**Hankook decides to strengthen its shareholder value**

**Tyre maker Hankook decides on measures to improve its shareholder value at a recent board meeting. These include a share buyback programme, an increase in the dividend, the establishment of an organisational system for the Board of Directors and the introduction of an electronic voting system for shareholders. Innovations and the sale of real estate not required for operations are also intended to bolster its financial strength and secure future investments.**

***Seoul, Korea / Neu-Isenburg, Germany, March 24, 2020*** – Premium tyre maker Hankook has announced in a board resolution that it intends to increase its shareholder value as well as the financial strength and competitiveness of the company. Hankook intends to take various measures to protect the rights of its shareholders and increase the value of the company. Firstly, a share buyback program worth around KRW 50 billion (equivalent to approx. EUR 36.8 million) over the next six months was approved at the Board meeting. Hankook will also increase dividends. The Hankook Technology Group has decided to pay a dividend of KRW 350 (EUR 0.26) per ordinary share for 2019, significantly exceeding the 2018 dividend of KRW 300 (EUR 0.22) per share. It’s affiliate Hankook Tire also decided to pay a dividend of KRW 550 (EUR 0.40) per share, bringing the total dividend for 2019 to KRW 68.1 billion (approximately EUR 50 million). This represents an increase of approximately 22% compared to 2018, when the dividend per share was KRW 450 (EUR 0.33) and the total amount was approximately KRW 55.7 billion (approximately EUR 41 million). Hankook will also be committed to increasing value for its shareholders by improving its earnings strategy in line with investment plans and current market conditions.

In addition, an organizational system for external board members and auditors will be established to increase transparency in the management of the company. The introduction of an electronic voting system is intended to encourage shareholders to exercise their rights and to expand the opportunities for communication with them. In the long term, it is planned to strengthen the role of the Board of Directors and the auditing bodies in order to create an advanced corporate governance structure. Hankook Tire, which has an AA credit rating, has a stable stream of capital, mainly as a result of its excellent operating cash flow. The company also benefits from an excellent financial structure, with loan repayments being made from released cash. Hankook will also focus on bolstering its financial strength and optimizing its assets to secure future investments. For example, non-operating real estate such as the site of the logistics centre on Busan Yeongdo Island will be sold and the resulting funds used to secure new growth engines.

The focus is also on increasing Hankook's primary competitiveness through innovation. The tyre maker will renew its business processes in all areas, including product development, logistics, marketing and sales. In particular, major investments will be made in the development of tyres for new vehicles and in increasing delivery capacity. In order to increase sales growth and market share on a sustainable basis, additional distribution channels will be developed in the USA and Europe. This is intended as an active response to the changes in customer needs and the market resulting from the digital transformation. In order to further promote the existing trust of the shareholders, shareholder value will be given the highest priority in all important decisions regarding new projects.

"Although a short term revenue loss will be inevitable as Europe and the US as well as the global automobile industry is facing a difficult situation due to shutdown of factories and distribution channels caused by the spread of COVID-19, reduction of demand, etc., we will be fully prepared in advance to turn the situation around immediately after the end of the outbreak," said Hyun Shick Cho, Vice Chairman of the Supervisory Board of Hankook Technology Group. "We will continue to innovate within our existing business area and look for new investment or M&A opportunities based on our superior financial structure to strengthen both our primary and future competitiveness. This will in turn further increase shareholder value."

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**About Hankook Tire**

Hankook Tire manufactures globally innovative, award winning radial tyres of proven superior quality for passenger cars, light trucks, SUVs, RVs, trucks, and buses as well as motorsports (circuit racing/rallies).

Aspiring to bring consumers the utmost excellence in product quality, technological excellence and driving satisfaction, Hankook Tire continuously invests in research and development maintaining five R&D centres and eight production facilities around the world. Bespoke tyre solutions for the European markets as well as European Original Equipment according to the requirements of leading premium car manufacturers, are developed in the company’s regional Technical Centre in Hanover/Germany. Production for the European region is taking place in the state-of-the-art manufacturing site in Rácalmás/Hungary which was inaugurated in June 2007 and is continuously being expanded. Currently around 3,000 employees produce up to 19 million tyres a year for passenger cars, SUVs and light trucks.

Hankook Tire’s European headquarters are located in Neu-Isenburg near Frankfurt am Main in Germany. The manufacturer operates further branches in Czech Republic, France, Germany, Hungary, Italy, the Netherlands, Austria, Poland, Russia, Serbia, Spain, Sweden, Turkey, UK and Ukraine. Hankook products are sold directly through regional distributors in other local markets. Hankook Tire employs approximately 21,000 people worldwide and are selling their products in over 180 countries. Internationally leading car manufacturers rely on tyres made by Hankook for their original equipment. Approximately 34 percent of the company's global sales are generated within the European and CIS-Region. Hankook Tire has been represented in the renowned Dow Jones Sustainability Index World (DJSI World) since 2016.

For more information please visit [www.hankooktire-mediacenter.com](http://www.hankooktire-mediacenter.com) or [www.hankooktire.com](http://www.hankooktire.com)

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