Nypro Inc. (A): The Employee Stock Ownership Plan (ESOP)
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What is Chaebol and how to define it?
Outlines
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- Background of Korean Chaebol
- Development of Korean Chaebol
- Current Status of Korean Chaebol
- Conclusion

Background of Korean Chaebol

1. Introduction of Korean Chaebol

- A large business group is usually considered as a Chaebol in Korea.
- The Korea Fair Trade Commission (KFTC) defines a business group as "a group of companies more than 30% of whose shares are owned by the group's controlling shareholder and its affiliated companies."
- Each year the KFTC ranks business groups in terms of their total assets and identifies the 30 largest business groups, thereafter called the "Top 30." Each business group is considered a "chaebol." The economic power that the Top 30 wield in the Korean economy is much greater than that of other chaebols or independent firms.
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## Korean Chaebols

### Top 10 Chaebol's Market Capitalization

(Unit: trillion won, %)

<table>
<thead>
<tr>
<th>Company</th>
<th>Aug. 29, 2008</th>
<th>June 12, 2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG</td>
<td>52.47</td>
<td>62.34</td>
<td>18.81</td>
</tr>
<tr>
<td>Samsung</td>
<td>129.20</td>
<td>144.98</td>
<td>12.21</td>
</tr>
<tr>
<td>Hyundai</td>
<td>37.29</td>
<td>40.89</td>
<td>9.68</td>
</tr>
<tr>
<td>Hanwha</td>
<td>39.17</td>
<td>40.79</td>
<td>4.14</td>
</tr>
<tr>
<td>SK</td>
<td>7.52</td>
<td>7.58</td>
<td>0.8</td>
</tr>
<tr>
<td>GS</td>
<td>15.54</td>
<td>14.95</td>
<td>-3.76</td>
</tr>
<tr>
<td>Lotte</td>
<td>41.95</td>
<td>38.66</td>
<td>-7.86</td>
</tr>
<tr>
<td>POSCO</td>
<td>10.53</td>
<td>9.26</td>
<td>-12.08</td>
</tr>
<tr>
<td>Kumho Asiana</td>
<td>21.36</td>
<td>18.52</td>
<td>-13.31</td>
</tr>
<tr>
<td>Hyundai</td>
<td>5.85</td>
<td>4.85</td>
<td>-17.13</td>
</tr>
</tbody>
</table>

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