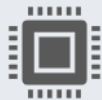


[2026: Volume 3]

# MIRAE ASSET MINUTES

*Biweekly strategy meeting recap*

**Semiconductors**  
Sector update



**Games**  
Krafton



**Pharma/Biotech**  
Hugel



# Fed nomination broadly neutral; maintain current strategy

## Top stories

### Semiconductors

Young-gun Kim

- Memory shortages persist. On its earnings call, Meta guided higher-than-expected capex, reaffirming its aggressive investment stance. We expect similar guidance from other big tech firms.
- Samsung Electronics (SEC) and SK Hynix have begun mass-producing HBM4. Given supply/demand dynamics, DRAM price increases are likely to accelerate heading into 2H26, supporting continued improvement in memory profitability.
- In a separate report, we lifted our TP for SEC to W247,000 (from W187,000), given its strengths across server DRAM, LPDDR5X, and TLC SSDs.
- We also recently lifted our TP for SK Hynix to W1,370,000 (from W956,000). Our target multiple is based on the global peer average. Given the firm's ROE, we see room for multiple expansion.

### Games

HeeSeok Lim

- With new title momentum remaining weak and competition from Chinese game developers intensifying, a broad-based sector re-rating appears unlikely in the near term.
- While small/mid-cap game stocks included in the KOSDAQ 150 have rebounded sharply, this reflects broader KOSDAQ inflows rather than changes in fundamentals.
- Our top pick is Krafton with a TP of W390,000 (raised on Jan. 26). While the stock pulled back on concerns over 4Q25 results, we expect a strong earnings surprise in 1Q26. At a 2026F P/E of 12x, valuation remains attractive (target P/E: 18x).
- With its three-year shareholder return program now concluded, we expect the firm to announce enhanced shareholder return measures alongside its earnings release.

### Pharma/Biotech

Mihwa Seo

- AbbVie generates around US\$2.6bn in revenue from Botox Cosmetic annually. The US remains the largest consumer of botulinum toxin, accounting for roughly 60% of global demand.
- Hugel offers a botulinum toxin product that is priced below Botox while offering comparable quality; it is gaining traction among younger US consumers, supporting M/S gains.
- Our top pick is Hugel with a TP of W350,000. We expect domestic revenue to return to positive growth in 2026, and overseas revenue is also poised to expand, led by the four major markets (the US, Europe, Brazil, and China).
- Valuation is attractive relative to aesthetic peers such as Classys.

## Top picks

Samsung Electronics	SK Hynix	SEMCO	Hyundai Motor	HD HHI
Doosan Enerbility	Samsung Biologics	Hugel <sup>New</sup>	Krafton <sup>New</sup>	Samsung Securities
			NAVER <sup>Removed</sup>	Shinsegae <sup>Removed</sup>

# Fed nomination broadly neutral; maintain current strategy

## Investment ideas

- The slightly hawkish lean of Kevin Warsh, the nominee to be the next Fed chair, has acted as a near-term profit-taking trigger across global markets, including gold and silver.
- However, the market had already formed a consensus that even two Fed rate cuts this year would be difficult. Moreover, regardless of Warsh's hawkish inclination, a pivot to rate hikes is not a realistic scenario. As such, this event should ultimately have a broadly neutral market impact.
- Continued large-scale capex by US mega-cap big tech companies remains the most important driver of global equities. Big tech investments are driving price gains across semiconductors and a wide range of commodities. We believe that a buying strategy focused on companies, sectors, and themes benefiting from the spillover effects of this investment cycle remains appropriate.
- Our investment strategy for Korean equities also remains unchanged. We recommend prioritizing exposure to sectors with solid earnings growth visibility and relatively low uncertainty; alongside the core semiconductor sector, we favor power equipment, shipbuilding, nuclear power, and securities.
- Conditions are not yet supportive for broader investment exposure, given soft domestic demand and weak export momentum outside of semiconductors.

## Top 10 picks: Changes and comments

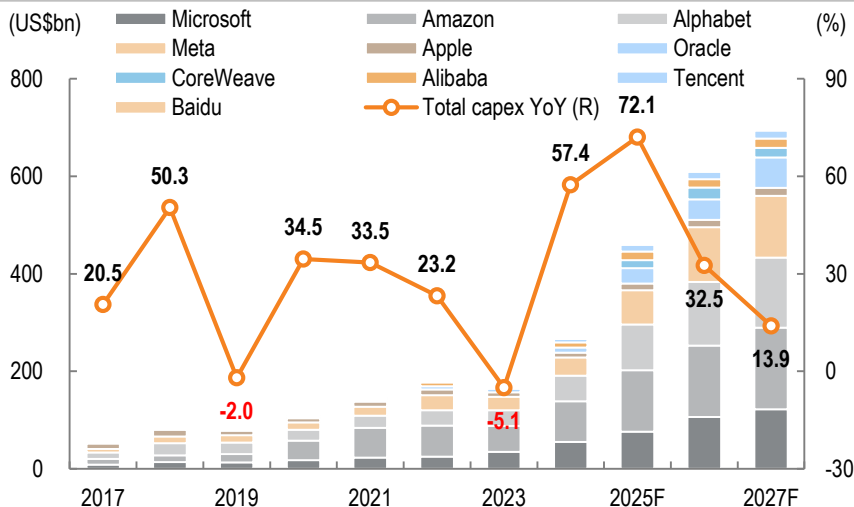
- For our top 10 picks, we added Krafton and Hugel while removing NAVER and Shinsegae.
- Krafton is trading at an undemanding valuation, and recent positive developments are driving up the likelihood of a 1Q26 earnings surprise. Expectations for stronger shareholder returns also remain intact. For Hugel, we highlight a turnaround in domestic earnings and improving medium/long-term growth visibility in key overseas markets.
- At Samsung Electro-Mechanics (SEMCO), rising demand from AI servers is expected to drive full-capacity utilization of FC-BGA substrates in 2H26, supporting margin expansion. In 2026-27, we expect the company to achieve solid growth in revenue (10%+) and operating profit (30%+). Meanwhile, HD Hyundai Heavy Industries (HHI) has seen some near-term share price weakness, and 4Q25 results are likely to come in slightly below the consensus, but medium-term catalysts—including shipbuilding cooperation with the US (MASGA initiative) and the Canadian submarine procurement program—remain in place.

## New findings

- Earnings calls by SEC, SK Hynix, Nanya, and SanDisk all highlighted strong demand and tight supply.
- Both SEC and SK Hynix have begun mass-producing HBM4. As shipments ramp up, memory profitability is likely to improve further.
- Meta guided 2026 capex at US\$115-135bn (vs. market expectation of US\$112bn), reinforcing expectations that the big tech-led investment expansion cycle will continue.
- With the US moving to allow conditional exports of Nvidia's H200 chips to China, large-scale GPU procurement by Chinese big tech players is expected to restart, generating additional HBM demand.
- DRAM contract price projections, which were revised up sharply in mid-Dec., modestly stabilized in mid-Jan. Based on supply/demand dynamics, the pace of increases could accelerate again heading into 2H26.

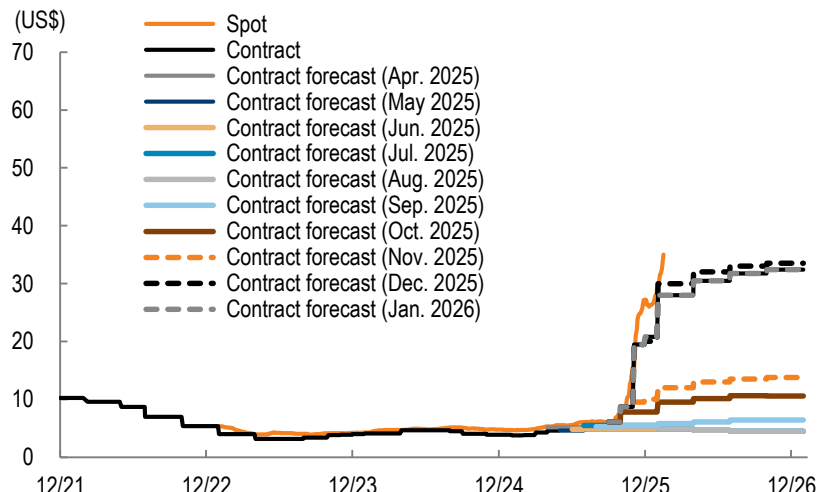
## Key charts

### Big tech capex trends and outlook



Source: Company data, Bloomberg, Mirae Asset Securities Research estimates

### PC DRAM contract price trends and outlook



Source: TrendForce, Mirae Asset Securities Research

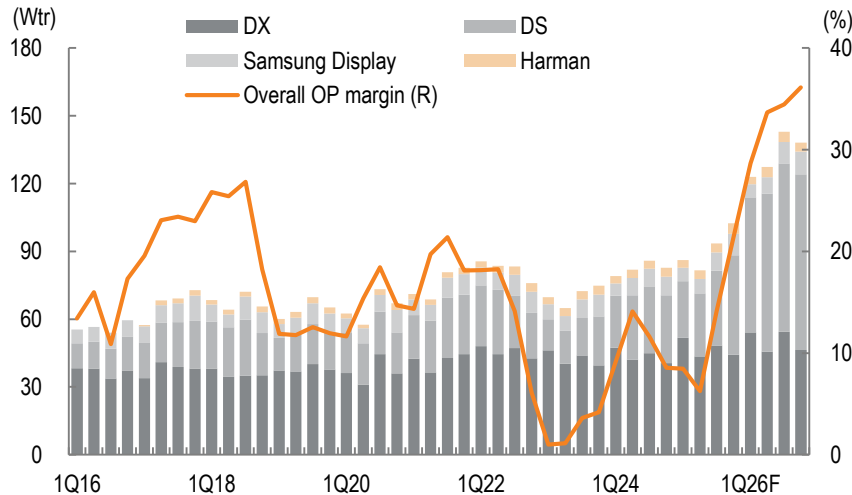


## Top pick

- In a separate report (Jan. 30), we raised our target price for SEC by 32% to W247,000 (from W187,000).
- Based on 2026F EPS and BPS, our target price implies a P/E of 11.1x and P/B of 3.1x, both of which remain below the industry averages of 14.4x and 4.2x, respectively.
- For 1Q26, we look for revenue of W114tr and OP of W32tr. For 2026, we forecast revenue at W499tr and OP at W166tr.
- Notably, SEC's HBM4 has passed a customer's qualification test without requiring redesign. HBM4 base die fabrication utilizing the 4nm FinFET process points to deeper synergies.
- SEC has historically held clear competitive strengths in server DRAM, LPDDR5X, and TLC SSDs (which are all seeing strong demand), and its industry-leading capacity should help it to maximize earnings.

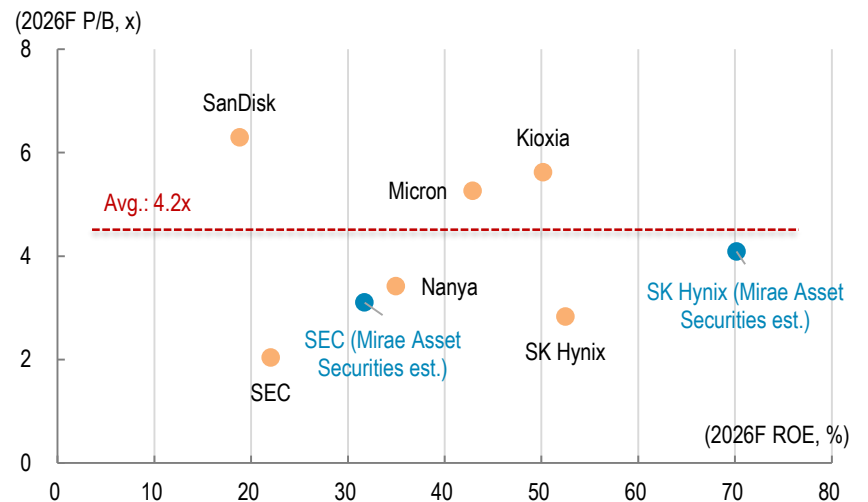
## Key charts

### SEC: Revenue and OP margin forecasts



Source: SEC, Mirae Asset Securities Research

### Chipmakers: ROE vs. P/B



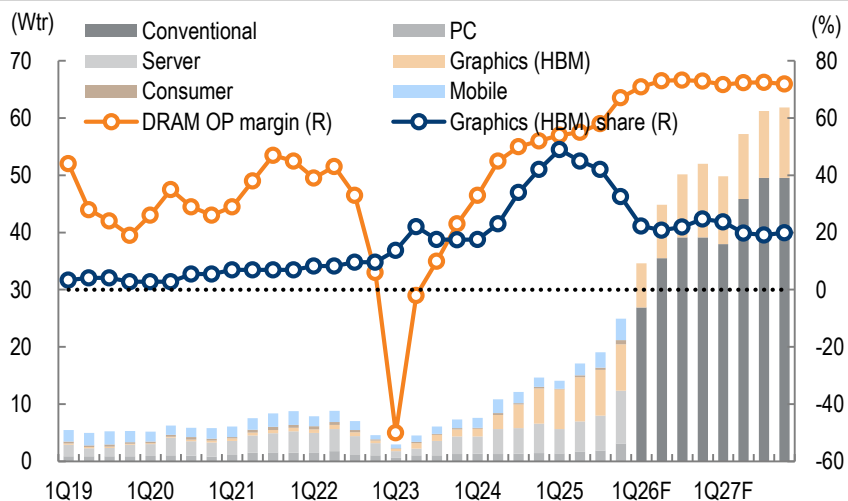
Source: LSEG, Mirae Asset Securities Research

## Top pick

- In a separate report (Jan. 30), we raised our target price for SK Hynix by 43% to W1,370,000 (from W956,000).
- We lifted our target P/B from 3.0x to 4.1x, based on the average 2026F P/B of global memory peers (excluding SanDisk). We expect SK Hynix to deliver the highest 2026F ROE in the sector (estimated at 67.7%; vs. peer average of 36.9%).
- For 1Q26, we look for revenue of W44.9tr and OP of W27.9tr. For 2026, we forecast revenue at W230tr and OP at W148tr.
- Capacity constraints and inventory drawdowns are likely to boost the share of long-term contracts, significantly enhancing memory price and earnings visibility.
- Regarding HBM4, management confirmed that mass production is proceeding as planned, using the same technology nodes and back-end processes already validated with HBM3E.

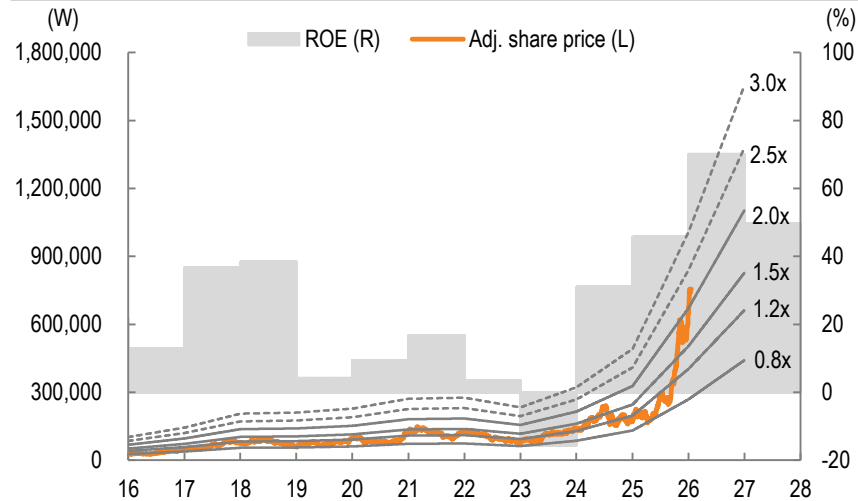
## Key charts

### SK Hynix: DRAM revenue and OP margin by application

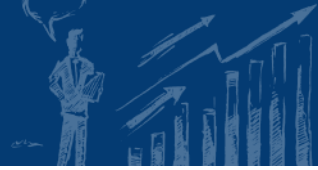


Source: SK Hynix, Mirae Asset Securities Research

### SK Hynix: 12MF P/B band chart



Source: Mirae Asset Securities Research

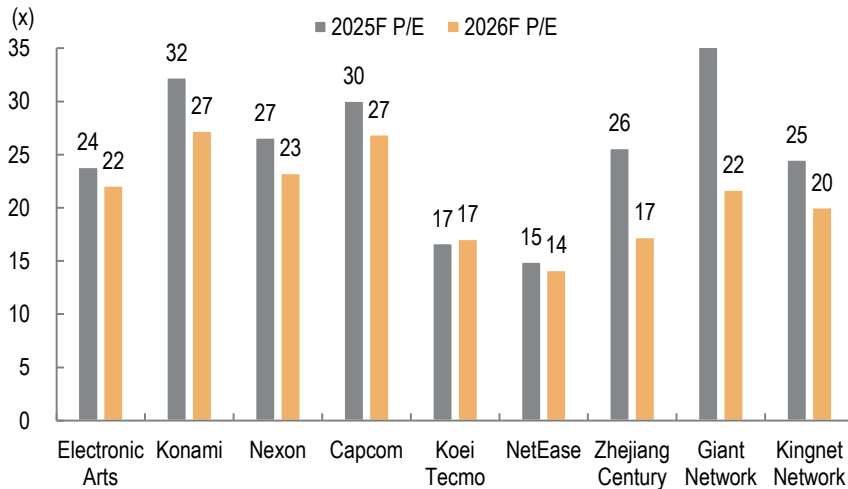


## 💡 New findings

- With new title momentum remaining weak and competition from Chinese game developers intensifying, a broad-based sector re-rating appears unlikely in the near term.
- Although small/mid-cap game stocks included in the KOSDAQ 150 have rebounded sharply, this reflects broader KOSDAQ inflows rather than changes in fundamentals.
- Krafton is our top pick. While the stock has pulled back on concerns over 4Q25 earnings, we expect a strong earnings surprise in 1Q26.
- Netmarble is our second-most preferred pick. Valuation remains attractive, but momentum has weakened due to the delay in the launch of *The Seven Deadly Sins: Origin* (to Mar.).
- In the near term, attention is warranted for names that could benefit from new titles or earnings momentum (e.g., Pearl Abyss and Neowiz).

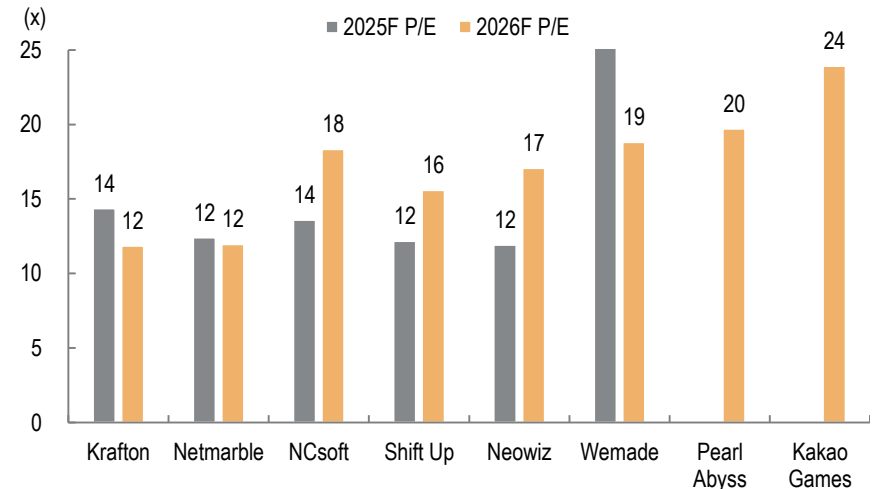
## 📊 Key charts

2025-26F P/E's of major global gaming companies (Bloomberg)

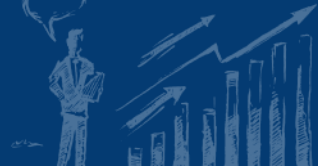


Source: Bloomberg, Mirae Asset Securities Research

2025-26F P/E's of major domestic gaming companies



Source: Mirae Asset Securities Research estimates

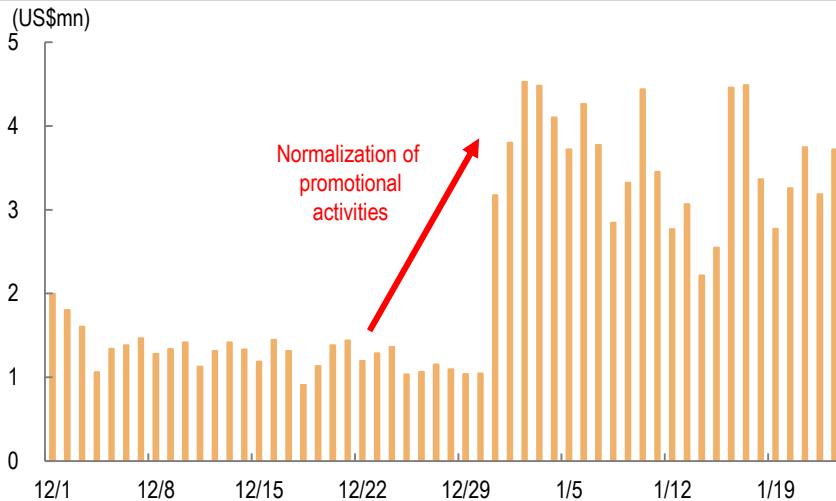


## Top pick

- While a weak performance from *Peacekeeper Elite* (China-only adaptation of *PUBG Mobile*) has raised concerns over 4Q25 earnings, this issue appears to be fully reflected in the current share price. We believe it is time to focus on the potential for an earnings surprise in 1Q26.
- The weakness in China during 4Q25 appears to have been driven by a deliberate slowdown in promotional activities rather than a deterioration in traffic (which has remained solid).
- With user spending appetite recovering, revenue from *Peacekeeper Elite* picked up in Jan. We expect the mobile segment to visibly recover.
- At a 2026F P/E of 12x, valuation remains attractive. We see room for further upward revisions to 1Q26 earnings estimates, depending on the performance of the *Peacekeeper Elite* Lunar New Year update in Feb.
- With its three-year shareholder return program now concluded, we expect the company to announce enhanced shareholder return measures alongside its 4Q25 earnings release.

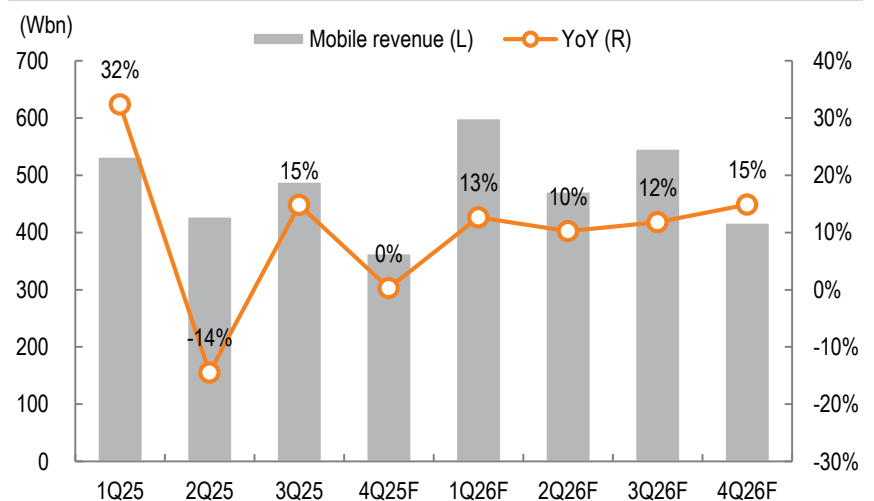
## Key charts

***Peacekeeper Elite* (China): Est. daily iOS revenue**



Source: Sensor Tower, Mirae Asset Securities Research estimates

**Krafton: Quarterly mobile revenue and YoY growth**



Source: Mirae Asset Securities Research estimates

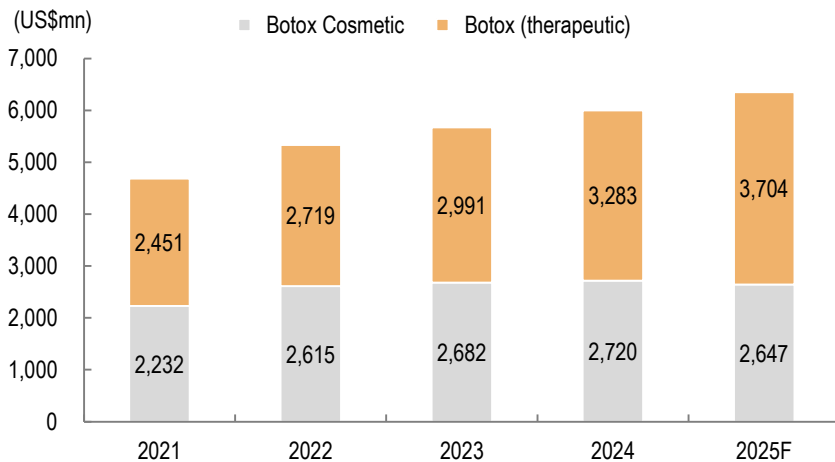


## New findings

- Aesthetic indications account for roughly 40% of AbbVie's global Botox sales.
- The US remains the largest consumer of aesthetic botulinum toxin, accounting for roughly 60% of global demand.
- AbbVie's Botox has historically dominated the US botulinum toxin market. Evolus's Jeuveau (launched in 2019 and manufactured by Daewoong Pharmaceutical) is estimated to have captured a 14% share of the US market as of 2025.
- Hugel (product name: Letybo) aims to increase its US M/S to 10% by 2028 and 14% by 2030, with an OP margin target of 40% by 2030. Of note, Jeuveau reached a 14% US M/S six years after launch, whereas Hugel aims to achieve the same level within three years.

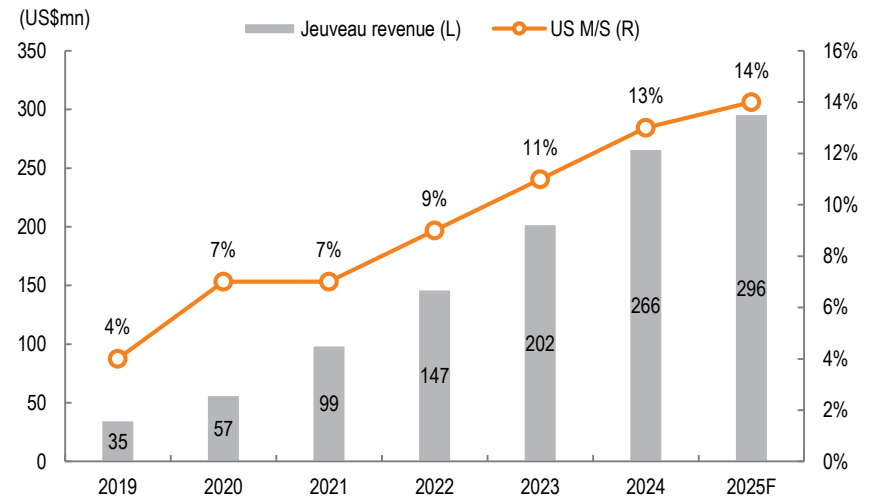
## Key charts

### AbbVie: Botox revenue



Source: AbbVie, Mirae Asset Securities Research

### Evolus: Jeuveau revenue and US M/S trend



Source: Evolus, Mirae Asset Securities Research

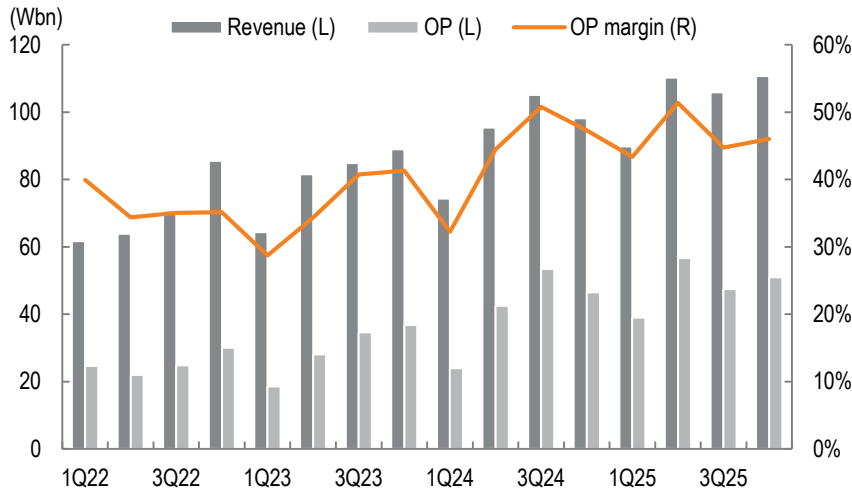


## Top pick

- For 4Q25, we expect Hugel to post revenue of W110.7bn (+13% YoY) and OP of W50.9bn (+9.6% YoY), broadly in line with market expectations.
- While weaker domestic sales continue to weigh on near-term earnings, domestic revenue showed signs of a recovery in 4Q25.
- We expect growth across Hugel's four key overseas markets (the US, Europe, Brazil, and China) to accelerate in 2026. The key investment driver for Hugel is visibility on the medium/long-term growth of overseas botulinum toxin sales.
- The company recently outlined two strategic initiatives: 1) rapid M/S expansion and profitability improvement in the US through a hybrid sales model (partners + direct sales); and 2) portfolio diversification into new aesthetic categories, including skin boosters and fillers.
- Our TP is W350,000. At a 12MF P/E of 19x, valuation is undemanding relative to aesthetic peers such as Classys (27x).

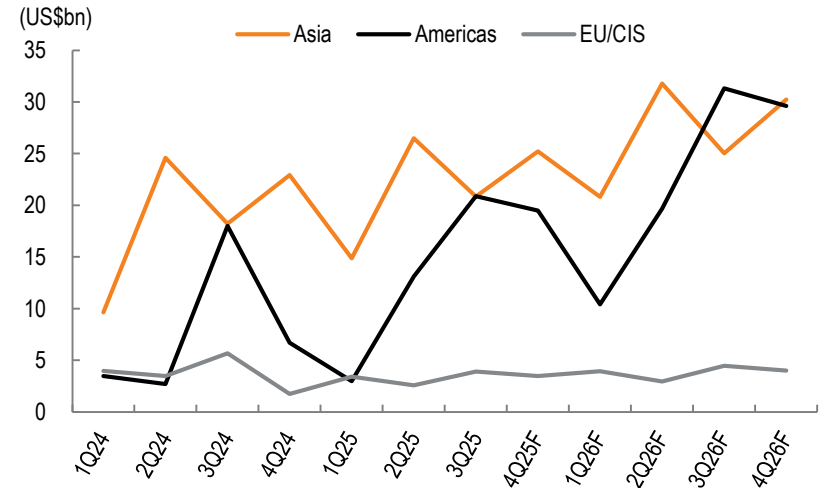
## Key charts

### Hugel: Quarterly revenue and OP



Source: Hugel, Mirae Asset Securities Research estimates

### US share of Hugel's botulinum toxin sales poised to increase



Note: Figures for 4Q25 and beyond are based on our estimates  
Source: Hugel, Mirae Asset Securities Research

# Biweekly strategy meeting minutes

Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Energy	Jinho Lee	<ul style="list-style-type: none"> <li>- Solar PV: Solar stocks initially strengthened after Elon Musk highlighted the potential of space-based solar power in Davos; however, sentiment later reversed following reports that Tesla and SpaceX each plan to build 100GW of US solar capacity within three years</li> <li>- Wind: Of the five US offshore wind projects that had been halted by President Trump's executive orders, four have secured court rulings allowing construction to resume; the remaining project is scheduled for a hearing on Feb. 2; as a result, 2026 offshore wind installations should proceed largely as planned, albeit with slight delays; however, installation volumes are likely to moderate from 2027 onward</li> </ul>	<p>[Short term] OCI Holdings</p> <p>[Medium term] OCI Holdings</p>	<p><b>OCI Holdings</b></p> <ul style="list-style-type: none"> <li>- We expect 4Q25 OP to come in at W17bn, missing the consensus (W30bn); while the polysilicon unit likely remained resilient, other segments were likely weak</li> <li>- Investment points: 1) OCI Holdings owns solar and ESS projects positioned to support data center infrastructure build-outs; 2) a swing to profit is likely in 4Q25, with utilization normalizing to around 90% since Sep.; 3) US policies aimed at excluding China from strategically important supply chains should boost demand for non-China polysilicon/wafers; and 4) China's efforts to curb industrial overcapacity are supporting a re-rating across global polysilicon producers</li> </ul>
Oil Refining/ Chemicals	Jinho Lee	<ul style="list-style-type: none"> <li>- Oil refining: 4Q25 results exceeded expectations, driven by strong refining margins; near-term sentiment should remain positive, supported by: 1) higher crude oil prices amid geopolitical risks (Iran); and 2) cold weather in the US (which is driving up heating oil demand while forcing reductions in well and refinery utilization)</li> <li>- Chemicals: Of companies that have reported 4Q25 results, most missed the consensus by a wide margin; meanwhile, policy changes in China (end of VAT rebate for PVC exports and overhaul of naphtha consumption tax system) should increase cash flow pressure on Chinese chemical firms, potentially benefiting Korean peers; that said, China's significant new capacity additions planned for 2026–27 means that it is premature to call a cyclical shift</li> </ul>	<p>[Short term] S-Oil</p> <p>[Medium term] S-Oil</p>	<p><b>S-Oil</b></p> <ul style="list-style-type: none"> <li>- 4Q25 OP came in at W424.5bn, beating the consensus (W381.3bn) by 11%</li> <li>- We anticipate further margin improvement driven by: 1) a faster-than-expected OSP decline; and 2) rising demand for heating oil and diesel amid severe cold weather</li> <li>- Considering persistent geopolitical risks (Iran and Russia) and the potential for lower refinery utilization in the central US due to cold weather, near-term tailwinds should remain in place</li> </ul>

# Biweekly strategy meeting minutes

Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Defense/ Aerospace	Dong-ho Jeong	<ul style="list-style-type: none"> <li>- The 4Q25 earnings season is underway; despite favorable FX, the likelihood of results materially exceeding the consensus remains limited</li> <li>- Top-down tailwinds (escalating global geopolitical risks and the accelerating rearmament trend) remain intact</li> <li>- Demand for rapid defense modernization and self-reliance should present opportunities for domestic defense players, keeping export momentum intact</li> <li>- Canada's minister responsible for defense procurement is currently visiting Korea, inspecting submarines, main battle tanks, and self-propelled howitzers</li> <li>- Key points to watch this year include: 1) the potential opening of the Middle Eastern market; and 2) whether the establishment of an export track record in advanced markets drives a valuation re-rating</li> </ul>	<p>[Short term] Hyundai Rotem</p> <p>[Medium term] Hyundai Rotem</p>	<p><b>Hyundai Rotem</b></p> <ul style="list-style-type: none"> <li>- The firm posted 4Q25 revenue of W1.6tr (+12.8% YoY) and OP of W267.5bn (+65.4% YoY; OP margin of 16.5%), missing the consensus</li> <li>- The defense export margin likely improved 2%p QoQ to 36%; earnings should continue to improve gradually</li> <li>- In 2026, we expect Hyundai Rotem to sign defense export deals totaling approximately W20tr, including contracts with Peru (W3tr) and Iraq (W9tr) in 1H and with Romania (W9tr+) in 2H</li> <li>- If follow-up export orders or early deliveries materialize, Hyundai Rotem would have the most visible EPS upside among the five major defense companies; the stock remains our top pick in the sector</li> </ul>
Shipbuilding	Dong-ho Jeong	<ul style="list-style-type: none"> <li>- The newbuilding price index edged down 0.19p WoW to 184.3p; prices continue to fluctuate around current levels</li> <li>- The 4Q25 earnings season is underway; most shipbuilders are likely to report solid underlying results, but below-consensus earnings are likely due to cost items (e.g., bonus payments)</li> <li>- Some LNG carrier orders have been placed, but contract prices remain flat (US\$252mn); a meaningful rise in prices is likely after shipyards fill 2029 delivery slots and begin taking 2030 orders (likely in 2H26)</li> <li>- The global rearmament trend remains intact; the signing of the first naval export contract would represent a major inflection point for Korean shipbuilders; if multi-trillion-won naval ship orders materialize, this would mark the start of a new up-cycle</li> </ul>	<p>[Short term] <b>HD HHI</b></p> <p>[Medium term] <b>HD HHI</b></p>	<p><b>HD Hyundai Heavy Industries</b></p> <ul style="list-style-type: none"> <li>- For 4Q25, we estimate revenue at W5.2tr (+29.6% YoY) and OP at W575bn (+103.9% YoY), missing the consensus</li> <li>- While OP is likely to come in below the consensus, we attribute this to one-off factors, including merger-related costs tied to HD Hyundai Mipo and year-end bonus payments</li> <li>- To support its bid for a Canadian submarine contract, the company has proposed a multi-trillion-won package of industrial cooperation measures with group affiliates</li> <li>- HD HHI is pursuing shipbuilding cooperation with the US, India, and other countries, supporting expectations for new long-term growth drivers</li> </ul>

# Biweekly strategy meeting minutes

Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Construction/ Building Materials	Ki Ryong Kim	<ul style="list-style-type: none"> <li>- The US DOE announced plans to establish “Nuclear Lifecycle Innovation Campuses” to integrate the full nuclear fuel value chain into regional ecosystems; in another positive nuclear-related overseas development, progress toward an FID for a Romanian SMR project has accelerated</li> <li>- The Korean government announced that new nuclear power plant construction under the 11<sup>th</sup> Basic Plan for Electricity Supply and Demand will proceed as planned; the plan includes: 1) the introduction of two nuclear reactors totaling 2.8GW in 2037–38; and 2) the deployment of one 0.7GW SMR by 2035</li> <li>- On social media, President Lee has reiterated his commitment to stabilizing housing prices, warning owners of multiple homes to sell their properties before heavy property transfer tax surcharges are reinstated; on Jan. 23, he stated that an extension of the tax relief measure (expiring on May 9) is not under consideration</li> <li>- The 4Q25 earnings season has kicked off; on Jan. 23, Samsung E&amp;A delivered a positive earnings surprise on cost improvements and favorable FX; however, other major builders are unlikely to deliver above-consensus results, considering additional cost recognition for overseas projects and provisions for unsold housing units in the domestic market</li> </ul>	<p>[Short term] Daewoo E&amp;C</p> <p>[Medium term] Hyundai E&amp;C</p>	<p><b>Daewoo E&amp;C</b></p> <ul style="list-style-type: none"> <li>- For units 5 and 6 of the Dukovany nuclear power plant in the Czech Republic, key subcontracts for design (with KEPCO E&amp;C) and core equipment procurement (with Doosan Enerbility) were disclosed in Dec. 2025, making it likely that Daewoo E&amp;C (as part of Team Korea) will secure a related EPC contract in 2026; this would mark its first overseas nuclear project</li> <li>- Participation in overseas nuclear projects through Team Korea is expected to expand; the government is accelerating its review of reforms to the current nuclear export framework (under which responsibilities are split between KEPCO and KHNP), aiming to complete its study within 1Q26</li> <li>- 2026 earnings are likely to improve on a favorable comparison; 2026F P/B stands at only 0.46x</li> </ul> <p><b>Hyundai E&amp;C</b></p> <ul style="list-style-type: none"> <li>- In 2026, we expect visible progress across the nuclear value chain, with orders likely to materialize in relation to the Palisades SMR project (two units; 1Q26), the Fermi America large-scale nuclear reactor project (units 2-4; 2H26), and the Bulgaria nuclear plant project (two units; 2H26); together, the potential orders from these three pipelines amount to over 40% of the company's current order backlog</li> <li>- Alongside preliminary 4Q25 results (Feb. 4), we expect additional updates related to the firm's positioning across the global nuclear value chain</li> <li>- While the recent rally has lifted the stock's P/B to 1.33x, we see room for further multiple expansion depending on the pace and breadth of expansion across the global nuclear value chain; for reference, the stock traded at an average P/B of 1.49x during the 2012–14 up-cycle in overseas orders</li> </ul>

# Biweekly strategy meeting minutes

Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Steel	Ki Ryong Kim	<ul style="list-style-type: none"> <li>- Domestic import/distribution prices have risen vs. end-2025 levels, driven by supplier price hikes and declines in low-priced imports</li> <li>- China has reportedly dropped the strict reporting requirements under its "three red lines" policy, which had contributed to the property market's liquidity crisis; while this is positive for sentiment on China's property market, whether deregulation translates into tangible improvement in financing conditions is key</li> <li>- On Jan. 1, the Chinese government implemented an export licensing system for certain steel products (requiring submission of quality inspection certificates); while the effect remains to be seen, the policy could gradually help rein in China's exports</li> <li>- Major steel companies reported below-consensus 4Q25 results; this year, however, we expect OPs to jump at least 50% YoY, supported by an easy comparison and a recovery in domestic ASPs</li> </ul>	<p>[Short term] POSCO Holdings</p> <p>[Medium term] POSCO Holdings</p>	<p><b>POSCO Holdings</b></p> <ul style="list-style-type: none"> <li>- 4Q25 consolidated OP came in at W12.6bn (-86.8% YoY), significantly missing the consensus (W397.7bn) due to lower standalone shipments, compressed product spreads, and one-off costs at major subsidiaries</li> <li>- For 2026, we expect OP to climb 64% YoY to around W3tr, driven by the absence of one-off costs booked in 2025 and growth in core businesses; in the steel segment, spreads should widen as customer inventories normalize following the imposition of antidumping duties on hot-rolled products</li> <li>- We expect a clear earnings recovery led by rising lithium prices and favorable base effects; in overseas steel, the firm's 20% equity investment in HMG's electric arc furnace project in the US, along with additional overseas steel initiatives (e.g., upstream investments in India and cooperation with the US's Cleveland-Cliffs), should help mitigate tariff risks</li> </ul>
Transportation	Jay JH Ryu	<ul style="list-style-type: none"> <li>- The SCFI fell 9.7% WoW to 1,317.2p amid broad-based declines across major routes (US West Coast: -10.4%; US East Coast: -10%; Europe: -11.1%)</li> <li>- Near-term volatility is rising as the industry navigates a phased return to the Suez Canal</li> <li>- Korean Air disclosed changes to its full-year profit/loss structure; 4Q25 consolidated OP was W154.9bn (22% below consensus), while Asiana Airlines posted an operating loss of at least W200bn</li> <li>- Alongside its 4Q25 earnings release, Hyundai Glovis provided further details on robot proof-of-concept programs to be carried out at US worksites and collaboration plans with Boston Dynamics; on the day of the announcement, the stock rose 6%</li> </ul>	<p>[Short term] CJ Logistics</p> <p>[Medium term] Hyundai Glovis</p>	<p><b>CJ Logistics</b></p> <ul style="list-style-type: none"> <li>- We estimate parcel delivery volume and earnings were solid in 4Q25, supported by customer churn at Coupang</li> <li>- Excluding Coupang, CJ Logistics' M/S lead over other players is widening, increasing the likelihood of industry consolidation; CJ Logistics' M/S likely remained stable in 4Q25</li> <li>- The stock is currently trading at a 12MF P/B of 0.5x; we see room for a re-rating</li> </ul> <p><b>Hyundai Glovis</b></p> <ul style="list-style-type: none"> <li>- For 2026, management guided revenue of over W31tr and OP of over W2.1tr; given the firm's conservative USD/KRW assumption (1,370), the guidance appears positive</li> <li>- The value of Hyundai Glovis's 11.25% stake in Boston Dynamics is coming into focus</li> <li>- Valuation looks undemanding at a P/E of 13x (vs. previous high of 20x)</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Utilities	Jay JH Ryu	<ul style="list-style-type: none"> <li>- Oil prices briefly rebounded as concerns rose over potential new US sanctions on Russia but quickly fell again as tensions eased</li> <li>- The decline in input costs in the utilities sector is likely to continue through 2026; the SMP has fallen further since end-Dec., fluctuating in the W70-90/kWh range</li> <li>- The Ministry of Climate, Energy and Environment announced plans to reform the industrial electricity tariff system, raising rates for evening/night-time usage and lowering rates for daytime usage</li> <li>- Momentum for electricity tariff hikes should remain muted for the time being; clearer visibility on potential hikes is expected in 2H26 as the regional pricing system takes shape</li> </ul>	<p>[Short term] POSCO International</p> <p>[Medium term] POSCO International</p>	<p><b>POSCO International</b></p> <ul style="list-style-type: none"> <li>- 4Q25 revenue declined 1.4% YoY, while OP surged 83.6% YoY to W265.5bn (slightly above the consensus of W241bn)</li> <li>- The company plans to sign a contract (FID) for the Alaska LNG project in Mar.; commercial operations are targeted for 2030</li> <li>- We are positive on the stock due to its high dividend payout ratio (around 50%) and attractive valuation relative to Japanese trading peers, which are trading at around 16x EV/EBITDA</li> </ul>
Autos	Jinsuk Kim	<ul style="list-style-type: none"> <li>- Alongside 4Q25 results, HMC/Kia presented guidance implying roughly 10% OP growth in 2026, broadly in line with market expectations</li> <li>- Robotics momentum is expected to continue, with full-fledged sales of the robotics mobility platform MobED set for 1H26 and the opening of the Robot Metaplant Application Center (RMAC) set for 3Q26</li> <li>- A software-defined vehicle (SDV) prototype is set to be showcased in 3Q26; autonomous driving expectations are likely to build further now that a new advanced vehicle platform (AVP) division head has been appointed</li> </ul>	<p>[Short term] Kia Corp.</p> <p>[Medium term] <b>Hyundai Motor</b></p>	<p><b>Kia Corp.</b></p> <ul style="list-style-type: none"> <li>- 4Q25 results were in line; management's 2026 OP guidance of W10.2tr (+12% YoY), based on a conservative FX assumption, was also in line with market expectations</li> <li>- The firm set a 4Q25 dividend of W6,800 (up from the previously announced W6,500), with a record date of Mar. 25; near-term dividend yield appeal has increased</li> <li>- Attention should turn to the upward trend in Kia's US M/S, led by the Telluride lineup (fully redesigned ICE model launching in Feb. and HEV model in Apr.)</li> <li>- Expectations around Kia's 17% stake in Boston Dynamics are building; the firm will host an Investor Day event in early Apr.</li> </ul> <p><b>Hyundai Motor</b></p> <ul style="list-style-type: none"> <li>- 4Q25 results missed on one-off costs; management guided 2026 OP at roughly W12.8tr (+12% YoY), broadly in line with market expectations</li> <li>- Management emphasized ongoing contingency measures to counter the tariff impact; the extent of tariff offset is a key point to watch in 1Q26 results</li> <li>- New model momentum remains intact, led by the Palisade (since 2H25); US M/S is likely to trend higher following new model launches (e.g., fully redesigned Tucson in 2H26)</li> <li>- HMC is the primary beneficiary of the group's push into robotics and SDVs; related momentum is likely to continue throughout the year</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Cosmetics/ Apparel	Songyi Bae	<ul style="list-style-type: none"> <li>- In Jan., Korea's cosmetics exports totaled US\$844.5mn (-5% MoM, +35% YoY); by destination, exports amounted to US\$152.2mn (+47% YoY) for the US, US\$156mn (+36% YoY) for China, and US\$79.1mn (+8% YoY) for Japan (YoY figures not adjusted for business days)</li> <li>- Despite lingering concerns, the 2026 outlook remains solid; we believe now is an attractive entry point for stocks that have seen price pullbacks</li> <li>- Apparel retail sales continued to grow in 4Q25, backed by a winter consumption recovery; as aged inventory gets cleared, we anticipate a sales rebound alongside margin improvement</li> <li>- Like department stores, the apparel sector stands to benefit structurally from inbound tourist demand; however, apparel stocks have shown more limited movement, leaving valuations relatively attractive</li> </ul>	<p>[Short term] Amorepacific (prev. Misto Holdings)</p> <p>[Medium term] Cosmax</p>	<p><b>Amorepacific</b></p> <ul style="list-style-type: none"> <li>- We estimate 4Q25 revenue at W1.19tr (+9% YoY) and OP at W60.8bn (-23% YoY); OP likely missed the consensus due to one-off costs related to a voluntary retirement program; excluding this, we estimate OP was broadly in line with expectations</li> <li>- Overseas growth continues, led by North America and EMEA; going forward, brand portfolio diversification should help sustain strong growth in Western markets; while Laneige remains the primary growth driver, Aestura (which the company is positioning as a new growth engine) secured shelf space in all 600 Sephora stores in North America in 3Q25</li> <li>- COSRX appears to be recovering rapidly as new products gain traction with customers; with the COSRX Peptide line going viral on TikTok and peptide-led product diversification gaining traction on Amazon, we see a high likelihood that COSRX will return to positive growth in 1Q26</li> </ul> <p><b>Cosmax</b></p> <ul style="list-style-type: none"> <li>- We expect below-consensus 4Q25 results, with revenue of W566bn (+1% YoY) and OP of W38.1bn (-4% YoY); while early-year business conditions appear solid, we advise waiting for clearer signs of a margin recovery</li> <li>- In Korea, fewer business days and seasonal weakness limited new orders in 4Q25, likely pressuring margins; in the US, a large share of peak-season orders from key customers were pulled forward to 3Q25, likely delaying achievement of breakeven</li> <li>- We believe weakness in Southeast Asia was partially offset by a solid performance in China; under the "LOCO Project" framework, the China unit is actively expanding its customer base and collaborating with Southeast Asian operations; the recovery appears increasingly concentrated in Shanghai</li> </ul>

# Biweekly strategy meeting minutes

Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Retail	Songyi Bae	<ul style="list-style-type: none"> <li>- The Jan. consumer sentiment index rose 1p MoM to 110.8p, resuming an upward trend following the 2.5p MoM decline in Dec.; both the economic outlook and current conditions components improved vs. Dec., pointing to improving economic sentiment</li> <li>- 4Q25 sales at major retailers continued to rise overall, though polarization by channel remained pronounced; in Dec., SSS growth (YoY) was +9% for department stores, -9% for supermarkets, and +1.4% for convenience stores; in 2025, the share of online sales in total retail sales reached a record 59%, underscoring continued strong e-commerce growth</li> <li>- Inbound tourism remains strong; arrivals reached 1.5mn in Dec., with the full-year figure rising 15.7% YoY to 18.9mn—equivalent to 108.2% of the 2019 (pre-pandemic) level</li> <li>- With foreign arrivals rising and China's Lunar New Year holiday (Feb. 15–23) approaching, Chinese tourist arrivals are expected to increase sharply, supporting an earnings rebound across the retail sector (including duty-free shops and department stores)</li> </ul>	<p>[Short term] Shinsegae</p> <p>[Medium term] Shinsegae</p>	<p><b>Shinsegae</b></p> <ul style="list-style-type: none"> <li>- For 2025, we look for net revenue of W6.9tr (+5.6% YoY) and OP of W481bn (+0.8% YoY), with 4Q25 results comfortably beating market expectations</li> <li>- Recent large-scale renovations appear to be yielding meaningful results, with gross merchandise sales growth accelerating; backed by the rebound at the flagship store (a key destination for foreign shoppers), we anticipate a rising contribution from Chinese shoppers and potential spillover benefits from heightened China-Japan tensions</li> <li>- Strong inbound tourism combined with a weaker won (which enhances the price competitiveness of luxury goods) should drive a luxury-led rebound in domestic earnings</li> <li>- In Korea, foreign shoppers still account for only 5–6% of department store sales, leaving ample room for growth; despite recent share price gains, we see further room for a re-rating</li> </ul>
Medtech	Choong-hyun Kim, CFA	<ul style="list-style-type: none"> <li>- Sharp gains among KOSDAQ 150 constituents are fueling the broader KOSDAQ rally</li> <li>- Large-cap names such as Classys and PharmaResearch remain in focus, although PharmaResearch has seen increased volatility due to concerns over competition</li> <li>- Among small/mid-caps, Seers Technology (set to announce its overseas expansion strategy), Curiosis (pursuing a high-margin ODM model), and Graphy (guiding more than 2x revenue growth in 2026) are drawing attention</li> </ul>	<p>[Short term] Classys (prev. PharmaResearch)</p> <p>[Medium term] Classys</p>	<p><b>Classys</b></p> <ul style="list-style-type: none"> <li>- Based on Dec. export data, we estimate earnings hit a record high in 4Q25</li> <li>- Valuation is attractive not only on a P/E basis but also on a PEG basis; Classys's acquisition of its Brazilian distributor is likely to lead to EPS growth next year, suggesting the current valuation does not fully reflect its earnings growth potential</li> <li>- Among aesthetic device companies, Classys is likely to deliver the strongest EPS growth in 2026</li> <li>- As a KOSDAQ 150 constituent, the stock is benefiting from continued inflows into the KOSDAQ</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Pharma/Biotech	Seung-min Kim	<ul style="list-style-type: none"> <li>- Business development activities could pick up meaningfully in 2026 vs. 2025; sentiment across both the domestic and global biotech sectors could shift quickly once major deals come through; GSK agreed to acquire RAPT Therapeutics for US\$2.2bn, and multiple additional M&amp;A possibilities are being discussed</li> <li>- 4Q25 earnings season kicked off with Samsung Biologics (Jan. 21); aided by a strong USD, export-driven names such as SK Biopharmaceuticals and Celltrion are likely to post solid 4Q results and could offer strong 2026 guidance; Celltrion has already signaled an earnings surprise through a regulatory filing</li> <li>- Recent issues surrounding Alteogen and ABL Bio have weighed on sector sentiment; however, fundamentals across the pharmaceutical value chain have improved; with strong earnings results and potential deal announcements in focus, we believe the current environment offers an attractive entry point</li> </ul>	<p>[Short term] <b>Samsung Biologics</b></p> <p>[Medium term] Yuhan</p>	<p><b>Samsung Biologics</b></p> <ul style="list-style-type: none"> <li>- The firm posted consolidated revenue of W1.29tr (+35% YoY) and OP of W528.3bn (+68% YoY; OP margin of 41.1%)</li> <li>- In Dec., the firm announced the acquisition of GSK subsidiary Human Genome Sciences, securing its first US manufacturing base; the deal (expected to be closed by end-1Q26) should strengthen its global multi-site strategy</li> <li>- The firm also secured three CMO deals totaling W1.2tr with a European pharma; with conflict-of-interest concerns resolved, we expect its competitiveness in securing orders to strengthen further; going forward, we anticipate additional order wins with the start-up of Plant 5 and the announcement of Plant 6 investment plans</li> <li>- The firm is expanding CDO services to include vector construction and master cell bank manufacturing; this should help attract more customers</li> </ul> <p><b>Yuhan</b></p> <ul style="list-style-type: none"> <li>- Under the new NCCN guidelines for NSCLC, the lazertinib-amivantamab combo was listed as a preferred first-line treatment</li> <li>- The SC formulation of amivantamab (Rybrevant Faspro) secured FDA approval; we expect this to lead to sharp growth in US prescriptions and a meaningful increase in sales</li> <li>- On its 4Q25 earnings call, Johnson &amp; Johnson revealed that worldwide sales of the Rybrevant + Lazcluze combo reached US\$216mn (+77% YoY, +10% QoQ)</li> <li>- Other key events/catalysts include: 1) final OS data from the MARIPOSA trial; 2) additional API orders at Yuhan Chemical; and 3) phase 1 atopic dermatitis data for lesigercept</li> <li>- Yuhan Chemical plans to invest in a 290,000-liter facility at its Hwaseong plant; this appears to be a proactive investment aimed at meeting growing demand from global pharma firms for phase 3 and commercial-scale production; additionally, the passage of the Biosecure Act could provide momentum over the medium to long term</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Global Biotech	Mihwa Seo	<ul style="list-style-type: none"> <li>- ABL Bio shares fell on news that Sanofi lowered the development priority of ABL301 (Parkinson's disease program licensed from ABL Bio); shares of Alteogen also declined on concerns over its royalty rate from Merck</li> <li>- These stock-specific issues have heightened volatility across the biotech sector; while near-term volatility is likely, we do not believe these developments impair the long-term fundamentals of the broader sector</li> </ul>	<p>[Short term] <b>Hugel</b> (prev. ST Pharm)</p> <p>[Medium term] <b>Hugel</b> (prev. ST Pharm)</p>	<p><b>Hugel</b></p> <ul style="list-style-type: none"> <li>- We estimate 4Q25 revenue at W110.7bn (+12.7% YoY) and OP at W50.9bn (+9.6% YoY), broadly in line with the consensus</li> <li>- While weaker domestic sales continue to weigh on near-term earnings, we see signs of a domestic recovery in 4Q25 and expect growth in four key overseas markets to accelerate in 2026</li> <li>- Visibility/confidence around the medium/long-term growth outlook for overseas botulinum toxin sales remains the key factor; notably, the company announced plans to pursue direct overseas sales going forward</li> </ul>
Banks	Tae Joon Jeong, CFA	<ul style="list-style-type: none"> <li>- Foreign buying interest in the banking sector remains solid heading into earnings season, especially toward regional banks trading at lower valuations</li> <li>- The Seoul Central District Court recently dismissed a lawsuit involving claims of ELS product mis-selling; as a result, concerns over potential fines related to this issue are easing</li> <li>- Banks' management teams have begun to highlight upside potential for NIM; this suggests that earnings estimates are likely to continue trending upward</li> </ul>	<p>[Short term] KBFG</p> <p>[Medium term] KBFG</p>	<p><b>KB Financial Group</b></p> <ul style="list-style-type: none"> <li>- With its capital strength continuing to exceed expectations, KBFG is likely to be the first in the sector to reach 1x P/B</li> <li>- We project its shareholder return ratio to rise further in 2026, even accounting for potential earnings headwinds such as "productive finance" initiatives and regulatory fines</li> <li>- We forecast shareholder return ratio to reach 58.2% in 2026, with a shareholder return yield of 8.2%</li> </ul>
Securities	Tae Joon Jeong, CFA	<ul style="list-style-type: none"> <li>- Retail trading has surged since the government set a KOSDAQ target of 3,000p, fueling a sharp rally in the securities sector</li> <li>- Beyond higher trading volumes, stablecoin-related momentum and expectations around growth industries (e.g., space) are being priced into shares</li> <li>- Despite these positives, caution is warranted, as valuations appear to be rising at a rapid pace</li> </ul>	<p>[Short term] <b>Samsung Securities</b></p> <p>[Medium term] <b>Samsung Securities</b></p>	<p><b>Samsung Securities</b></p> <ul style="list-style-type: none"> <li>- Samsung Securities remains attractive due to: 1) a high expected dividend yield for 2026; 2) a lower P/B than peers; and 3) expectations for continued payout ratio increases following the announcement of a concrete medium/long-term dividend policy</li> <li>- As capital inflows into the domestic stock market gain further traction, the firm is well-positioned to benefit given its: 1) high profit contribution from brokerage services; 2) capacity for credit expansion; and 3) strong brokerage profitability</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Insurance	Tae Joon Jeong, CFA	<ul style="list-style-type: none"> <li>- We expect 4Q25 results to come in much weaker than expected, driven by an increase in adverse experience variance and deteriorating loss ratios for medical cost reimbursement policies</li> <li>- These factors likely resulted in significant onerous contract expenses alongside CSM adjustments, leading to higher premiums and slower new business sales</li> <li>- If measures to standardize loss ratio assumptions are introduced this year, another round of large CSM adjustments could follow, warranting caution</li> </ul>	<p>[Short term] Meritz Financial Group</p> <p>[Medium term] Meritz Financial Group</p>	<p><b>Meritz Financial Group</b></p> <ul style="list-style-type: none"> <li>- The company is expected to be the least exposed to risks associated with changes in optimal loss ratio assumptions in 2026</li> <li>- Having outlined a policy centered on share buybacks and cancellations over the next three years, Meritz is expected to see a sustained reduction in shares outstanding, providing ongoing support to shareholder returns</li> </ul>
Semiconductors	Young-gun Kim	<ul style="list-style-type: none"> <li>- On their earnings calls, SEC and SK Hynix reaffirmed that the unprecedented memory up-cycle is continuing; both also noted that HBM4 is already in mass production, pointing to further upside in memory profitability</li> <li>- Meta guided 2026 capex at US\$115-135bn (vs. US\$111.7bn expected), underscoring continued investment expansion by big tech companies</li> <li>- With the US moving to allow conditional exports of Nvidia's H200 chips to China, large-scale GPU procurement by Chinese big tech players is expected to restart, generating additional HBM demand</li> <li>- Meanwhile, spot price momentum in DDR5 and some high-capacity DDR4 products appears to be losing steam; this may indicate IT device makers are close to their price tolerance limits</li> </ul>	<p>[Short term] <b>Samsung Electronics</b></p> <p>[Medium term] <b>SK Hynix</b></p>	<p><b>Samsung Electronics</b></p> <ul style="list-style-type: none"> <li>- Our TP is W247,000; we forecast 2026 revenue at W499tr (+50% YoY) and OP at W166tr (+282% YoY)</li> <li>- SEC is likely to begin recognizing HBM4 revenue from 1Q26, with its samples having progressed through a customer's qualification test without requiring redesign; we expect HBM revenue to surge 133% YoY to US\$17bn in 2026</li> <li>- SEC holds clear competitive strengths in server DRAM, LPDDR5X, and TLC SSDs (which are all seeing strong demand), and its industry-leading capacity should help it to maximize earnings</li> <li>- The firm has begun shipping HBM4 base dies fabricated on its 4nm FinFET process; deeper foundry-memory synergies are expected</li> </ul> <p><b>SK Hynix</b></p> <ul style="list-style-type: none"> <li>- Our TP is W1,370,000; we forecast 2026 revenue at W230tr (+136% YoY) and OP at W148tr (+213% YoY)</li> <li>- Capacity constraints and inventory drawdowns are likely to boost the share of long-term contracts, significantly enhancing memory price and earnings visibility</li> <li>- Regarding HBM4, management confirmed that mass production is proceeding as planned, using the same technology nodes and back-end processes already validated with HBM3E; the company is likely to secure a high M/S in HBM4, further expanding margins</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Batteries	Chuljoong Kim	<ul style="list-style-type: none"> <li>- The industry appears to be passing through a cyclical trough in 1Q26; we expect shipments to bottom in 1Q26 and then begin to recover, supported by ESS market strength and a rebound in European EV demand</li> <li>- Additionally, ASPs should trend higher throughout 2026 amid the pass-through of 2H25 metal price increases</li> <li>- From a longer-term perspective, expectations around humanoid robots are emerging; that said, our focus remains on rising ESS demand and M/S gains in North America, which should translate into valuation upside from 2027</li> </ul>	<p>[Short term] Samsung SDI</p> <p>[Medium term] LG Energy Solution</p>	<p><b>Samsung SDI</b></p> <ul style="list-style-type: none"> <li>- While we expect the company to post an operating loss for 4Q25, it is likely to be smaller than feared</li> <li>- The company has a competitive edge in terms of near-term ESS order momentum in North America</li> <li>- If the possibility of a Samsung Display stake sale gains traction, the stock's valuation appeal is likely to stand out</li> </ul> <p><b>LG Energy Solution</b></p> <ul style="list-style-type: none"> <li>- We further revised down our EV-related earnings estimates, reflecting uncertainty surrounding Ultium Cells operations; we expect earnings to improve meaningfully from 2Q26</li> <li>- Relative to peers, the firm is likely to retain an advantage in ESS order backlogs/earnings through 2026-27</li> </ul>
Battery Equipment	Junseo Park	<ul style="list-style-type: none"> <li>- As demand for ESS-use prismatic batteries grows, the value chains of LGES and Samsung SDI are likely to come into focus due to the planned conversion of existing lines to prismatic battery production</li> <li>- LGES: The conversion of pouch-type battery production lines in North America to prismatic battery production would primarily benefit assembly equipment suppliers</li> <li>- We remain positive on stocks with exposure to ESS-use LFP batteries; investment recovery and new order momentum are expected</li> </ul>	<p>[Short term] People &amp; Technology</p> <p>[Medium term] People &amp; Technology</p>	<p><b>People &amp; Technology</b></p> <ul style="list-style-type: none"> <li>- The company has pushed into the foil business, with plans to produce 50,000 tonnes of battery/alloy foil; the new materials business is set to gain momentum</li> <li>- The company plans to have 3GWh worth of LFP cathode material capacity and 0.2GWh worth of ESS-use prismatic LFP battery capacity fully set up in the near term</li> <li>- Orders from emerging economies (India, etc.) are growing as customers in these regions build out their production lines</li> <li>- The pace of capacity expansion in the battery industry is slowing amid downstream capex cuts and bankruptcy filings by newer entrants</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Electrical/ Electronic Components	Junseo Park	<ul style="list-style-type: none"> <li>- iPhone 17 demand is anticipated to remain resilient through 1H26; however, starting with the iPhone 18 series, sales could moderate slightly as higher memory costs are reflected in pricing</li> <li>- With memory price increases proving steeper than expected, pricing pressure is growing across component suppliers; outside of high-end and AI server-oriented applications, pricing pressure is likely to continue to intensify</li> <li>- As shipment forecasts for IT devices are revised down further, demand weakness should be most pronounced in categories where memory accounts for a larger share of total costs, including low-end smartphones (-4%), laptops (-5%), and desktop PCs (-8%)</li> <li>- High-end smartphones, where there is still room to pass through higher memory costs, should remain relatively resilient</li> <li>- Major MLCC makers are entering into long-term supply contracts, which may indicate preemptive securing of supply ahead of price increases</li> <li>- FC-BGA demand remains solid, supported by AI servers and growing ADAS adoption</li> </ul>	<p>[Short term] <b>SEMCO</b></p> <p>[Medium term] <b>SEMCO</b></p>	<p><b>SEMCO</b></p> <ul style="list-style-type: none"> <li>- We see room for upward revisions to 1Q26 earnings estimates; while a potential slowdown in China demand remains a concern, the profit up-cycle led by AI server demand should continue</li> <li>- FC-BGA facilities are likely to run at full capacity through 2027; aggressive capacity expansion is likely for FC-BGAs and MLCCs</li> <li>- The firm is likely to begin supplying FC-BGA substrates to global big tech customers; also, the mix of high-layer-count (20+) substrates for servers and networks should expand, supporting structural margin improvement</li> <li>- The firm may begin supplying humanoid-use camera modules next year; its strategic investment in Alva Industries should help strengthen its robot component portfolio</li> <li>- Glass substrates remain a medium/long-term growth driver; production yields are likely to improve (vs. full-panel); a pilot mass production line is scheduled to be established in 1H26</li> </ul>
Telecom Services	Yoojin Choi	<ul style="list-style-type: none"> <li>- Investor sentiment on the sector is improving; 4Q25 is likely to mark a quarterly earnings bottom for the three major domestic telcos</li> <li>- We expect a visible earnings growth phase to begin in 1Q26, aided by: 1) higher free cash flows from non-core asset disposals; and 2) meaningful monetization of AI-related businesses</li> <li>- Major cost items (e.g., depreciation, marketing, and capex) are also likely to remain contained</li> <li>- We recommend focusing on companies poised to deliver higher profit growth in 2026</li> </ul>	<p>[Short term] SK Telecom</p> <p>[Medium term] SK Telecom</p>	<p><b>SK Telecom</b></p> <ul style="list-style-type: none"> <li>- Shares have recently risen on expectations surrounding Anthropic; if SKT sells its 0.7% stake, shareholder returns could expand; in this scenario, we estimate 2026 dividend yield at around 6.6%</li> <li>- We expect SKT to enter a full-fledged earnings growth phase from 1Q26 as structural changes begin to take hold; key drivers include: 1) mobile services revenue growth driven by subscriber additions; 2) the start of cost-efficiency improvements across key cost items (e.g., labor and depreciation/amortization); and 3) potential for expanded shareholder returns supported by rising free cash flow</li> </ul>

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Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Internet	HeeSeok Lim	<ul style="list-style-type: none"> <li>- The benefits of AI adoption in terms of price, volume, and costs should materialize in earnest in 2026, supporting strong momentum in the ad segment</li> <li>- Meta reported strong 4Q25 advertising results; a similar performance from Google would likely draw increasing attention to Korea's dominant advertising platforms</li> <li>- If the government takes meaningful regulatory action against Coupang, NAVER—the second-largest e-commerce player—stands to benefit the most</li> <li>- Stablecoin-related momentum is likely to continue through Apr. (relevant legislation likely to be drafted in Feb. and passed in Apr.)</li> <li>- With KOSDAQ names in focus, investor interest in small/mid-sized software companies is likely to increase; Cafe24 stands out as a name to watch</li> </ul>	<p>[Short term] Cafe24 (prev. NAVER)</p> <p>[Medium term] NAVER</p>	<p><b>Cafe24</b></p> <ul style="list-style-type: none"> <li>- The rise of AI shopping agents is likely to boost demand for D2C store operations; Cafe24 stands to benefit as a dominant platform player</li> <li>- The number of YouTube creators building D2C storefronts on the Cafe24 platform continues to increase</li> <li>- Following Google's renewed commerce push, we expect YouTube Shopping GMV to rise sharply</li> <li>- Valuation looks undemanding at a 2026F P/E of 20x</li> </ul> <p><b>NAVER</b></p> <ul style="list-style-type: none"> <li>- We expect NAVER to report solid 4Q25 earnings on accelerating growth in advertising and e-commerce</li> <li>- If the government takes meaningful regulatory action against Coupang, NAVER stands to benefit the most (e.g., potential for faster growth in the Plus Store business)</li> <li>- Stablecoin-related momentum is likely to continue through April (relevant legislation likely to be drafted in Feb. and passed in Apr.)</li> </ul>
Games	HeeSeok Lim	<ul style="list-style-type: none"> <li>- With new title momentum remaining weak and competition from Chinese game developers intensifying, a near-term sector re-rating appears unlikely</li> <li>- Krafton is our top pick; while the stock has pulled back on concerns over 4Q25 earnings, we expect a strong earnings surprise in 1Q26</li> <li>- Netmarble is our second-most preferred pick; valuation remains attractive, but momentum has weakened due to the delay in the launch of <i>The Seven Deadly Sins: Origin</i> (to Mar.)</li> <li>- Small/mid-cap game stocks included in the KOSDAQ 150 have rebounded sharply, but this reflects broader KOSDAQ inflows rather than changes in fundamentals</li> <li>- In the near term, continued attention is warranted for names that could benefit from new title launches or earnings momentum (e.g., Pearl Abyss and Neowiz)</li> </ul>	<p>[Short term] <b>Krafton</b> (prev. Netmarble)</p> <p>[Medium term] <b>Krafton</b> (prev. Netmarble)</p>	<p><b>Krafton</b></p> <ul style="list-style-type: none"> <li>- Concerns over 4Q25 results are largely priced in; focus on the potential for an earnings surprise in 1Q26</li> <li>- Weakness in China in 4Q25 was likely driven by a deliberate slowdown in promotional activities; traffic trends remain solid</li> <li>- With user spending appetite recovering, Jan. China revenue is believed to have shown a stronger-than-expected YoY rebound</li> <li>- Valuation is attractive at a 2026F P/E of 12x</li> <li>- We expect the company to outline a stronger shareholder return policy alongside its 4Q25 earnings release</li> </ul>

# Biweekly strategy meeting minutes



Top story A Top 10 pick

Sector	Analyst	Sector comments	Top picks	Stock-specific comments
Nuclear Power	Taehyoung Kim	<ul style="list-style-type: none"> <li>- The Ministry of Climate, Energy and Environment is proceeding with new nuclear power plant construction plans under the 11<sup>th</sup> Basic Plan for Electricity Supply and Demand</li> <li>- With the government pivoting away from its previous nuclear phase-out stance, uncertainty around domestic nuclear projects is easing, and sentiment toward nuclear power companies is improving</li> <li>- Some market participants are also speculating that additional new nuclear projects could be included in the 12<sup>th</sup> Basic Plan for Electricity Supply and Demand (expected to be released toward end-2026)</li> <li>- While orders for these new nuclear plants are unlikely to be announced until 2028-29, we expect early momentum to build as project visibility increases</li> </ul>	<p>[Short term] KEPCO E&amp;C (prev. Doosan Enerbility)</p> <p>[Medium term] <b>Doosan Enerbility</b></p>	<p><b>KEPCO E&amp;C</b></p> <ul style="list-style-type: none"> <li>- As the primary reactor design entity for domestic nuclear projects, the company is a key medium/long-term beneficiary of the government's nuclear policy shift</li> <li>- We also see design-related order opportunities from Westinghouse's AP1000 projects, given US labor shortages</li> <li>- Valuation pressure is limited compared with global nuclear design peers, suggesting room for a further re-rating</li> </ul> <p><b>Doosan Enerbility</b></p> <ul style="list-style-type: none"> <li>- As the main equipment manufacturer for domestic nuclear projects, the company is a key medium/long-term beneficiary of the government's nuclear policy shift</li> <li>- As a manufacturer of key nuclear power equipment (for Westinghouse) and H-class gas turbines, the company is well-positioned to benefit from the push to rebuild/expand power generation capacity</li> <li>- The company has a proven track record, having taken orders for five H-class gas turbines from xAI; with competitors' order books largely full, the firm's delivery lead-time competitiveness remains a key advantage</li> </ul>

# Appendix 1

## Important disclosures and disclaimers

### Two-year rating and TP history

Company	Date	Rating	TP (W)	Company	Date	Rating	TP (W)	
OCI Holdings (010060)					04/28/25	Buy	610,000	
	11/12/25	Buy	146,000		02/17/25	Buy	470,000	
	10/14/25	Buy	131,000		01/17/25	Buy	383,000	
	07/25/25	Buy	128,000		11/11/24	Buy	260,000	
	04/15/25	Buy	93,000	Daewoo E&C (047040)				
	02/11/25	Buy	100,000		01/22/26	Buy	6,500	
	08/06/24	Buy	98,000		10/22/25	Buy	5,400	
	07/12/24	Buy	133,000		08/25/25	Buy	6,100	
	04/12/24	Buy	143,000		05/29/25	Buy	5,600	
	10/27/23	Buy	165,000		11/21/24	Buy	4,300	
			10/31/24		Trading Buy	4,300		
			05/02/24		Buy	4,900		
			01/31/24		Buy	5,400		
S-Oil (010950)	01/26/26	Buy	120,000	Hyundai E&C (000720)	01/15/26	Buy	115,000	
	11/19/25	Buy	110,000		10/22/25	Buy	86,000	
	11/04/25	Buy	88,000		07/11/25	Buy	96,000	
	07/14/25	Buy	82,000		05/29/25	Buy	73,000	
	05/27/25	Buy	68,000		04/11/25	Buy	50,000	
	04/29/25	Buy	64,000		02/18/25	Buy	46,000	
	10/08/24	Buy	79,000		01/10/25	Buy	36,000	
	07/15/24	Buy	85,000		07/08/24	Buy	41,000	
	04/26/24	Buy	89,000		01/24/24	Buy	46,000	
	01/29/24	Buy	104,000					
Hyundai Rotem (064350)	07/03/25	Buy	300,000	POSCO Holdings (005490)	01/30/26	Buy	480,000	
	05/19/25	Buy	170,000		04/02/25	Buy	430,000	
	03/14/25	Buy	140,000	CJ Logistics (000120)	05/13/25	Buy	120,000	
	02/07/25	Buy	96,000		04/09/25	Buy	130,000	
	11/22/24	Buy	85,000		07/08/24	Buy	150,000	
	10/15/24	Buy	78,000		02/13/24	Buy	175,000	
	07/29/24	Buy	65,000		01/12/24	Buy	160,000	
	04/01/24	Buy	48,000					
	09/20/23	Buy	37,000		Hyundai Glovis (086280)	01/30/26	Buy	310,000
HD Hyundai Heavy Industries (329180)	11/04/25	Buy	740,000					
	10/22/25	Buy	690,000					

# Appendix 1

Company	Date	Rating	TP (₩)	Company	Date	Rating	TP (₩)
	01/12/26	Buy	290,000		11/18/24	Buy	140,000
	08/13/25	Buy	210,000		11/01/24	Buy	180,000
	07/25/25	Buy	180,000		08/07/24	Buy	200,000
	02/07/25	Buy	170,000		05/22/24	Buy	240,000
	11/01/24	Buy	160,000		04/30/24	Buy	220,000
	07/25/24	Buy	150,000		11/01/23	Buy	180,000
	07/01/24	Buy	150,059				
	01/26/24	Buy	115,046	Cosmax (192820)			
POSCO International (047050)					11/11/25	Buy	230,000
	10/27/25	Buy	73,000		08/12/25	Buy	290,000
	04/24/25	Buy	59,000		06/17/25	Buy	310,000
	02/04/25	Buy	55,000		05/14/25	Buy	250,000
	07/26/24	Buy	65,000		02/25/25	Buy	200,000
	04/26/24	Buy	60,000		11/18/24	Buy	170,000
	10/31/23	Buy	65,000		08/13/24	Buy	180,000
Kia Corp. (000270)					07/12/24	Buy	240,000
	01/19/26	Buy	200,000		05/22/24	Buy	210,000
	10/28/25	One year	150,000		05/14/24	Buy	200,000
	10/28/24	Buy	150,000		04/26/24	Buy	170,000
	04/29/24	Buy	160,000		03/08/24	Buy	140,000
	04/26/24	No Coverage			01/18/24	Buy	180,000
	10/27/23	Buy	120,000	Shinsegae (004170)			
Hyundai Motor (005380)					12/22/25	Buy	350,000
	01/30/26	Buy	640,000		11/10/25	Buy	280,000
	01/19/26	Buy	520,000		10/01/25	Buy	240,000
	11/20/25	Buy	360,000		08/11/25	Buy	210,000
	04/25/25	Buy	320,000		05/15/25	Buy	200,000
	10/25/24	Buy	360,000		11/22/24	Buy	170,000
	07/09/24	Buy	385,000		10/10/24	Buy	210,000
	04/29/24	Buy	350,000		05/09/24	Buy	220,000
	04/26/24	No Coverage			01/17/24	Buy	210,000
	04/26/23	Buy	250,000	Classys (214150)			
Amorepacific (090430)					11/11/25	Buy	90,000
	01/10/25	Buy	160,000		05/20/25	Buy	83,000
					10/18/24	Buy	74,000



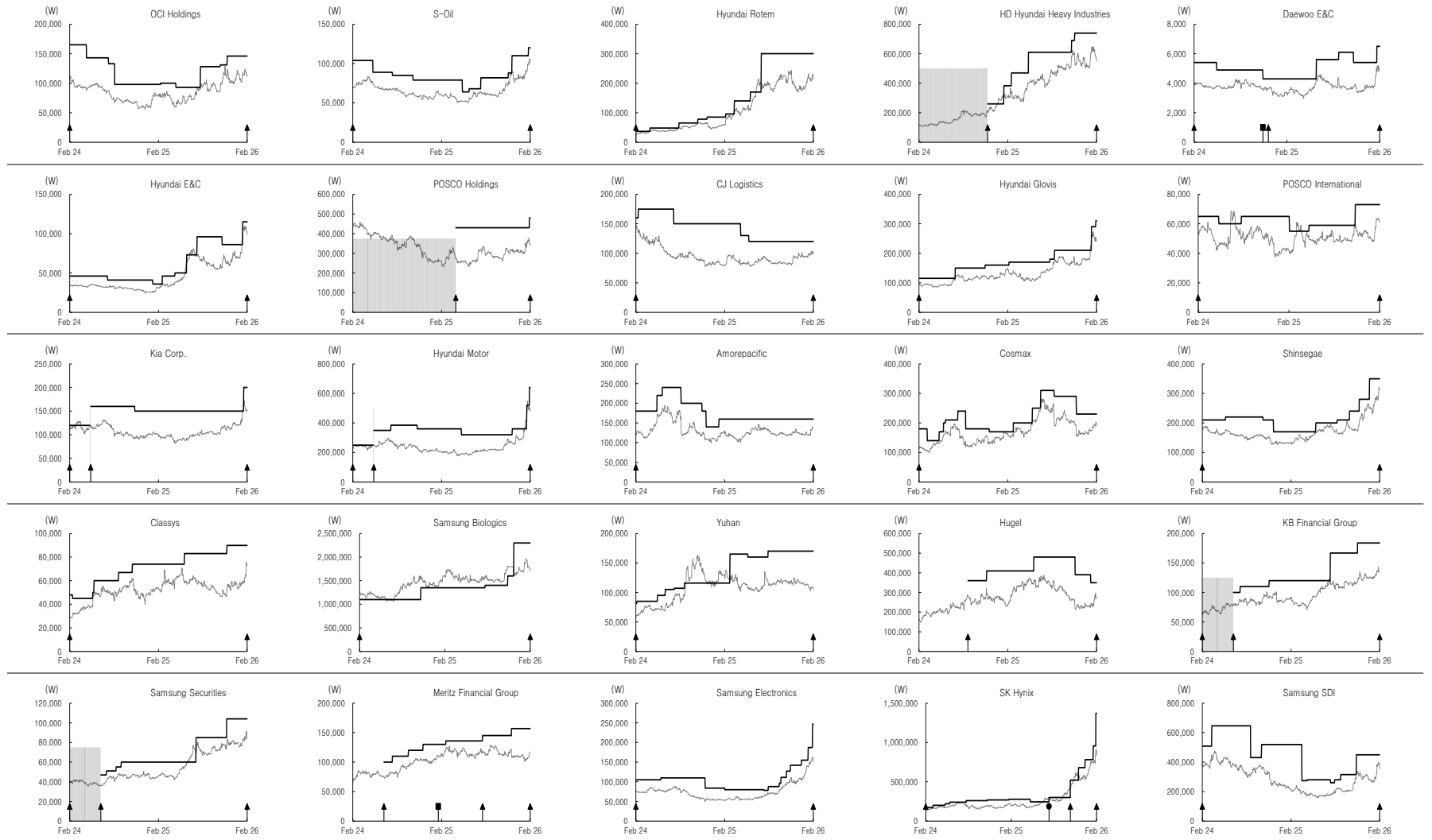
# Appendix 1

Company	Date	Rating	TP (W)	Company	Date	Rating	TP (W)
	12/15/25	Buy	782,000		07/26/24	Buy	420,000
	11/17/25	Buy	680,000		03/13/24	Buy	540,000
	10/29/25	Buy	520,000		01/30/24	Buy	500,000
	10/29/25	Buy	520,000	People & Technology (137400)			
	10/13/25	Buy	520,000		08/13/25	Buy	53,000
	07/14/25	Hold	300,000		11/12/24	Buy	66,000
	04/25/25	Buy	244,000		06/11/24	Buy	96,700
	01/24/25	Buy	277,000		05/30/24	Buy	84,000
	10/24/24	Buy	270,000		03/05/24	Buy	60,000
	07/25/24	Buy	260,000		11/13/23	Buy	80,000
	05/16/24	Buy	240,000	Samsung Electro-Mechanics (009150)			
	04/26/24	Buy	220,000		01/26/26	Buy	400,000
	03/05/24	Buy	200,000		01/21/26	Buy	360,000
	12/29/23	Buy	173,000		10/30/25	Buy	320,000
Samsung SDI (006400)					10/10/25	Buy	250,000
	10/29/25	Buy	450,000		09/10/25	Buy	225,000
	08/26/25	Buy	315,000		07/07/25	Buy	180,000
	08/01/25	Buy	280,000		07/03/25	One year	200,000
	07/15/25	Buy	260,000		07/03/24	Buy	200,000
	04/10/25	Buy	280,000		11/28/23	Buy	190,000
	03/19/25	Buy	274,129	SK Telecom (017670)			
	10/04/24	Buy	518,888		10/14/25	Buy	73,000
	08/20/24	Buy	430,775		07/07/25	No Coverage	
	03/13/24	Buy	646,162		05/13/25	Buy	75,000
	01/31/24	Buy	509,097		04/14/25	Buy	77,000
LG Energy Solution (373220)					10/16/24	Buy	70,000
	01/05/26	Buy	520,000		07/19/24	Buy	67,000
	10/27/25	Buy	610,000		01/17/24	One year	
	07/28/25	Buy	530,000	Cafe24 (042000)			
	07/18/25	Buy	420,000		11/18/25	Buy	50,000
	06/05/25	Buy	390,000		09/18/25	Buy	67,000
	05/02/25	Buy	440,000		05/12/25	Buy	80,000
	01/09/25	Buy	480,000		03/06/25	Buy	78,000
	09/30/24	Buy	510,000		07/23/24	Buy	40,000

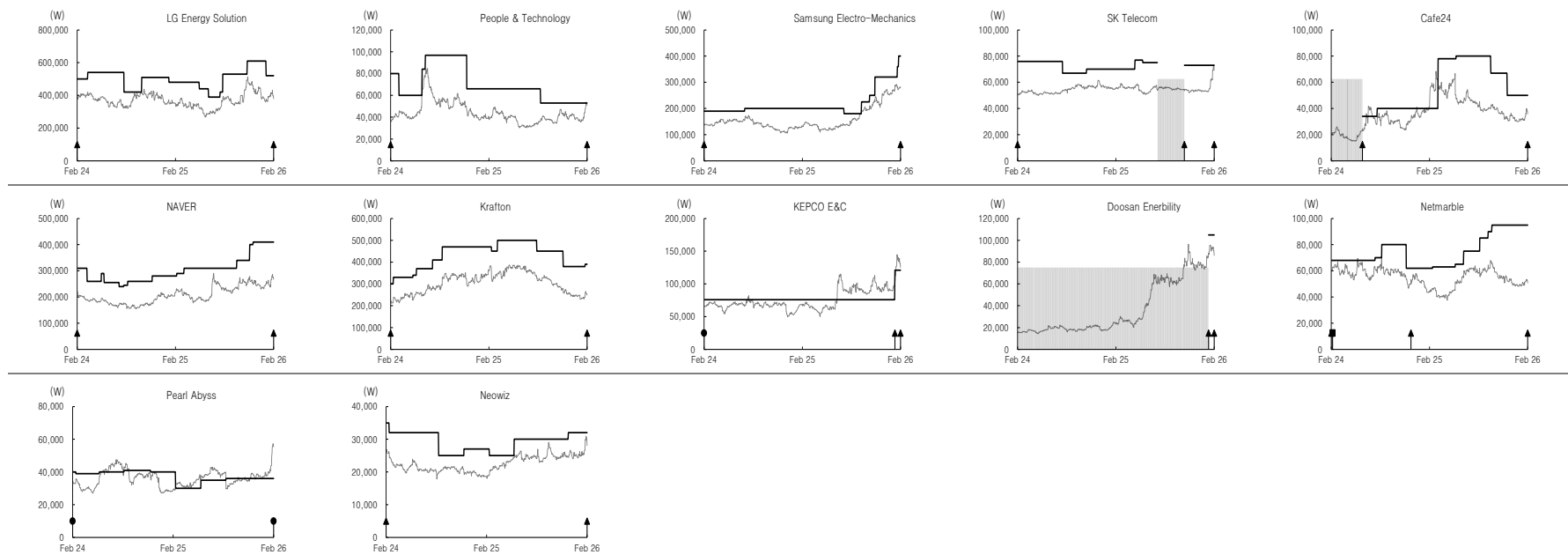
# Appendix 1

Company	Date	Rating	TP (W)	Company	Date	Rating	TP (W)		
NAVER (035420)	05/29/24	Buy	34,000	Doosan Enerbility (034020)	01/12/26	Buy	105,000		
	11/18/25	Buy	410,000		Netmarble (251270)	09/22/25	Buy	95,000	
	11/05/25	Buy	400,000			09/08/25	Buy	90,000	
	09/18/25	Buy	340,000			08/08/25	Buy	85,000	
	03/06/25	Buy	310,000			06/09/25	Buy	75,000	
	02/07/25	Buy	290,000			05/09/25	Buy	65,000	
	11/08/24	Buy	280,000			02/14/25	Buy	63,000	
	08/09/24	Buy	260,000			11/25/24	Buy	62,000	
	07/25/24	Buy	245,000			11/08/24	Trading Buy	62,000	
	07/08/24	Buy	240,000			08/09/24	Trading Buy	80,000	
	05/13/24	Buy	255,000			07/15/24	Trading Buy	70,000	
	05/03/24	Buy	290,000			02/08/24	Trading Buy	68,000	
	03/11/24	Buy	260,000			11/27/23	Buy	68,000	
	02/02/24	Buy	310,000			Pearl Abyss (263750)	08/13/25	Hold	36,000
	08/07/23	Buy	290,000				05/14/25	Hold	35,000
Krafton (259960)	01/26/26	Buy	390,000	02/11/25			Hold	30,000	
	11/05/25	Buy	380,000	11/12/24	Hold		40,000		
	07/30/25	Buy	450,000	08/08/24	Hold		41,000		
	03/06/25	Buy	500,000	05/10/24	Hold		40,000		
	02/12/25	Buy	450,000	02/15/24	Hold		39,000		
	08/13/24	Buy	470,000	11/27/23	Hold		40,000		
	07/08/24	Buy	410,000	Neowiz (095660)	11/26/25		Buy	32,000	
	05/09/24	Buy	370,000		05/13/25		Buy	30,000	
	04/26/24	Buy	340,000		02/12/25	Buy	25,000		
	02/13/24	Buy	330,000		11/12/24	Buy	27,000		
11/27/23	Buy	300,000	08/12/24		Buy	25,000			
KEPCO E&C (052690)	01/12/26	Buy	121,000		02/14/24	Buy	32,000		
	11/23/13	One year							

# Appendix 1



# Appendix 1



## Stock ratings

- Buy Expected 12-month return: +20% or greater
- Hold Expected 12-month return: Greater than -10% and less than +10%
- Sell Expected 12-month return: -10% or less

## Sector ratings

- Overweight Expected to outperform the market over 12 months
- Neutral Expected to perform in line with the market over 12 months
- Underweight Expected to underperform the market over 12 months

As of May 12, 2025, the Trading Buy rating category has been removed from our investment rating system.

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Rating and TP history: Share price (—), TP (—), Not Rated (■), Buy (▲), Trading Buy (■), Hold (●), Sell (◆)

\* Our investment rating is a guide to the expected return of the stock over the next 12 months.

\* Outside of the official ratings of Mirae Asset Securities Co., Ltd., analysts may call trading opportunities should technical or short-term material developments arise.

\* The TP was determined by the research analyst through valuation methods discussed in this report, in part based on estimates of future earnings.

\* TP achievement may be impeded by risks related to the subject securities and companies, as well as general market and economic conditions.

## Ratings distribution and investment banking services

	Buy	Trading Buy	Hold	Sell
Ratings distribution	79.76%	1.19%	19.05%	0%
Investment banking services	83.33%	0%	16.67%	0%

\* Based on recommendations in the last 12-months (as of December 31, 2025)

# Appendix 1

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# Mirae Asset Securities International Network

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