74,974	(217)	1,637	76,394

(*1) Other increase represents the changes in investments in associates due to change in capital adjustments effect from accumulated other comprehensive income.

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(c) The summarized financial information of associates as of and for the three-month period ended March 31, 2024 and the year ended December 31, 2023 is as follows:

1) March 31, 2024

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	18,400	269	18,131	-	1,284
Pohang Special Welding Co.,Ltd.		11,045	3,024	8,020	1,804	94
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		6,218	1,263	4,956	115	(1,401)
LLP POSUK TITANIUM		64,889	49,243	15,646	9,322	57
POSCO SUZHOU PROCESSING CENTER CO.,LTD		12,784	6,852	5,931	6,955	(142)
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.		131,466	47,129	84,337	25,145	(2,386)
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		25,734	6,929	18,806	14,205	(61)
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		49,067	32,642	16,425	20,925	(881)
POSCO Vietnam Processing Center. Co.,Ltd		275,250	155,254	119,995	162,896	3,322

2) December 31, 2023

(in millions of Won)

Company		Assets	Liabilities	Equity	Sales	Net income (loss)
[Domestic]						
DAEHO GLOBAL MANAGEMENT CO., LTD.	₩	16,838	269	16,569	-	(195)
Pohang Special Welding Co., Ltd.		11,443	3,517	7,926	7,322	465
[Foreign]						
POSK(Pinghu) Steel Processing Center Co., Ltd.		10,214	4,016	6,198	9,058	(4,208)
LLP POSUK TITANIUM		59,690	44,766	14,924	33,633	865
POSCO SUZHOU PROCESSING CENTER CO.,LTD		12,089	6,175	5,914	27,609	(1,221)
SUZHOU POSCO-CORE TECHNOLOGY CO., LTD.		137,098	52,652	84,446	114,447	(5,945)
ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD		24,755	5,482	19,273	40,390	86
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER		54,431	37,433	16,998	104,126	443
POSCO Vietnam Processing Center. Co.,Ltd		238,694	127,038	111,656	577,064	7,003

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9. Investment Property, Net

Changes in the carrying amounts of investment property for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

(a) For the three-month period ended March 31, 2024

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	81	-	-	81
Buildings		4,328	(88)	-	4,240
Structures		1,065	(22)	-	1,043
Right-of-use assets		75,072	(6,686)	1,973	70,359
	₩	<u>80,546</u>	<u>(6,796)</u>	<u>1,973</u>	<u>75,723</u>

(*1) The useful life and depreciation method of investment property are identical to those of property, plant and equipment.

(*2) Others include reclassification resulting from changes in rental ratio of the subleased assets.

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>		Beginning	Depreciation(*1)	Others(*2)	Ending
Land	₩	3,718	-	(3,637)	81
Buildings		9,048	(1,120)	(3,600)	4,328
Structures		5,150	(486)	(3,599)	1,065
Right-of-use assets		-	-	75,072	75,072
	₩	<u>17,916</u>	<u>(1,606)</u>	<u>64,236</u>	<u>80,546</u>

(*1) The useful life and depreciation method of investment property are identical to those of property, plant and equipment.

(*2) Other include reclassification resulting from changing purpose of use.

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10. Property, Plant and Equipment, Net

(a) Changes in the carrying amounts of property, plant and equipment for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

1) For the three-month period ended March 31, 2024

<i>(in millions of Won)</i>		Beginning	Acquisitions	Disposals	Depreciation	Impairment(*1)	Others(*2)	Ending
Land	₩	1,780,406	-	-	-	-	20,919	1,801,325
Buildings		2,454,512	149	-	(58,749)	(35)	105,500	2,501,377
Structures		2,330,140	210	(1,104)	(56,676)	(2,489)	246,166	2,516,248
Machinery and equipment		13,132,289	12,248	(1,904)	(505,749)	(38,247)	716,665	13,315,302
Vehicles		40,918	786	(63)	(4,567)	-	485	37,559
Tools		52,893	1,194	(29)	(4,967)	-	1,949	51,040
Furniture and fixtures		95,364	731	(298)	(9,169)	-	2,320	88,948
Right-of-use assets		637,589	9,837	(259)	(11,121)	-	20	636,066
Construction-in-progress		3,077,468	834,472	-	-	-	(961,520)	2,950,420
	₩	<u>23,601,579</u>	<u>859,627</u>	<u>(3,657)</u>	<u>(650,998)</u>	<u>(40,770)</u>	<u>132,504</u>	<u>23,898,285</u>

(*1) For the three-month period ended March 31, 2024, the Group estimated the recoverable amount based on the net fair value of individual assets including the No.4 Blast furnace production facility and others in Pohang, which were partially shut down due to renovation. The Group recognized an impairment loss of ₩40,770 million since recoverable amounts are less than their carrying amounts.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changing purpose of use, adjustments of foreign currency translation differences and others.

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		Beginning	Acquisitions	Business Combination	Disposals	Depreciation	Impairment(*2)	Others(*1)	Ending
Land	₩	1,306,119	14,718	470,650	(1,607)	-	-	(9,474)	1,780,406
Buildings		2,112,378	5,076	462,255	(1,341)	(206,607)	(26,340)	109,091	2,454,512
Structures		2,030,737	2,998	390,814	(7,654)	(190,107)	(28,181)	131,533	2,330,140
Machinery and equipment		11,852,921	75,195	1,527,526	(49,581)	(1,808,050)	(145,404)	1,679,682	13,132,289
Vehicles		20,974	21,243	2,313	(169)	(15,592)	-	12,149	40,918
Tools		41,130	18,105	5,638	(221)	(20,658)	(11)	8,910	52,893
Furniture and fixtures		78,174	10,713	6,002	(273)	(31,889)	(133)	32,770	95,364
Right-of-use assets		391,776	147,620	238,258	-	(50,948)	-	(89,117)	637,589
Construction-in-progress		1,833,679	3,367,117	6,095	-	-	-	(2,129,423)	3,077,468
	₩	<u>19,667,888</u>	<u>3,662,785</u>	<u>3,109,551</u>	<u>(60,846)</u>	<u>(2,323,851)</u>	<u>(200,069)</u>	<u>(253,879)</u>	<u>23,601,579</u>

(*1) Others represent assets transferred from construction-in-progress to intangible assets and other property, plant and equipment, reclassifications resulting from changing purpose of use, adjustments of foreign currency translation differences and others.

(*2) The Group terminated operations of certain portion of the lithium production facilities and others located in Gwangyang and Argentina due to changes in operation plans. The Group estimated the recoverable amount of these assets at the net fair value, and recognized an impairment loss of ₩199,774 million since recoverable amounts are less than their carrying amounts.

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- (b) Changes in the carrying amounts of right-of-use assets presented as property, plant and equipment and investment property for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

- 1) For the three-month period ended March 31, 2024

<i>(in millions of Won)</i>		Beginning	Acquisitions	Disposals	Depreciation	Others	Ending
Land	₩	52,186	19	-	(410)	1,714	53,509
Buildings and structures		236,687	10,073	(244)	(8,543)	(6,029)	231,944
Machinery and equipment		224,120	10	-	(2,573)	5,794	227,351
Vehicles		10,361	692	(15)	(1,295)	19	9,762
Ships		176,687	-	-	(4,171)	-	172,516
others		12,620	150	-	(815)	(612)	11,343
	₩	<u>712,661</u>	<u>10,944</u>	<u>(259)</u>	<u>(17,807)</u>	<u>886</u>	<u>706,425</u>

- 2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		Beginning	Acquisitions	Business Combination	Depreciation	Others	Ending
Land	₩	53,277	-	-	(1,598)	507	52,186
Buildings		115,408	132,357	7,834	(18,005)	(907)	236,687
Machinery and equipment		11,697	160	229,518	(7,743)	(9,512)	224,120
Vehicles		1,634	10,117	870	(1,963)	(297)	10,361
Ships		193,373	-	-	(16,686)	-	176,687
Others		16,387	4,986	36	(4,953)	(3,836)	12,620
	₩	<u>391,776</u>	<u>147,620</u>	<u>238,258</u>	<u>(50,948)</u>	<u>(14,045)</u>	<u>712,661</u>

- (c) The amounts recognized in profit or loss related to leases for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		March 31, 2024	March 31, 2023
Interest on lease liabilities	₩	12,983	2,504
Expenses relating to short-term leases		4,552	6,895
Expenses relating to leases of low-value assets		2,044	1,590
	₩	<u>19,579</u>	<u>10,989</u>

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11. Intangible Assets, Net

Changes in the carrying amounts of intangible assets for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

(a) For the three-month period ended March 31, 2024

<i>(in millions of Won)</i>	Beginning	Acquisitions ■	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩ 15,782	55	-	(1,658)	-	3,091	17,270
Membership(*1)	85,803	61	(2)	-	(11)	21	85,872
Development expense	100,261	1,428	-	(17,016)	-	5,875	90,548
Port facilities usage rights	182,173	-	-	(3,700)	-	-	178,473
Construction-in-progress	47,954	13,676	-	-	-	(11,910)	49,720
Other intangible assets	15,647	402	(39)	(1,508)	-	2,923	17,425
	₩ <u>447,620</u>	<u>15,622</u>	<u>(41)</u>	<u>(23,882)</u>	<u>(11)</u>	<u>-</u>	<u>439,308</u>

(*1) Economic useful life of membership is indefinite.

(*2) Others represent assets transferred from construction-in-progress to intangible assets and adjustments of foreign currency translation difference and others.

(b) For the year ended December 31, 2023

<i>(in millions of Won)</i>	Beginning	Acquisitions ■	Business Combination	Disposals	Amortization	Impairment	Others(*2)	Ending
Intellectual property rights	₩ 20,850	89	1,252	(4)	(6,376)	-	(29)	15,782
Membership(*1)	84,844	1,116	-	(114)	-	(29)	(14)	85,803
Development expense	101,961	13,129	1,194	(97)	(65,534)	-	49,608	100,261
Port facilities usage rights	196,973	-	-	-	(14,800)	-	-	182,173
Construction-in-progress	51,105	41,275	-	(2)	-	-	(44,424)	47,954
Other intangible assets	13,155	7,127	186	(20)	(4,918)	(4,028)	4,145	15,647
	₩ <u>468,888</u>	<u>62,736</u>	<u>2,632</u>	<u>(237)</u>	<u>(91,628)</u>	<u>(4,057)</u>	<u>9,286</u>	<u>447,620</u>

(*1) Economic useful life of membership is indefinite.

(*2) Others represents assets transferred from construction-in-progress to intangible assets and adjustments of foreign currency translation difference and others.

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12. Other Assets

Other assets as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Advance payments	₩	16,386	40,364
Prepaid expenses		134,623	105,138
Others		645	371
	₩	<u>151,654</u>	<u>145,873</u>
Non-current			
Long-term advance payments	₩	1,163	1,109
Long-term prepaid expenses		6,195	5,030
Others		56,168	50,791
	₩	<u>63,526</u>	<u>56,930</u>

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13. Borrowings

(a) Short-term borrowings and current portion of long-term borrowings and others as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Maturity date</u>	<u>Interest rate (%)</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Short-term borrowings					
Bank overdrafts	JP Morgan and others	April, 2024~ December, 2024	3.65 ~ 6.53	₩ 36,953	32,901
Short-term borrowings(*1)	SC and others	April, 2024~ March, 2025	2.1 ~ 58.85	1,010,985	706,128
				<u>1,047,938</u>	<u>739,029</u>
Current portion of long-term liabilities					
Current portion of long-term borrowings	SMBC and others	April, 2024~ December, 2024	5.33 ~ 9.15	306,647	293,711
Current portion of debentures	Global debentures 7-2nd and others	July, 2024~ January, 2025	1.64 ~ 3.96	1,935,992	1,977,995
Less: Current portion of discount on debentures issued				(2,024)	(1,355)
				<u>2,240,615</u>	<u>2,270,351</u>
				<u>₩ 3,288,553</u>	<u>3,009,380</u>

(*1) The account receivables have been discounted according to the factoring agreement and have been recognized as short-term borrowings (Note 4).

(b) Long-term borrowings, excluding current portion and others, as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Maturity date</u>	<u>Interest rate (%)</u>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Long-term borrowings	SC and others	September, 2025~ July, 2026	3.6 ~ 9.15	₩ 1,551,237	1,494,110
Less: Present value discount Bonds Debentures	Global debentures 8-1st and others	July, 2025~ January, 2033	1.72 ~ 5.88	(3,033)	(3,596)
				6,733,800	6,505,536
Less: Discount on debentures issued				(44,398)	(39,716)
				<u>₩ 8,237,606</u>	<u>7,956,334</u>

(c) Assets pledged as collateral with regards to the borrowings as of March 31, 2024 are as follows:

<i>(in millions of Won)</i>	<u>Lenders</u>	<u>Book value</u>	<u>Pledged amount</u>
Property, plant and equipment	Export-Import Bank of Korea and others	₩ 1,598,068	3,916,987
Trade accounts and notes receivable	Shinhan Card	130,409	130,409
		<u>₩ 1,728,477</u>	<u>4,047,396</u>

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14. Other Payables

Other payables as of March 31, 2024 and December 31, 2023 are as follows:

(in millions of Won)

		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Accounts payable	₩	1,438,262	925,985
Accrued expenses		627,831	655,507
Lease liabilities		112,887	108,638
Withholdings		18,235	22,042
	₩	<u>2,197,215</u>	<u>1,712,172</u>
Non-current			
Accounts payable	₩	1,480	1,619
Accrued expenses		1,296	1,287
Lease liabilities		628,892	629,924
Long-term withholdings		292	300
	₩	<u>631,960</u>	<u>633,130</u>

15. Other Financial Liabilities

Other financial liabilities as of March 31, 2024 and December 31, 2023 are as follows:

(in millions of Won)

		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Financial guarantee liabilities	₩	763	769
Non-current			
Derivative liabilities	₩	1,543	54,955
Financial guarantee liabilities		995	1,121
	₩	<u>2,538</u>	<u>56,076</u>

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16. Provisions

(a) Provisions as of March 31, 2024 and December 31, 2023 are as follows:

(in millions of Won)

	March 31, 2024		December 31, 2023	
	Current	Non-current	Current	Non-current
Provision for bonus payments	₩ 20,109	29,219	26,470	29,159
Provision for legal contingencies and claims	1,726	25	467	49
Provision for restoration(*1)	282	4,240	5,442	920
Provision for legal contingencies and claims(*2)	370	-	370	-
Provision for product warranties(*3)	22,616	4,453	20,153	3,627
	₩ <u>45,103</u>	<u>37,937</u>	<u>52,902</u>	<u>33,755</u>

(*1) As of March 31, 2024, due to contamination of certain factory sites in the Pohang works, the Group recognized the present value of the estimated cost for recovery, ₩3,574 million, as provisions for restoration. In order to determine the estimated costs, the Group has assumed that it would use all of technologies and materials which are currently available to recover the land. In addition, the Group has applied the discount rate of 3.69% to calculate the present value of costs.

(*2) The Group has recognized liabilities for the amount of GHG emissions expected to exceed its GHG quotas.

(*3) As of March 31, 2024, the Group recognized the expected claim cost to be charged as a provision.

(b) Changes in provisions for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

1) For the three-month period ended March 31, 2024

(in millions of Won)

	Beginning	Increase	Utilization	Reversal	Others	Ending
Provision for bonus payments	₩ 55,629	8,301	(15,101)	(138)	637	49,328
Provision for legal contingencies and claims	516	1,240	(23)	-	18	1,751
Provision for restoration	6,362	71	(271)	(1,640)	-	4,522
Emission liabilities	370	-	-	-	-	370
Provision for product warranties	23,780	9,181	(5,892)	-	-	27,069
	₩ <u>86,657</u>	<u>18,793</u>	<u>(21,287)</u>	<u>(1,778)</u>	<u>655</u>	<u>83,040</u>

2) For the year ended December 31, 2023

(in millions of Won)

	Beginning	Increase	Utilization	Reversal	Business Combination	Others	Ending
Provision for bonus payments	₩ 43,199	41,126	(30,733)	(948)	3,101	(116)	55,629
Provision for legal contingencies and claims	21,444	2,795	(23,083)	(615)	-	(25)	516
Provision for restoration	7,044	400	(1,082)	-	-	-	6,362
Emission liabilities	776	431	(837)	-	-	-	370
Provision for product warranties	39,193	37,238	(38,767)	(13,884)	-	-	23,780
	₩ <u>111,656</u>	<u>81,990</u>	<u>(94,502)</u>	<u>(15,447)</u>	<u>3,101</u>	<u>(141)</u>	<u>86,657</u>

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17. Employee Benefits

(a) Defined contribution plans

The expenses related to post-employment benefit plans under defined contribution plans for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Expense related to post-employment benefit plans under defined contribution plans	₩ 14,312	14,094

(b) Defined benefit plans

- 1) The amounts recognized in relation to net defined benefit assets in the consolidated statements of financial position as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Present value of funded obligations	₩ 1,353,993	1,357,578
Fair value of plan assets (*1)	(1,665,366)	(1,681,398)
Present value of non-funded obligations	25,944	26,395
Net defined benefit assets	₩ <u>(285,429)</u>	<u>(297,425)</u>

(*1) As of March 31, 2024 and December 31, 2023, the Group recognized net defined benefit assets amounting to ₩319,576 million and ₩324,232 million respectively, since there are consolidated entities whose fair value of plan assets exceeded the present value of defined benefit obligations.

- 2) Changes in present value of defined benefit obligations for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Defined benefit obligation at the beginning of period	₩ 1,383,973	1,288,252
Current service costs	35,043	116,868
Interest costs	12,598	53,467
Remeasurement	(129)	54,093
Benefits paid	(51,032)	(121,001)
Others	(516)	(7,706)
Defined benefit obligation at the end of period	₩ <u>1,379,937</u>	<u>1,383,973</u>

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- 3) Changes in the fair value of plan assets for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Fair value of plan assets at the beginning of period	₩	1,681,398	1,586,314
Interest on plan assets		17,009	71,555
Remeasurement of plan assets		3,510	17,463
Contributions to plan assets		-	115,108
Benefits paid		(35,832)	(99,003)
Others		(719)	(10,039)
Fair value of plan assets at the end of period	₩	<u>1,665,366</u>	<u>1,681,398</u>

- 4) The amounts related to net defined benefit plans recognized in the consolidated statements of comprehensive income for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Current service costs	₩	35,043	30,041
Net interest costs		(4,411)	(5,026)
	₩	<u>30,632</u>	<u>25,015</u>

18. Other Liabilities

Other liabilities as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Current			
Advances received	₩	23,410	34,023
Unearned revenue		69,433	52,288
Withholdings		42,995	45,929
Others		37	29
	₩	<u>135,875</u>	<u>132,269</u>
Non-current			
Unearned revenue	₩	1,296	1,640
Others		7	11
	₩	<u>1,303</u>	<u>1,651</u>

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19. Financial Instruments

(a) Classification and fair value of financial instruments

- 1) The carrying amounts and the fair values of financial assets and financial liabilities by fair value hierarchy as of March 31, 2024 and December 31, 2023 are as follows:

① March 31, 2024

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Fair value through profit or loss					
Derivate assets	₩ 332,963	-	332,963	-	332,963
Short term financial instruments	3,252,575	-	3,252,575	-	3,252,575
Debt securities	3,022	-	-	3,022	3,022
Equity securities	1,376	-	-	1,376	1,376
Other securities	13,002	-	-	13,002	13,002
Fair value through other comprehensive income					
Equity securities	467,557	376,939	-	90,618	467,557
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	1,998,522	-	-	-	-
Trade accounts and notes receivable	5,858,423	-	-	-	-
Other receivables	567,153	-	-	-	-
Debt securities	289,741	-	-	-	-
Deposit instruments	1,730,413	-	-	-	-
₩	14,514,747	376,939	3,585,538	108,018	4,070,495
Financial liabilities					
Fair value through profit or loss					
Derivative liabilities	₩ 1,543	-	1,543	-	1,543
Financial liabilities measured at amortized cost(*1)					
Trade accounts and notes payable	3,402,004	-	-	-	-
Borrowings	11,526,159	-	11,097,361	-	11,097,361
Financial guarantee liabilities	1,758	-	-	-	-
Others	2,664,412	-	-	-	-
₩	17,595,876	-	11,098,904	-	11,098,904

- (*1) Fair value of financial assets and liabilities measured at amortized cost except borrowings approximates their carrying amounts.

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② December 31, 2023

(in millions of Won)

	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets					
Fair value through profit or loss					
Derivate assets	₩ 213,392	-	213,392	-	213,392
Short term financial instruments	3,595,201	-	3,595,201	-	3,595,201
Debt securities	3,420	-	-	3,420	3,420
Equity securities	1,526	-	-	1,526	1,526
Other securities	12,836	-	-	12,836	12,836
Fair value through other comprehensive income					
Equity securities	427,666	337,142	-	90,524	427,666
Financial assets measured at amortized cost(*1)					
Cash and cash equivalents	2,426,344	-	-	-	-
Trade accounts and notes receivable	5,621,333	-	-	-	-
Debt securities	341,685	-	-	-	-
Other receivables	289,437	-	-	-	-
Deposit instruments	1,212,752	-	-	-	-
₩	14,145,592	337,142	3,808,593	108,306	4,254,041
Financial liabilities					
Fair value through profit or loss					
Derivative liabilities	₩ 54,955	-	54,955	-	54,955
Financial liabilities measured at amortized cost(*1)					
Trade accounts and notes payable	3,334,297	-	-	-	-
Borrowings	10,965,714	-	11,064,231	-	11,064,231
Financial guarantee liabilities	1,890	-	-	-	-
Others	2,225,836	-	-	-	-
₩	16,582,692	-	11,119,186	-	11,119,186

(*1) Fair value of financial assets and liabilities measured at amortized cost except borrowings approximates their carrying amounts.

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- 2) Contingent liabilities on outstanding guarantees provided by the Group as of March 31, 2024 are as follows:

<i>(in millions of Won)</i>		Guarantee limit				Guarantee amount	
Guarantor	Guarantee beneficiary	Financial institution	Foreign currency	Won equivalent	Foreign currency	Won equivalent	
[The Company]							
POSCO	POSCO MEXICO S.A. DE C.V.	Citi BANAMEX	USD	20,000,000	26,936	20,000,000	26,936
		BOA	USD	20,000,000	26,936	20,000,000	26,936
		BNP Paribas	USD	20,000,000	26,936	20,000,000	26,936
	POSCO-VIETNAM Co., Ltd.	Shinhan Bank	USD	45,000,000	60,606	32,727,273	44,077
		HSBC	USD	40,000,000	53,872	29,090,909	39,180
		Citi	USD	25,000,000	33,670	18,181,818	24,487
	POSCO COATED STEEL (THAILAND) CO., LTD.	Citi	THB	800,000,000	29,528	656,000,000	24,213
		Mizuho	THB	800,000,000	29,528	656,000,000	24,213
		SMBC	THB	800,000,000	29,528	656,000,000	24,213
		SC	THB	800,000,000	29,528	656,000,000	24,213
		HSBC	THB	800,000,000	29,528	656,000,000	24,213
		MUFG	THB	800,000,000	29,528	656,000,000	24,213
	PT. KRAKATAU POSCO	ANZ	USD	173,500,000	233,670	117,400,174	158,115
		BOA	USD	115,000,000	154,882	88,034,783	118,565
		Credit Suisse	USD	91,000,000	122,559	20,890,435	28,135
		HSBC	USD	221,000,000	297,643	150,890,435	203,219
		KEXIM	USD	567,000,000	763,636	132,096,290	177,907
		Mizuho	USD	175,000,000	235,690	94,104,348	126,740
		MUFG	USD	179,000,000	241,077	87,318,261	117,600
		SC	USD	227,800,000	306,801	145,274,261	195,655
		SMBC	USD	290,000,000	390,572	182,666,261	246,015
		The Tokyo Star Bank	USD	21,000,000	28,283	4,820,870	6,493
	POSCO STEELEON CO., LTD.	POSCO Asia Co., Ltd.	USD	13,984,947	18,838	9,952,170	13,404
[Associates]							
POSCO	LLP POSUK Titanium	Shinhan Bank	USD	13,250,000	17,845	13,250,000	17,845
[Others]							
POSCO	POSCO ASSAN TST STEEL INDUSTRY	Citi	USD	46,900,000	63,165	42,210,000	56,848
		Shinhan Bank	USD	44,800,000	60,337	40,320,000	54,303
		Woori Bank	USD	44,800,000	60,337	40,320,000	54,303
	POSCO Maharashtra Steel Private Limited	DBS	USD	40,000,000	53,872	40,000,000	53,872
			USD	2,434,034,947	3,278,163	1,349,548,288	1,817,571
			THB	4,800,000,000	177,168	3,936,000,000	145,278

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3) Finance income and costs by category of financial instrument for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

① For the three-month period ended March 31, 2024

(in millions of Won)

	Finance income and costs						Other comprehensive income	
	Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain on disposal	Dividend income	Others		Total
Financial assets at fair value through profit or loss	₩ 37	43,106	-	11,302	-	(180)	54,265	-
Derivative assets	-	194,661	-	11,728	-	-	206,389	-
Financial assets at fair value through other comprehensive income	-	-	-	-	14,341	-	14,341	29,290
Financial assets measured at amortized cost	37,382	-	113,781	-	-	-	151,163	-
Derivative liabilities	-	53,412	-	373	-	-	53,785	-
Financial liabilities measured at amortized cost	(145,549)	-	(345,368)	-	-	(612)	(491,529)	-
	₩ (108,130)	291,179	(231,587)	23,403	14,341	(792)	(11,686)	29,290

② For the three-month period ended March 31, 2023

(in millions of Won)

	Finance income and costs						Other comprehensive income	
	Interest income (expense)	Gain on valuation	Gain and loss on foreign currency	Gain and loss on disposal	Dividend income	Others		Total
Financial assets at fair value through profit or loss	₩ 39	116,728	-	41,294	-	-	158,061	-
Derivative assets	-	189,890	149	(15,491)	-	-	174,548	-
Financial assets at fair value through other comprehensive income	-	-	-	-	1,777	-	1,777	6,684
Financial assets measured at amortized cost	42,472	-	108,491	-	-	-	150,963	-
Derivative liabilities	-	34,732	-	(4,394)	-	-	30,338	-
Financial liabilities measured at amortized cost	(112,231)	-	(320,963)	-	-	(431)	(433,625)	-
	₩ (69,720)	341,350	(212,323)	21,409	1,777	(431)	82,062	6,684

(b) Financial risk management

The Group is exposed to credit risk, liquidity risk and market risk arising from financial assets and liabilities. The Group's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements as of and for the year ended December 31, 2023.

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20. Share Capital and Capital Surplus

(a) Details of share capital as of March 31, 2024 and December 31, 2023 are as follows:

<i>(share, in Won)</i>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Authorized shares	200,000,000	200,000,000
Par value	₩ 5,000	5,000
Issued shares	96,480,625	96,480,625
Shared capital	₩ 482,403,125,000	482,403,125,000

(b) Details of capital surplus as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Share premium	₩ 24,222,056	24,222,056
Other capital surplus	(1,558,292)	(1,563,048)
	₩ <u>22,663,764</u>	<u>22,659,008</u>

21. Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>December 31, 2023</u>
Accumulated comprehensive income of investments in associates	₩ 2,327	712
Changes in fair value of equity investments at fair value through other comprehensive income	30,735	1,445
Foreign currency translation differences	19,196	(24,269)
	₩ <u>52,258</u>	<u>(22,112)</u>

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(unaudited)

22. Revenue

(a) Details of revenues disaggregated by types of revenue and timing of revenue recognition for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Types of revenue			
Revenue from sales of goods	₩	10,889,898	10,147,773
Revenue from services		323,612	278,226
Others		46,595	54,951
	₩	<u>11,260,105</u>	<u>10,480,950</u>
Timing of revenue recognition			
Revenue recognized at a point in time	₩	10,934,322	10,201,507
Revenue recognized over time		325,783	279,443
	₩	<u>11,260,105</u>	<u>10,480,950</u>

(b) Details of contract assets and liabilities from contracts with customers as of March 31, 2024 and December 31, 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>December 31, 2023</u>
Receivables			
Account receivables	₩	5,859,266	5,621,333
Contract assets			
Account receivables		2,494	4,826
Contract liabilities			
Advance received		23,416	34,034
Unearned income		70,729	53,928

POSCO and its subsidiaries

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23. Selling and Administrative Expenses

(a) Other administrative expenses

Other administrative expenses for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Wages and salaries	₩ 94,353	85,901
Expenses related to post-employment benefits	8,496	13,660
Other employee benefits	22,488	17,443
Travel	3,199	2,754
Depreciation	13,274	7,463
Amortization	6,919	6,824
Communication	2,611	2,361
Electricity	997	637
Taxes and public dues	3,331	1,748
Rental	21,352	23,424
Repairs	2,507	1,894
Entertainment	957	920
Advertising	11,030	11,518
Research & development	6,870	7,137
Service fees	72,105	64,519
Vehicles maintenance	802	615
Industry association fee	757	918
Conference	1,568	1,419
Increase to provisions	-	13
Impairment loss on trade and other receivables	2,684	592
Others	10,760	9,312
	<u>₩ 287,060</u>	<u>261,072</u>

(b) Selling expenses

Selling expenses for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Freight and custody expenses	₩ 41,015	36,229
Operating expenses for distribution center	1,051	1,230
Sales commissions	25,553	27,633
Sales advertising	159	706
Sales promotion	936	654
Sample	421	256
Sales insurance premium	2,044	2,322
Others	2,175	47
	<u>₩ 73,354</u>	<u>69,077</u>

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24. Finance Income and Costs

Details of finance income and costs for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Finance income			
Interest income(*1)	₩	37,419	42,511
Gain on foreign currency transactions		108,341	174,386
Gain on foreign currency translations		109,510	76,563
Gain on transactions of derivatives		15,072	-
Gain on valuation of derivatives		248,073	226,151
Gain on disposal of financial assets at fair value through profit or loss		11,302	41,294
Gain on valuation of financial assets at fair value through profit or loss		43,106	121,834
Others		<u>14,534</u>	<u>1,967</u>
	₩	<u>587,357</u>	<u>684,706</u>
Finance costs			
Interest expenses	₩	145,549	112,231
Loss on foreign currency transactions		111,453	158,282
Loss on foreign currency translations		337,984	304,990
Loss on transactions of derivatives		2,971	19,885
Loss on valuation of derivatives		-	1,529
Loss on valuation of financial assets at fair value through profit or loss		-	5,106
Others		<u>987</u>	<u>621</u>
	₩	<u>598,944</u>	<u>602,644</u>

(*1) Interest income calculated using the effective interest method for each of the three-month periods ended March 31, 2024 and 2023 is ₩33,388 million and ₩42,472 million, respectively.

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(unaudited)

25. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

(in millions of Won)

		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Other non-operating income			
Gain on disposals of property, plant and equipment	₩	4,778	1,780
Gain on disposals of emission rights		2,970	14,788
Reversal of other provisions		1,640	144
Premium income		83	667
Others		4,976	8,100
	₩	<u>14,447</u>	<u>25,479</u>
Other non-operating expenses			
Loss on disposals of property, plant and equipment	₩	39,347	22,119
Impairment loss on property, plant and equipment		40,770	-
Impairment loss on intangible assets		11	11
Idle tangible asset expenses		1,434	6,306
Donations		18,763	26,493
Other amortization expense		738	468
Others		6,104	6,169
	₩	<u>107,167</u>	<u>61,566</u>

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26. Expenses by Nature

Expenses that are recorded by nature as cost of sales, selling and administrative expenses and other non-operating expenses in the consolidated statements of comprehensive income for each of the three-month periods ended March 31, 2024 and 2023 are as follows (excluding finance costs and income tax expense):

<i>(in millions of Won)</i>	<u>March 31, 2024</u>	<u>March 31, 2023</u>
Raw material used, changes in inventories and others ₩	7,610,812	7,365,417
Employee benefits expenses	651,079	548,571
Outsourced processing cost	784,412	693,117
Electricity and water expenses	214,498	186,115
Service fees	97,840	86,461
Depreciation(*1)	657,793	559,404
Amortization	23,883	23,658
Freight and custody expenses	358,572	288,491
Sales commissions	25,553	27,633
Loss on disposals of property, plant and equipment	39,347	22,119
Impairment loss on property, plant and equipment	40,770	-
Impairment loss on intangible assets	11	11
Donation	18,763	26,493
Other expenses	476,964	413,595
	₩ <u>11,000,297</u>	<u>10,241,085</u>

(*1) Includes depreciation of investment property.

27. Income Taxes

Income tax expenses were calculated by adjusting deferred tax expenses (income) due to the accrual and reversal of temporary differences in current tax expenses and income tax expenses (income) related to items not recognized in profit or loss. The effective tax rates of the Group for each of the three-month periods ended March 31, 2024 and 2023 were 14.07% and 29.46%, respectively.

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28. Earnings Per Share

Basic earnings per share for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in Won, except share information)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Profit attributable to controlling interest	₩	241,921,100,064	238,595,499,699
Interests of hybrid bonds, net of tax		-	(1,669,610,958)
Weighted-average number of common shares outstanding(*1)		<u>96,480,625</u>	<u>96,480,625</u>
Basic earnings per share	₩	<u>2,507</u>	<u>2,456</u>

(*1) The weighted-average number of common shares used to calculate basic earnings per share is as follows:

<i>(shares)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Total number of common shares issued		96,480,625	96,480,625
Weighted-average number of common shares outstanding		96,480,625	96,480,625

The Group does not have any dilutive potential common shares as of March 31, 2024 and 2023, so diluted earnings per share are the same as basic earnings per share.

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29. Related Party Transactions

(a) The Group's related parties as of March 31, 2024 are as follows:

	<u>Company</u>
The parent company	POSCO HOLDINGS INC.
Associates	DAEHO GLOBAL MANAGEMENT CO., LTD., Pohang Special Welding Co., Ltd., POSK(Pinghu) Steel Processing Center Co., Ltd., LLP POSUK TITANIUM, POSCO SUZHOU PROCESSING CENTER CO.,LTD, SUZHOU POSCO-CORE TECHNOLOGY CO., LTD., ZHANGJIAGANG XIAO-SHA COIL SERVICE CENTER CO.,LTD, POSCO Vietnam Processing Center. Co.,Ltd, POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER and others
Other related parties(*1)	POSCO Eco & Challenge Co., Ltd., POSCO DX, POSCO WIDE Co., Ltd., POSCO FUTURE M CO., LTD., POSCO FLOW CO., LTD., SNNC, POSCO Mobility Solution Corporation, eSteel4U, POSCO INTERNATIONAL Corporation, POSCO Canada Ltd., POSCO Maharashtra Steel Private Limited, POSCO(Guangdong) Automotive Steel Co., Ltd., POSCO VST CO., LTD., POSCO INTERNATIONAL SINGAPORE PTE LTD., POSCO ASSAN TST STEEL INDUSTRY Inc., Roy Hill Holdings Pty Ltd, POSCO Asia CO., LTD., POSCO-China Holding Corp., POSCO-India Pune Processing Center. Pvt. Ltd., POSCO INDIA PROCESSING CENTER PRIVATE LIMITED and others

(*1) Other related parties are the subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

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(b) Significant transactions with the Group's related parties for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

1) For the three-month period ended March 31, 2024

(in millions of Won)

	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company						
POSCO HOLDINGS INC. (*4)	₩ 6,641	232	57	-	-	629,784
Associates and joint ventures						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	12,981	-	587	-	-	-
POSCO Vietnam Processing Center. Co.,Ltd	35,888	-	374	-	-	137
POS-SeAH Steel Wire (Thailand) Co., Ltd.	5,379	-	54	-	-	-
Others	579	-	145	-	-	-
	<u>54,827</u>	<u>-</u>	<u>1,160</u>	<u>-</u>	<u>-</u>	<u>137</u>
Other related party(*3)						
POSCO Eco & Challenge Co., Ltd.	41,548	3	-	350,062	-	22,431
POSCO DX (*5)	13,159	63	215	126,490	16,414	54,191
POSCO WIDE Co., Ltd.	3,986	4	235	17	5,982	13,073
POSCO FUTURE MCO., LTD.	134,677	52	148,925	10,396	54,871	2,232
POSCO FLOW CO., LTD. (*6)	3,776	3	205,620	1	2,746	309,926
SNNC	5,818	3	102,500	-	-	-
POSCO Mbbility Solution Corporation	212,569	-	915	2,230	12,620	99
eSteel4U	149,640	-	-	-	-	30
POSCO INTERNATIONAL Corporation	2,808,040	5	876,273	-	-	5,782
POSCO Canada Ltd.	-	-	26,700	-	-	-
POSCO MEXICO S.A. DE C.V.	156,508	58	-	-	-	464
POSCO Maharashtra Steel Private Limited	220,186	44	-	-	-	506
PT. POSCO-INDONESIA JAKARTA PROCESSING CENTER	153	-	-	-	-	702
POSCO VST CO., LTD.	35,423	-	174	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	-	618,897	-	-	-
PT. KRAKATAU POSCO	1,177	1,184	-	-	-	-
POSCO ASSAN TST STEEL INDUSTRY	111,539	650	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	439,354	-	-	-
Others	193,388	-	176,333	16,593	4,475	32,598
	<u>4,091,587</u>	<u>2,069</u>	<u>2,596,141</u>	<u>505,789</u>	<u>97,108</u>	<u>442,034</u>
₩	<u>4,153,055</u>	<u>2,301</u>	<u>2,597,358</u>	<u>505,789</u>	<u>97,108</u>	<u>1,071,955</u>

(*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties and joint ventures.

(*2) Purchases and others mainly consist of related party's purchases of construction services and purchases of raw materials to manufacture steel products.

(*3) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

(*4) Others (purchase) mainly consist of service fees for brand usage and rentals.

(*5) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(*6) Others (purchase) mainly consist of freight expenses.

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2) For the three-month period ended March 31, 2023

(in millions of Won)

	Sales and others(*1)		Purchase and others(*2)			
	Sales	Others	Purchase of material	Purchase of fixed assets	Outsourced processing cost	Others
The parent company						
POSCO HOLDINGS INC. (*4)	₩ 6,719	16	-	-	-	32,573
Associates and joint ventures						
POSCO-SAMSUNG-SLOVAKIA PROCESSING CENTER	11,602	-	9	-	-	-
POS-SeAH Steel Wire (Thailand) Co., Ltd.	6,156	-	5	-	-	-
Others	1,463	-	94	-	-	-
	19,221	-	108	-	-	-
Other related party(*3)						
POSCO Eco & Challenge Co., Ltd. (formerly, POSCO ENGINEERING & CONSTRUCTION CO., LTD.)	69,389	26	-	226,319	-	2,490
POSCO DX (formerly, POSCO ICT)(*5)	3,549	18	1,486	76,295	16,158	50,820
POSCO WIDE Co., Ltd. (formerly, POSCO O&M Co., Ltd.)	2,979	1	217	19	4,619	9,113
POSCO FUTURE MCO., LTD. (formerly, POSCO CHEMICAL CO., LTD.)	136,252	50	138,748	17,610	58,563	2,095
POSCO FLOW CO., LTD. (*6)	5,200	28	201,220	-	7,065	267,361
SNMC	6,125	3	124,368	-	-	12
POSCO Mmobility Solution Corporation	241,627	-	859	-	6,221	471
eSteel4U	106,245	-	-	-	-	15
POSCO INTERNATIONAL Corporation	2,739,527	23	589,608	-	3,112	7,059
POSCO Canada Ltd.	-	-	56,821	-	-	-
POSCO Vietnam Processing Center. Co., Ltd	33,923	-	256	-	-	116
POSCO MEXICO S.A. DE C.V.	108,911	163	-	-	-	451
POSCO Maharashtra Steel Private Limited	211,879	-	-	-	-	623
POSCO(Guangdong) Automotive Steel Co.,Ltd	56,972	-	243	-	-	-
POSCO VST CO., LTD.	36,071	-	-	-	-	21
POSCO INTERNATIONAL SINGAPORE PTE LTD.	-	2	500,900	-	-	-
POSCO ASSAN TST STEEL INDUSTRY	47,220	295	-	-	-	-
Roy Hill Holdings Pty Ltd	-	-	463,600	-	-	-
Others	218,037	762	81,081	13,091	143	29,722
	4,023,906	1,371	2,159,407	333,334	95,881	370,369
₩	4,049,846	1,387	2,159,515	333,334	95,881	402,942

(*1) Sales and others mainly consist of sales of steel products to the parent company, associates and other related parties and joint ventures.

(*2) Purchases and others mainly consist of related party's purchases of construction services and purchases of raw materials to manufacture steel products.

(*3) Other related parties are subsidiaries, associates and joint ventures of POSCO HOLDINGS INC., the parent company of the Company.

(*4) Others (purchase) mainly consist of service fees for brand usage and rentals.

(*5) Others (purchase) mainly consist of maintenance expenses for the ERP System.

(*6) Others (purchase) mainly consist of freight expenses.

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(c) The related account balances of significant transactions with the Group's related parties as of March 31, 2024 and December 31, 2023 are as follows:

1) March 31, 2024

(in millions of Won)

		Receivables			Payables				
		Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes receivable	Accounts payable	Others	Total
The parent company									
POSCO HOLDINGS INC.	₩	796	-	40,890	41,686	-	134,258	608,153	742,411
Associates and joint ventures									
POSCO Vietnam Processing Center Joint Stock Company		12,376	-	4	12,380	73	-	139	212
POS-SeAH Steel Wire (Thailand) Co., Ltd.		5,602	-	-	5,602	21	-	-	21
Others		619	-	44	663	591	-	-	591
		<u>18,597</u>	<u>-</u>	<u>48</u>	<u>18,645</u>	<u>685</u>	<u>-</u>	<u>139</u>	<u>824</u>
Other related party									
POSCO Eco & Challenge Co., Ltd.		31,754	-	55,162	86,916	-	153,783	3,831	157,614
POSCO DX		13,927	-	61	13,988	642	117,739	21,776	140,157
POSCO WIDE Co., Ltd.		1,050	-	1,410	2,460	321	2,963	5,495	8,779
POSCO FUTURE MCO, LTD.		80,391	-	4,461	84,852	55,478	23,928	21,486	100,892
POSCO FLOW CO., LTD.		1,131	-	185	1,316	96,036	7,020	46,524	149,590
SNNC		3,493	-	83	3,576	13,016	-	23	13,039
POSCO Mbbility Solution Corporation		214,014	-	-	214,014	998	1,787	5,153	7,938
eSteel4U		164,598	-	-	164,598	-	-	-	-
POSCO INTERNATIONAL Corporation		916,561	-	2,826	919,387	921,884	3,803	2,928	928,615
POSCO Maharashtra Steel Private Limited		456,595	-	2,545	459,140	-	21	11	32
POSCO(Guangdong) Automotive Steel Co., Ltd.		64,267	-	-	64,267	-	-	-	-
POSCO VST CO., LTD.		34,290	-	764	35,054	116	-	-	116
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	-	189,177	-	-	189,177
POSCO ASSAN TST STEEL INDUSTRY		237,256	-	2,205	239,461	-	-	-	-
Roy Hill Holdings Pty Ltd		-	-	9	9	204,058	-	-	204,058
Others		72,183	49,853	24,321	146,357	142,621	38,239	230,693	411,553
		<u>2,291,510</u>	<u>49,853</u>	<u>94,032</u>	<u>2,435,395</u>	<u>1,624,347</u>	<u>349,283</u>	<u>337,920</u>	<u>2,311,550</u>
	₩	<u>2,310,903</u>	<u>49,853</u>	<u>134,970</u>	<u>2,495,726</u>	<u>1,625,032</u>	<u>483,541</u>	<u>946,212</u>	<u>3,054,786</u>

2) December 31, 2023

(in millions of Won)

		Receivables			Payables				
		Trade accounts and notes receivable	Loans	Others	Total	Trade accounts and notes payable	Accounts payable	Others	Total
The parent company									
POSCO HOLDINGS INC.	₩	1,432	-	36,538	37,970	3,582	111,082	137,876	252,540
Associates and joint ventures									
POSCO Vietnam Processing Center Co.,Ltd		15,240	-	4	15,244	31	-	-	31
POS-SeAH Steel Wire (Thailand) Co., Ltd.		4,240	-	-	4,240	21	-	-	21
Others		861	-	41	902	60	-	-	60
		<u>20,341</u>	<u>-</u>	<u>45</u>	<u>20,386</u>	<u>112</u>	<u>-</u>	<u>-</u>	<u>112</u>
Other related party									
POSCO Eco & Challenge Co., Ltd. (formerly, POSCO ENGINEERING & CONSTRUCTION CO., LTD.)		27,063	-	22	27,085	512	111,973	215	112,700
POSCO DX (formerly, POSCO ICT)		9,881	-	42	9,923	3,199	196,446	23,978	223,623
POSCO WIDE Co., Ltd. (formerly, POSCO O&MCo., Ltd.)		1,163	-	1,435	2,598	-	3,220	5,823	9,043
POSCO FUTURE MCO., LTD. (formerly, POSCO CHEMICAL CO., LTD.)		81,230	-	63,930	145,160	57,867	22,006	18,797	98,670
POSCO FLOW CO., LTD.		3,350	-	446	3,796	156,249	5,069	47,278	208,596
SNNC		4,230	-	60	4,290	25,480	-	16	25,496
POSCO Mbbility Solution Corporation		167,747	-	-	167,747	1,270	2,090	4,843	8,203
eSteel4U		120,023	-	-	120,023	-	-	-	-
POSCO INTERNATIONAL Corporation		1,043,928	-	4,492	1,048,420	847,907	5,278	6,561	859,746
POSCO Maharashtra Steel Private Limited		487,618	-	2,060	489,678	-	21	-	21
POSCO(Guangdong) Automotive Steel Co., Ltd.		59,646	-	-	59,646	59	-	-	59
POSCO VST CO., LTD.		61,609	-	611	62,220	-	-	-	-
POSCO INTERNATIONAL SINGAPORE PTE LTD.		-	-	-	-	166,754	-	-	166,754
POSCO ASSAN TST STEEL INDUSTRY		177,085	-	3,807	180,892	-	-	-	-
Roy Hill Holdings Pty Ltd		-	-	-	-	260,830	-	-	260,830
Others		53,051	31,548	19,897	104,496	109,297	35,096	223,441	367,834
		<u>2,297,624</u>	<u>31,548</u>	<u>96,802</u>	<u>2,425,974</u>	<u>1,629,424</u>	<u>381,199</u>	<u>330,952</u>	<u>2,341,575</u>
	₩	<u>2,319,397</u>	<u>31,548</u>	<u>133,385</u>	<u>2,484,330</u>	<u>1,633,118</u>	<u>492,281</u>	<u>468,828</u>	<u>2,594,227</u>

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(d) Significant borrowing transactions with the Group's related parties for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

1) For the three-month period ended March 31, 2024

<i>(in millions of Won)</i>		<u>Transaction</u>	<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Others(*1)</u>	<u>Ending</u>
Other related party							
POSCO Asia CO., LTD.	Short-term borrowings	₩	203,886	39,821	(42,395)	(2,403)	198,909
POSCO-China Holding Corp.	Short-term borrowings		17,798	26,267	(17,798)	(694)	25,573
POSCO MPPC S.A. de C.V.	Short-term borrowings		6,785	15,554	(6,785)	(39)	15,515
		₩	<u>228,469</u>	<u>81,642</u>	<u>(66,978)</u>	<u>(3,136)</u>	<u>239,997</u>

(* 1) Others include adjustments of foreign currency translation differences.

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<u>Transaction</u>	<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Others(*1)</u>	<u>Ending</u>
Other related party							
POSCO Asia CO., LTD.	Short-term borrowings	₩	98,449	192,112	(86,319)	(356)	203,886
POSCO-China Holding Corp.	Short-term borrowings		32,387	109,837	(124,426)	-	17,798
POSCO MPPC S.A. de C.V.	Short-term borrowings		-	6,785	-	-	6,785
		₩	<u>130,836</u>	<u>308,734</u>	<u>(210,745)</u>	<u>(356)</u>	<u>228,469</u>

(* 1) Others include adjustments of foreign currency translation differences.

(e) Significant loan transactions with the Group's related parties for the three-month period ended March 31, 2024 and the year ended December 31, 2023 are as follows:

1) For the three-month period ended March 31, 2024

<i>(in millions of Won)</i>		<u>Transaction</u>	<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Others(*1)</u>	<u>Ending</u>
Other related party							
POSCO-India Pune Processing Center. Pvt. Ltd.	Short-term loans	₩	31,069	46,691	(31,069)	(1,879)	44,812
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Short-term loans		171	143	(171)	(6)	137
POSCO-China Holding Corp.	Short-term loans		308	5,038	(308)	(134)	4,904
		₩	<u>31,548</u>	<u>51,872</u>	<u>(31,548)</u>	<u>(2,019)</u>	<u>49,853</u>

(* 1) Others include adjustments of foreign currency translation differences.

2) For the year ended December 31, 2023

<i>(in millions of Won)</i>		<u>Transaction</u>	<u>Beginning</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u>
Other related party						
POSCO-India Pune Processing Center. Pvt. Ltd.	Short-term loans	₩	39,859	43,447	(52,237)	31,069
POSCO INDIA PROCESSING CENTER PRIVATE LIMITED	Short-term loans		5,067	3,404	(8,300)	171
POSCO-China Holding Corp.	Short-term loans		-	308	-	308
		₩	<u>44,926</u>	<u>47,159</u>	<u>(60,537)</u>	<u>31,548</u>

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

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(f) Guarantees provided to related parties

- 1) As of March 31, 2024, the Group has entered into financial guarantee contracts for its related parties (Note 19-(a)-2).
- 2) As of March 31, 2024, the Group provides performance guarantees for the LNG purchase agreement (SPA) of POSCO International Corporation, its related party (Note 30-(a)).

(g) For each of the three-month periods ended March 31, 2024 and 2023, details of compensation to the Group's key management officers are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Short-term benefits(*1)	₩	19,139	16,623
Long-term benefits		428	132
Retirement benefits		4,311	8,693
	₩	<u>23,878</u>	<u>25,448</u>

(*1) The parent company of POSCO, POSCO HOLDINGS INC., has the right to grant treasury shares of POSCO HOLDINGS INC. to key management officers as compensation for labor or services, and POSCO is obligated to settle the fair value of these share-based payments with POSCO HOLDINGS INC. in cash. As of March 31, 2024, POSCO has recognized ₩16,014 million of liabilities related to the share-based payments.

Key management officers include directors (including non-standing directors), executive officials and fellow officials who have significant influences and responsibilities in the Group's business and operations.

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30. Commitments and Contingencies

(a) Other commitments

Details of other commitments of the Group as of March 31, 2024 are as follows:

Company	Description
POSCO	<p>The Company entered into long-term contracts to purchase iron ore, coal, nickel and others. The long-term purchase contract period is more than three years for iron ore and coal, and one year for nickel. These contracts provide for periodic price adjustments based on the market price. As of March 31, 2024, 54 million tons of iron ore and 13 million tons of coal remained to be purchased under such long-term contracts.</p> <p>The Company entered into an agreement with Tangguh Liquefied Natural Gas (LNG) Consortium in Indonesia to purchase 550 thousand tons of LNG annually for 20 years commencing in August 2005. The purchase price is subject to change, based on changes of the monthly standard oil price (JCC) and with a price ceiling.</p> <p>The Company has a long-term service contract for the transportation of raw material. As of March 31, 2024, there are 36 vessels under contract, and the average remaining contract period is about 7 years.</p> <p>The Company entered into an agreement (LNG SPA) with POSCO INTERNATIONAL SINGAPORE PTE LTD. to purchase 370 thousand tons of LNG annually for 15 years commencing in November 2026. The Purchase price is subject to change based on changes of U.S. Henry Hub Natural Gas Spot Price. The Company has extension option of extending the purchase contract by five years. Meanwhile, POSCO INTERNATIONAL Corporation has signed an LNG SPA with Cheniere Marketing, LLC for the purpose of supplying LNG to the Company. As and actual buyer of LNG, the Company provides performance guarantee for POSCO INTERNATIONAL Corporation's SPA to producer, Cheniere Marketing, LLC. The performance guarantee contract period is from September 30, 2022 to the date of expiration of SPA contract which is September 30, 2046, or the date of termination of payment obligation under the guarantee contract.</p> <p>As of March 31, 2024, the Company has entered into supply chain finance which has a limit of USD 1,570 million with SMBC and three other financial institutions.</p>

(b) Litigation in progress

The Group is involved in 84 lawsuits collectively amounting to ₩ 317.3 billion as defendant as of March 31, 2024, which arise from the ordinary course of business such as claim for confirmation of employee status. The Group has recognized provisions amounting to ₩ 25 million for 2 lawsuits including litigation to confirm invalidity of dismissal, based on its reliable estimate of outflow of resources. However, the Group has not recognized any provisions for the other lawsuits and claim since the Group believes that it does not have a present obligation as of March 31, 2024.

(c) The Company was newly incorporated on the date of spin-off, and the Company is jointly liable for the liabilities of POSCO HOLDINGS INC. under Article 530(9)(1) of the *Commercial Act* of the Republic of Korea.

POSCO and its subsidiaries

Notes to the interim condensed consolidated financial statements, continued

March 31, 2024

(unaudited)

31. Statements of Cash Flows

Changes in operating assets and liabilities for each of the three-month periods ended March 31, 2024 and 2023 are as follows:

<i>(in millions of Won)</i>		<u>March 31, 2024</u>	<u>March 31, 2023</u>
Trade accounts and notes receivable	₩	(188,092)	(428,925)
Other receivables		(96,391)	89,239
Inventories		(216,105)	659,457
Other current assets		(4,069)	(6,149)
Other non-current assets		4,661	5,803
Trade accounts and notes payable		5,960	(158,066)
Other payables		6,646	(335,932)
Other current liabilities		2,228	462
Provisions		(13,124)	(15,111)
Payments of severance benefits		(51,032)	(46,943)
Plan assets ■		35,832	22,435
Other non-current liabilities		(3,820)	(1,204)
	₩	<u>(517,306)</u>	<u>(214,934)</u>

32. Operating Segments

Information of each operating segment is reported in a manner consistent with the internal business segment reporting provided to the chief operating decision-maker. Operating results are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Group is organized of a single segment, the steel segment.