SAMSUNG ELECTRONICS CO., LTD. AND ITS SUBSIDIARIES

Consolidated Financial Statements

December 31, 2024 and 2023

(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

To the Shareholders and Board of Directors of
Samsung Electronics Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of Samsung Electronics Co., Ltd. and its subsidiaries ("the Group"), expressed in Korean won, which comprise the consolidated statements of financial position as of December 31, 2024, and 2023 and the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and its consolidated financial performance and cash flows for the years then ended in accordance with Korean International Financial Reporting Standards ("Korean IFRS").

Basis for Opinion

We conducted our audits in accordance with International Standards on Auditing ("ISAs") and Korean Standards on Auditing ("KSAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountant's International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Republic of Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements as of and for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1) Evaluation of commencement of depreciation related to construction in progress

The Group's Device Solutions (DS) division is constructing factories for semiconductor production and begins depreciation of the production lines and equipment when they are available for use. Determining when the assets are available for use requires management's judgment, and as explained in Note 2, *Material Accounting Policies*, the Group's assessment of when the production lines and equipment are available for use requires management's subjective judgments on whether the assets are operating as intended.

We identified the evaluation of commencement of depreciation related to construction in progress as a key audit matter because the DS division's investments are significant and if the commencement of depreciation is determined contrary to the substance, the impact of depreciation amount on the consolidated financial statements would be significant.

The primary audit procedures we performed to address this key audit matter are as follows:

- Understanding of the Group's accounting policies and the processes and internal controls applied to the evaluation of when the assets are available for use;
- Evaluating the design and testing the operating effectiveness of the internal controls over the approval on commencement of depreciation related to construction in progress;
- Evaluating the design and implementation of the operating effectiveness of the internal controls regarding identification and monitoring of aged construction in progress;
- Inspecting documentation supporting the appropriateness of the commencement of depreciation of construction in progress during the year and subsequent to year-end on a sample basis; and
- Observing, on a sample basis, whether the Group's construction in progress is in operation.

2) Sales deduction related to sales promotion activities

The Group's Device eXperience (DX) division performs sales promotion activities, which includes providing price or volume discounts and incentives to customers including retail and telecommunication companies, based on explicit or implicit agreements. As disclosed in Note 2, *Material Accounting Policies,* and Note 3, *Material Accounting Estimates and Assumptions*, of the consolidated financial statements, the Group estimates the expected expenditures and discounts resulting from sales promotion activities at the time of revenue recognition and deducts the amount from revenue.

We identified the accuracy and completeness of sales deductions from promotional activities as a key audit matter because the calculation of sales deductions involves significant estimates and judgements by management and is subject to possible bias or error and the amount is material to the consolidated financial statements.

The primary audit procedures we performed to address this key audit matter are as follows:

- Evaluating the Group's accounting policies and understanding the processes and internal controls relating to the applied to sales deductions;
- Evaluating the design and testing the operating effectiveness of internal controls over the approval of the sales deduction policy;
- Evaluating the design and testing the operating effectiveness of internal controls over the sales deduction estimates and the approval of post-settlement adjustments;
- Evaluating the reasonableness of the estimates by inspecting, on a sample basis, the documentation supporting sales deductions estimates; and
- Evaluating the accuracy and completeness of sales deductions by comparing, on a sample basis, the period-end estimates to amounts settled subsequent to the period-end and examining relevant documentation.

Other Matters

The procedures and practices utilized in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

The accompanying consolidated financial statements as of and for the years ended December 31, 2024 and 2023 have been translated into United States dollars solely for the convenience of the reader. We have audited the translation and, in our opinion, the consolidated financial statements expressed in Korean won have been translated into dollars on the basis set forth in Note 2.18 to the consolidated financial statements.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and KSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs and KSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls.
- Evaluate the appropriateness of accounting policies used in the preparation of the consolidated financial statements and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where appliable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Han, Sang Hyun.

KPMG Samjong Accounting Corp.

Seoul, Korea
February 18, 2025

This report is effective as of February 18, 2025. Certain subsequent events or circumstances which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.18))

	Notes	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		KRW	KRW	USD	USD
Assets					
Current assets					
Cash and cash equivalents	4, 28	53,705,579	69,080,893	39,399,770	50,679,489
Short-term financial instruments	4, 28	58,909,334	22,690,924	43,217,376	16,646,635
Short-term financial assets at amortized cost	4, 28	-	608,281	-	446,250
Short-term financial assets at fair value through profit or loss	4, 6, 28	36,877	27,112	27,054	19,890
Trade receivables	4, 5, 7, 28	43,623,073	36,647,393	32,002,989	26,885,454
Non-trade receivables	4, 7, 28	9,622,974	6,633,248	7,059,657	4,866,318
Prepaid expenses		3,362,824	3,366,130	2,467,053	2,469,478
Inventories	8	51,754,865	51,625,874	37,968,677	37,874,046
Other current assets	4, 28	6,046,740	5,038,838	4,436,043	3,696,620
Assets held-for-sale	33	-	217,864	-	159,831
		227,062,266	**195,936,557**	**166,578,619**	**143,744,011**
Non-current assets					
Financial assets at fair value through other comprehensive income	4, 6, 28	10,580,932	7,481,297	7,762,439	5,488,469
Financial assets at fair value through profit or loss	4, 6, 28	1,175,749	1,431,394	862,559	1,050,107
Investments in associates and joint ventures	9	12,592,117	11,767,444	9,237,895	8,632,894
Property, plant and equipment	10	205,945,209	187,256,262	151,086,611	137,375,927
Intangible assets	11	23,738,566	22,741,862	17,415,212	16,684,005
Net defined benefit assets	14	3,089,571	4,905,219	2,266,587	3,598,593
Deferred income tax assets	25	14,236,468	10,211,797	10,444,233	7,491,632
Other non-current assets	4, 7, 28	16,111,070	14,174,148	11,819,488	10,398,513
		287,469,682	**259,969,423**	**210,895,024**	**190,720,140**
Total assets		**514,531,948**	**455,905,980**	**377,473,643**	**334,464,151**

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.18))

	Notes	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		KRW	KRW	USD	USD
Liabilities and Equity					
Current liabilities					
Trade payables	4, 28	12,370,177	11,319,824	9,075,075	8,304,509
Short-term borrowings	4, 5, 12, 28	13,172,504	7,114,601	9,663,682	5,219,451
Other payables	4, 28	18,547,365	15,324,119	13,606,816	11,242,161
Advances received	17	1,841,420	1,492,602	1,350,912	1,095,011
Withholdings	4, 28	991,812	892,441	727,618	654,717
Accrued expenses	4, 17, 28	29,613,258	26,013,273	21,725,035	19,083,995
Current income tax liabilities		4,340,171	3,358,715	3,184,059	2,464,038
Current portion of long-term liabilities	4, 12, 13, 28	2,207,290	1,308,875	1,619,324	960,224
Provisions	15	8,216,469	6,524,876	6,027,809	4,786,814
Other current liabilities	4, 17, 28	2,025,833	2,308,472	1,486,202	1,693,553
Liabilities held-for-sale	33	-	61,654	-	45,231
		93,326,299	**75,719,452**	**68,466,532**	**55,549,704**
Non-current liabilities					
Debentures	4, 13, 28	14,530	537,618	10,660	394,410
Long-term borrowings	4, 12, 28	3,935,860	3,724,850	2,887,446	2,732,644
Long-term other payables	4, 28	5,510,455	5,488,283	4,042,609	4,026,343
Net defined benefit liabilities	14	521,410	456,557	382,520	334,942
Deferred income tax liabilities	25	528,231	620,549	387,524	455,250
Long-term provisions	15	3,120,044	2,878,450	2,288,943	2,111,704
Other non-current liabilities	4, 17, 28	5,383,049	2,802,356	3,949,141	2,055,879
		19,013,579	**16,508,663**	**13,948,843**	**12,111,172**
Total liabilities		**112,339,878**	**92,228,115**	**82,415,375**	**67,660,876**

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In millions of Korean won, in thousands of US dollars (Note 2.18))

	Notes	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
		KRW	KRW	USD	USD
Equity attributable to owners of the parent company					
Preference shares	18	119,467	119,467	87,644	87,644
Ordinary shares	18	778,047	778,047	570,795	570,795
Share premium		4,403,893	4,403,893	3,230,807	3,230,807
Retained earnings	19	370,513,188	346,652,238	271,817,840	254,312,844
Other components of equity	20, 33	15,873,008	1,280,130	11,644,840	939,136
		391,687,603	**353,233,775**	**287,351,926**	**259,141,226**
Non-controlling interests	31	10,504,467	10,444,090	7,706,342	7,662,049
Total equity		**402,192,070**	**363,677,865**	**295,058,268**	**266,803,275**
Total liabilities and equity		**514,531,948**	**455,905,980**	**377,473,643**	**334,464,151**

The above consolidated statements of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

(In millions of Korean won, in thousands of US dollars (Note 2.18))

		For the years ended December 31,			
	Notes	**2024**	**2023**	**2024**	**2023**
		KRW	KRW	USD	USD
Revenue	29	300,870,903	258,935,494	220,726,499	189,961,623
Cost of sales	21	186,562,268	180,388,580	136,866,795	132,337,621
Gross profit		**114,308,635**	**78,546,914**	**83,859,704**	**57,624,002**
Selling and administrative expenses	21, 22	81,582,674	71,979,938	59,851,112	52,806,302
Operating profit	29	**32,725,961**	**6,566,976**	**24,008,592**	**4,817,700**
Other non-operating income	23	1,960,338	1,180,448	1,438,154	866,006
Other non-operating expense	23	1,625,229	1,083,327	1,192,309	794,757
Share of net profit of associates and joint ventures	9	751,044	887,550	550,985	651,129
Financial income	24	16,703,304	16,100,148	12,253,966	11,811,476
Financial expense	24	12,985,684	12,645,530	9,526,626	9,277,080
Profit before income tax		**37,529,734**	**11,006,265**	**27,532,762**	**8,074,474**
Income tax expense (benefit)	25	3,078,383	(4,480,835)	2,258,380	(3,287,254)
Profit for the year		**34,451,351**	**15,487,100**	**25,274,382**	**11,361,728**
Profit attributable to					
Owners of the parent company		33,621,363	14,473,401	24,665,482	10,618,053
Non-controlling interests		829,988	1,013,699	608,900	743,675
Earnings per share *(in Korean won, in US dollars)*	26				
- Basic		4,950	2,131	3.63	1.56
- Diluted		4,950	2,131	3.63	1.56

The above consolidated statements of profit or loss should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In millions of Korean won, in thousands of US dollars (Note 2.18))

		For the years ended December 31,			
	Notes	**2024**	**2023**	**2024**	**2023**
		KRW	KRW	USD	USD
Profit for the year		**34,451,351**	**15,487,100**	**25,274,382**	**11,361,728**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	2,300,166	1,481,091	1,687,460	1,086,566
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	9, 20	(71,581)	13,150	(52,514)	9,647
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	(766,078)	(828,298)	(562,014)	(607,659)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of associates and joint ventures, net of tax	9, 20	305,327	61,962	223,996	45,457
Foreign currency translation differences for foreign operations, net of tax	20	15,116,099	2,621,479	11,089,552	1,923,183
Gain (loss) on valuation of cash flow hedge derivatives	20	(38,946)	927	(28,572)	679
Other comprehensive income for the year, net of tax		**16,844,987**	**3,350,311**	**12,357,908**	**2,457,873**
Total comprehensive income for the year		**51,296,338**	**18,837,411**	**37,632,290**	**13,819,601**
Comprehensive income attributable to:					
Owners of the parent company		50,048,199	17,845,661	36,716,624	13,092,028
Non-controlling interests		1,248,139	991,750	915,666	727,573

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2024		**119,467**	**778,047**	**4,403,893**	**346,652,238**	**1,280,130**	**353,233,775**	**10,444,090**	**363,677,865**
Profit for the year		-	-	-	33,621,363	-	33,621,363	829,988	34,451,351
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	49,024	1,960,896	2,009,920	290,246	2,300,166
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	9, 20	-	-	-	-	239,431	239,431	(5,685)	233,746
Foreign currency translation differences for foreign operations, net of tax	20	-	-	-	-	14,963,848	14,963,848	152,251	15,116,099
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(747,417)	(747,417)	(18,661)	(766,078)
Loss on valuation of cash flow hedge derivatives	20	-	-	-	-	(38,946)	(38,946)	-	(38,946)
Total comprehensive income for the year		**-**	**-**	**-**	**33,670,387**	**16,377,812**	**50,048,199**	**1,248,139**	**51,296,338**
Dividends declared	19	-	-	-	(9,809,437)	-	(9,809,437)	(1,102,625)	(10,912,062)
Capital transactions under common control		-	-	-	-	-	-	(8,511)	(8,511)
Changes in consolidated entities		-	-	-	-	-	-	(76,626)	(76,626)
Treasury shares purchased	20	-	-	-	-	(1,811,775)	(1,811,775)	-	(1,811,775)
Others		-	-	-	-	26,841	26,841	-	26,841
Total transactions with owners		**-**	**-**	**-**	**(9,809,437)**	**(1,784,934)**	**(11,594,371)**	**(1,187,762)**	**(12,782,133)**
Balance as of December 31, 2024		**119,467**	**778,047**	**4,403,893**	**370,513,188**	**15,873,008**	**391,687,603**	**10,504,467**	**402,192,070**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

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Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.18))

For the year ended December 31, 2024	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2024		**87,644**	**570,795**	**3,230,807**	**254,312,844**	**939,136**	**259,141,226**	**7,662,049**	**266,803,275**
Profit for the year		-	-	-	24,665,482	-	24,665,482	608,900	25,274,382
Gain on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	35,965	1,438,563	1,474,528	212,932	1,687,460
Share of other comprehensive income (loss) of associates and joint ventures, net of tax	9, 20	-	-	-	-	175,653	175,653	(4,171)	171,482
Foreign currency translation differences for foreign operations, net of tax	20	-	-	-	-	10,977,857	10,977,857	111,695	11,089,552
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(548,324)	(548,324)	(13,690)	(562,014)
Loss on valuation of cash flow hedge derivatives	20	-	-	-	-	(28,572)	(28,572)	-	(28,572)
Total comprehensive income for the year		**-**	**-**	**-**	**24,701,447**	**12,015,177**	**36,716,624**	**915,666**	**37,632,290**
Dividends declared	19	-	-	-	(7,196,451)	-	(7,196,451)	(808,914)	(8,005,365)
Capital transactions under common control		-	-	-	-	-	-	(6,244)	(6,244)
Changes in consolidated entities		-	-	-	-	-	-	(56,215)	(56,215)
Treasury shares purchased		-	-	-	-	(1,329,164)	(1,329,164)	-	(1,329,164)
Others		-	-	-	-	19,691	19,691	-	19,691
Total transactions with owners		**-**	**-**	**-**	**(7,196,451)**	**(1,309,473)**	**(8,505,924)**	**(871,373)**	**(9,377,297)**
Balance as of December 31, 2024		**87,644**	**570,795**	**3,230,807**	**271,817,840**	**11,644,840**	**287,351,926**	**7,706,342**	**295,058,268**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

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Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In millions of Korean won)

For the year ended December 31, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2023		**119,467**	**778,047**	**4,403,893**	**337,946,407**	**1,938,328**	**345,186,142**	**9,563,462**	**354,749,604**
Profit for the year		-	-	-	14,473,401	-	14,473,401	1,013,699	15,487,100
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	4,041,867	(2,554,690)	1,487,177	(6,086)	1,481,091
Share of other comprehensive income of associates and joint ventures, net of tax	9, 20	-	-	-	-	70,157	70,157	4,955	75,112
Foreign currency translation differences for foreign operations translation, net of tax	20	-	-	-	-	2,611,915	2,611,915	9,564	2,621,479
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(797,916)	(797,916)	(30,382)	(828,298)
Gain on valuation of cash flow hedge derivatives	20	-	-	-	-	927	927	-	927
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**18,515,268**	**(669,607)**	**17,845,661**	**991,750**	**18,837,411**
Dividends declared	19	-	-	-	(9,809,437)	-	(9,809,437)	(101,984)	(9,911,421)
Capital transactions under common control		-	-	-	-	-	-	(9,368)	(9,368)
Changes in consolidated entities		-	-	-	-	-	-	230	230
Others		-	-	-	-	11,409	11,409	-	11,409
Total transactions with owners		**-**	**-**	**-**	**(9,809,437)**	**11,409**	**(9,798,028)**	**(111,122)**	**(9,909,150)**
Balance as of December 31, 2023		**119,467**	**778,047**	**4,403,893**	**346,652,238**	**1,280,130**	**353,233,775**	**10,444,090**	**363,677,865**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

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Samsung Electronics Co., Ltd. and its subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In thousands of US dollars (Note 2.18))

For the year ended December 31, 2023	Notes	Preference shares	Ordinary shares	Share premium	Retained earnings	Other components of equity	Equity attributable to owners of the parent company	Non-controlling interests	Total
Balance as of January 1, 2023		**87,644**	**570,795**	**3,230,807**	**247,926,026**	**1,422,007**	**253,237,279**	**7,015,997**	**260,253,276**
Profit for the year		-	-	-	10,618,053	-	10,618,053	743,675	11,361,728
Gain (loss) on valuation of financial assets at fair value through other comprehensive income, net of tax	6, 20	-	-	-	2,965,216	(1,874,185)	1,091,031	(4,465)	1,086,566
Share of other comprehensive income of associates and joint ventures, net of tax	9, 20	-	-	-	-	51,469	51,469	3,635	55,104
Foreign currency translation differences for foreign operations, net of tax	20	-	-	-	-	1,916,167	1,916,167	7,016	1,923,183
Remeasurement of net defined benefit liabilities (assets), net of tax	14, 20	-	-	-	-	(585,371)	(585,371)	(22,288)	(607,659)
Gain on valuation of cash flow hedge derivatives	20	-	-	-	-	679	679	-	679
Total comprehensive income (loss) for the year		**-**	**-**	**-**	**13,583,269**	**(491,241)**	**13,092,028**	**727,573**	**13,819,601**
Dividends declared	19	-	-	-	(7,196,451)	-	(7,196,451)	(74,818)	(7,271,269)
Capital transaction under common control		-	-	-	-	-	-	(6,873)	(6,873)
Changes in consolidated entities		-	-	-	-	-	-	170	170
Others		-	-	-	-	8,370	8,370	-	8,370
Total transactions with owners		**-**	**-**	**-**	**(7,196,451)**	**8,370**	**(7,188,081)**	**(81,521)**	**(7,269,602)**
Balance as of December 31, 2023		**87,644**	**570,795**	**3,230,807**	**254,312,844**	**939,136**	**259,141,226**	**7,662,049**	**266,803,275**

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.18))

		For the years ended December 31,			
	Notes	2024	2023	2024	2023
		KRW	KRW	USD	USD
Operating activities					
Profit for the year		34,451,351	15,487,100	25,274,382	11,361,728
Adjustments	27	42,947,079	36,519,534	31,507,063	26,791,653
Changes in assets and liabilities arising from operating activities	27	(1,567,557)	(5,458,745)	(1,150,000)	(4,004,673)
Cash generated from operations		**75,830,873**	**46,547,889**	**55,631,445**	**34,148,708**
Interest received		4,008,359	4,786,010	2,940,633	3,511,138
Interest paid		(675,049)	(844,691)	(495,233)	(619,687)
Dividends received		268,482	269,169	196,965	197,469
Income tax paid		(6,450,044)	(6,620,950)	(4,731,914)	(4,857,296)
Net cash provided by operating activities		**72,982,621**	**44,137,427**	**53,541,896**	**32,380,332**
Investing activities					
Net decrease (increase) in short-term financial instruments		(32,976,756)	39,421,565	(24,192,582)	28,920,657
Net decrease (increase) in short-term financial assets at amortized cost		620,858	(195,616)	455,477	(143,509)
Net decrease (increase) in short-term financial assets at fair value through profit or loss		(9,735)	2,718	(7,142)	1,994
Disposal of long-term financial instruments		4,100,008	4,565,426	3,007,870	3,349,312
Acquisition of long-term financial instruments		(3,987,279)	(5,307,770)	(2,925,169)	(3,893,914)
Disposal of financial assets at fair value through other comprehensive income		389,680	6,521,568	285,879	4,784,387
Acquisition of financial assets at fair value through other comprehensive income		(185,876)	(124,488)	(136,363)	(91,328)
Disposal of financial assets at fair value through profit or loss		309,970	63,962	227,402	46,924
Acquisition of financial assets at fair value through profit or loss		(70,982)	(130,459)	(52,074)	(95,708)
Disposal of investment in associates and joint ventures		33,178	33,457	24,340	24,545
Acquisition of investment in associates and joint ventures		(11,710)	(78,690)	(8,591)	(57,729)
Disposal of property, plant and equipment		156,191	98,341	114,586	72,145
Acquisition of property, plant and equipment		(51,406,355)	(57,611,292)	(37,713,001)	(42,265,100)
Disposal of intangible assets		15,869	11,744	11,642	8,616
Acquisition of intangible assets		(2,335,284)	(2,922,875)	(1,713,223)	(2,144,295)
Cash outflow from business combination		(142,156)	(356,511)	(104,289)	(261,545)
Cash inflow from disposal of held-for-sale assets		101,563	-	74,509	-
Cash inflow (outflow) from other investing activities		17,114	(913,897)	12,554	(670,458)
Net cash used in investing activities		**(85,381,702)**	**(16,922,817)**	**(62,638,175)**	**(12,415,006)**

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In millions of Korean won, in thousands of US dollars (Note 2.18))

		For the years ended December 31,			
	Notes	2024	2023	2024	2023
		KRW	KRW	USD	USD
Financing activities					
Net increase in short-term borrowings	27	5,871,346	2,145,400	4,307,368	1,573,920
Increase in long-term borrowings	27	404,954	354,712	297,084	260,226
Repayment of debentures and long-term borrowings	27	(1,364,508)	(1,219,579)	(1,001,038)	(894,714)
Dividends paid		(10,888,749)	(9,864,474)	(7,988,261)	(7,236,827)
Treasury shares purchased		(1,811,775)	-	(1,329,164)	-
Transactions with non-controlling interests		(8,511)	(9,118)	(6,244)	(6,690)
Net cash used in financing activities		**(7,797,243)**	**(8,593,059)**	**(5,720,255)**	**(6,304,085)**
Reclassification to assets held-for-sale	32	-	(14,153)	-	(10,383)
Effect of foreign exchange rate changes		4,821,010	792,785	3,536,815	581,607
Net increase (decrease) in cash and cash equivalents		**(15,375,314)**	**19,400,183**	**(11,279,719)**	**14,232,465**
Cash and cash equivalents					
Beginning of the year		69,080,893	49,680,710	50,679,489	36,447,024
End of the year		**53,705,579**	**69,080,893**	**39,399,770**	**50,679,489**

The above consolidated statements of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As of December 31, 2024 and 2023, and
For the years ended December 31, 2024 and 2023

1. General Information

1.1 Company Overview

Samsung Electronics Co., Ltd. ("SEC") was incorporated under the laws of the Republic of Korea in 1969 and listed its shares on the Korea Stock Exchange in 1975. SEC and its subsidiaries (collectively referred to as the "Company") operate four business divisions: DX, DS, SDC and Harman. DX (Device eXperience) division comprises businesses for digital televisions, refrigerators, smartphones and network systems. DS (Device Solutions) division comprises businesses for memory, foundry, and system Large Scale Integration (LSI). SDC includes display panels products. Harman division includes connected car systems, audio and visual products, enterprise automation solutions and connected services. SEC is domiciled in the Republic of Korea and is located in Suwon, the Republic of Korea.

These consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards ("Korean IFRS") 1110, *Consolidated Financial Statements*. SEC, as the controlling company, consolidates its 228 subsidiaries, including Samsung Display and Samsung Electronics America. The Company also applies the equity method of accounting for its 35 associates and joint ventures, including Samsung Electro-Mechanics Co., Ltd.

1.2 Consolidated Subsidiaries

The consolidated subsidiaries as of December 31, 2024 are as follows:

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
America	Samsung Electronics America, Inc. (SEA)	Sale of electronic devices	100.0
	Samsung International, Inc. (SII)	Manufacture of electronic devices	100.0
	Samsung Mexicana S.A. de C.V (SAMEX)	Manufacture of electronic devices	100.0
	Samsung Electronics Home Appliances America, LLC (SEHA)	Manufacture of home appliances	100.0
	Samsung Research America, Inc. (SRA)	Research and Development (R&D)	100.0
	Samsung Next LLC (SNX)	Management of overseas subsidiaries	100.0
	Samsung Next Fund LLC (SNXF)	Technology business, venture capital investments	100.0
	NeuroLogica Corp.	Manufacture and sale of medical equipment	100.0
	Samsung Lennox HVAC North America, LLC	Sale of air conditioning products	50.1
	Joyent, Inc.	Cloud services	100.0
	SmartThings, Inc.	Sale of smart home electronics	100.0
	TeleWorld Solutions, Inc. (TWS)	Deployment and optimization of network devices	100.0
	Samsung Semiconductor, Inc. (SSI)	Sale of semiconductor and display panels	100.0
	Samsung Federal, Inc. (SFI)	R&D	100.0
	Samsung Austin Semiconductor LLC. (SAS)	Manufacture of semiconductors	100.0
	Samsung Oak Holdings, Inc. (SHI)	Management of overseas subsidiaries	100.0
	SEMES America, Inc.	Maintenance of semiconductor equipment	100.0
	Samsung Display America Holdings, Inc. (SDAH)	Management of overseas subsidiaries	100.0
	eMagin Corporation	Development and manufacture of display panels	100.0
	Samsung Electronics Canada, Inc. (SECA)	Sale of electronic devices	100.0
	AdGear Technologies Inc.	Digital advertising platforms	100.0
	Sonio Corporation	Sale of medical software	100.0

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
	Samsung Eletronica da Amazonia Ltda. (SEDA)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Mexico S.A. De C.V. (SEM)	Sale of electronic devices	100.0
	Samsung Electronics Digital Appliance Mexico, SA de CV (SEDAM)	Manufacture of home appliances	100.0
	Samsung Electronics Latinoamerica(Zona Libre), S. A. (SELA)	Sale of electronic devices	100.0
	Samsung Electronics Latinoamerica Miami, Inc. (SEMI)	Sale of electronic devices	100.0
	Samsung Electronica Colombia S.A. (SAMCOL)	Sale of electronic devices	100.0
	Samsung Electronics Argentina S.A. (SEASA)	Marketing and services	100.0
	Samsung Electronics Chile Limitada (SECH)	Sale of electronic devices	100.0
	Samsung Electronics Peru S.A.C. (SEPR)	Sale of electronic devices	100.0
	Samsung Electronics Venezuela, C.A. (SEVEN)	Marketing and services	100.0
	Samsung Electronics Panama. S.A. (SEPA)	Consulting	100.0
	Harman International Industries, Inc.	Management of overseas subsidiaries	100.0
America	Harman Becker Automotive Systems, Inc.	Manufacture and sale of audio products and R&D	100.0
	Harman Connected Services, Inc.	Connected service provider	100.0
	Harman Connected Services Engineering Corp.	Connected service provider	100.0
	Harman da Amazonia Industria Eletronica e Participacoes Ltda.	Manufacture and sale of audio products	100.0
	Harman de Mexico, S. de R.L. de C.V.	Manufacture of audio products	100.0
	Harman do Brasil Industria Eletronica e Participacoes Ltda.	Sale of audio products and R&D	100.0
	Harman International Industries Canada Ltd.	Sale of audio products	100.0
	Harman International Mexico, S. de R.L. de C.V.	Sale of audio products	100.0
	Harman KG Holding, LLC	Management of overseas subsidiaries	100.0
	Harman Professional, Inc.	Sale of audio products and R&D	100.0
	Roon Labs, LLC.	Sale of audio products	100.0
	Beijing Integrated Circuit Industry International Fund, L.P	Venture capital investments	61.4
	China Materialia New Materials 2016 Limited Partnership	Venture capital investments	99.0

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
Europe/CIS	Samsung Electronics (UK) Ltd. (SEUK)	Sale of electronic devices	100.0
	Samsung Electronics Ltd. (SEL)	Management of overseas subsidiaries	100.0
	Samsung Semiconductor Europe Limited (SSEL)	Sale of semiconductor and display panels	100.0
	Samsung Electronics GmbH (SEG)	Sale of electronic devices	100.0
	Samsung Electronics Holding GmbH (SEHG)	Management of overseas subsidiaries	100.0
	Samsung Semiconductor Europe GmbH (SSEG)	Sale of semiconductor and display panels	100.0
	Samsung Electronics France S.A.S (SEF)	Sale of electronic devices	100.0
	Samsung Electronics Italia S.P.A. (SEI)	Sale of electronic devices	100.0
	Samsung Electronics Iberia, S.A. (SESA)	Sale of electronic devices	100.0
	Samsung Electronics Portuguesa, Unipessoal, Lda. (SEP)	Sale of electronic devices	100.0
	Samsung Electronics Hungarian Private Co. Ltd. (SEH)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Europe Logistics B.V. (SELS)	Logistics	100.0
	Samsung Electronics Benelux B.V. (SEBN)	Sale of electronic devices	100.0
	Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	Management of overseas subsidiaries	100.0
	Samsung Electronics Nordic Aktiebolag (SENA)	Sale of electronic devices	100.0
	Samsung Electronics Slovakia s.r.o (SESK)	Manufacture of TV and monitors	100.0
	Samsung Electronics Polska, SP.Zo.o (SEPOL)	Sale of electronic devices	100.0
	Samsung Electronics Poland Manufacturing SP.Zo.o (SEPM)	Manufacture of home appliances	100.0
	Samsung Electronics Romania LLC (SEROM)	Sale of electronic devices	100.0
	Samsung Electronics Austria GmbH (SEAG)	Sale of electronic devices	100.0
	Samsung Electronics Switzerland GmbH (SESG)	Sale of electronic devices	100.0
	Samsung Electronics Czech and Slovak s.r.o. (SECZ)	Sale of electronic devices	100.0
	Samsung Electronics Baltics SIA (SEB)	Sale of electronic devices	100.0
	Samsung Electronics Greece S.M.S.A (SEGR)	Sale of electronic devices	100.0
	Samsung Electronics Air Conditioner Europe B.V. (SEACE)	Sale of air conditioning products	100.0
	Samsung Nanoradio Design Center (SNDC)	R&D	100.0
	Samsung Denmark Research Center ApS (SDRC)	R&D	100.0
	Samsung Cambridge Solution Centre Limited (SCSC)	R&D	100.0
	SAMSUNG Zhilabs, S.L.	Development and sale of network solutions	100.0
	FOODIENT LTD.	R&D	100.0
	Oxford Semantic Technologies Limited (OST)	R&D	100.0
	Sonio SAS	Sale of software and R&D	100.0
	Samsung Electronics Rus Company LLC (SERC)	Sale of electronic devices	100.0
	Samsung Electronics Rus Kaluga LLC (SERK)	Manufacture of TV	100.0
	Samsung Electronics Ukraine Company LLC (SEUC)	Sale of electronic devices	100.0
	Samsung R&D Institute Ukraine (SRUKR)	R&D	100.0
	Samsung Electronics Central Eurasia LLP (SECE)	Sale of electronic devices	100.0
	Samsung R&D Institute Rus LLC (SRR)	R&D	100.0
	Samsung Electronics Caucasus Co. Ltd (SECC)	Marketing	100.0
	Samsung Electronics Uzbekistan Ltd. (SEUZ)	Marketing	100.0

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
Europe/CIS	AKG Acoustics GmbH	Manufacture and sale of audio products	100.0
	Apostera UA, LLC	Connected Service Provider	100.0
	Harman Audio Iberia Espana Sociedad Limitada	Sale of audio products	100.0
	Harman Becker Automotive Systems GmbH	Manufacture and sale of audio products and R&D	100.0
	Harman Becker Automotive Systems Italy S.R.L.	Sale of audio products	100.0
	Harman Becker Automotive Systems Manufacturing Kft	Manufacture of audio products and R&D	100.0
	Harman Belgium SA	Sale of audio products	100.0
	Harman Connected Services AB.	Connected service provider	100.0
	Harman Finland Oy	Connected service provider	100.0
	Harman Connected Services GmbH	Connected service provider	100.0
	Harman Connected Services Poland Sp.zoo	Connected service provider	100.0
	Harman Connected Services UK Ltd.	Connected service provider	100.0
	Harman Consumer Nederland B.V.	Sale of audio products	100.0
	Harman Deutschland GmbH	Sale of audio products	100.0
	Harman France SNC	Sale of audio products	100.0
	Harman Holding GmbH & Co. KG	Management company	100.0
	Harman Hungary Financing Ltd.	Financing company	100.0
	Harman Inc. & Co. KG	Management of overseas subsidiaries	100.0
	Harman International Estonia OU	R&D	100.0
	Harman International Industries Limited	Sale of audio products and R&D	100.0
	Harman International Romania SRL	R&D	100.0
	Harman Management GmbH	Management of overseas subsidiaries	100.0
	Harman Professional Kft	Manufacture of audio products and R&D	100.0
	Harman Professional Denmark ApS	Sale of audio products and R&D	100.0
	Red Bend Software SAS	Software design	100.0
	Studer Professional Audio GmbH	Sale of audio products and R&D	100.0
	Harman Connected Services OOO	Connected service provider	100.0
	Harman RUS CIS LLC	Sale of audio products	100.0

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
Middle East & Africa	Samsung Gulf Electronics Co., Ltd. (SGE)	Sale of electronic devices	100.0
	Samsung Electronics Turkiye (SETK)	Sale of electronic devices	100.0
	Samsung Electronics Industry and Commerce Ltd. (SETK-P)	Manufacture of electronic devices	100.0
	Samsung Electronics Levant Co., Ltd. (SELV)	Sale of electronic devices	100.0
	Samsung Electronics Maghreb Arab (SEMAG)	Sale of electronic devices	100.0
	Samsung Electronics Egypt S.A.E (SEEG)	Manufacture and sale of electronic devices	100.0
	Samsung Electronics Israel Ltd. (SEIL)	Marketing	100.0
	Samsung Electronics Tunisia S.A.R.L (SETN)	Marketing	100.0
	Samsung Electronics Pakistan(Private) Ltd. (SEPAK)	Marketing	100.0
	Samsung Electronics Middle East and North Africa (SEMENA)	Management of overseas subsidiaries	100.0
	Samsung Electronics Saudi Arabia Ltd. (SESAR)	Sale of electronic devices	100.0
	Samsung Semiconductor Israel R&D Center, Ltd. (SIRC)	R&D	100.0
	Corephotonics Ltd.	R&D	100.0
	Samsung Electronics South Africa(Pty) Ltd. (SSA)	Sale of electronic devices	100.0
	Samsung Electronics South Africa Production (Pty) Ltd. (SSAP)	Manufacture of TV and monitors	100.0
	Samsung Electronics West Africa Ltd. (SEWA)	Marketing	100.0
	Samsung Electronics East Africa Ltd. (SEEA)	Marketing	100.0
	Global Symphony Technology Group Private Ltd.	Management of overseas subsidiaries	100.0
	Harman Connected Services Morocco	Connected service provider	100.0
	Harman Industries Holdings Mauritius Ltd.	Management of overseas subsidiaries	100.0
	Red Bend Ltd.	Manufacture of audio products	100.0
Asia (Excluding China)	Samsung Asia Pte. Ltd. (SAPL)	Management of overseas subsidiaries	100.0
	Samsung Electronics Singapore Pte. Ltd. (SESP)	Sale of electronic devices	100.0
	Samsung Malaysia Electronics (SME) Sdn. Bhd. (SME)	Sale of electronic devices	100.0
	Samsung Electronics Display (M) Sdn. Bhd. (SDMA)	Manufacture of electronic devices	100.0
	Samsung Electronics (M) Sdn. Bhd. (SEMA)	Manufacture of home appliances	100.0
	Samsung Vina Electronics Co., Ltd. (SAVINA)	Sale of electronic devices	100.0
	Samsung Electronics Vietnam Co., Ltd. (SEV)	Manufacture of electronic devices	100.0
	Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	Manufacture of communication equipment	100.0
	Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	Manufacture and sale of electronic devices	100.0
	Samsung Display Vietnam Co., Ltd. (SDV)	Manufacture of display panels	100.0
	PT Samsung Electronics Indonesia (SEIN)	Manufacture and sale of electronic devices	100.0
	PT Samsung Telecommunications Indonesia (STIN)	Sale of electronic devices and services	100.0
	Thai Samsung Electronics Co., Ltd. (TSE)	Manufacture and sale of electronic devices	91.8
	Laos Samsung Electronics Sole Co., Ltd (LSE)	Marketing	100.0
	Samsung Electronics Philippines Corporation (SEPCO)	Sale of electronic devices	100.0
	Samsung Electronics Australia Pty. Ltd. (SEAU)	Sale of electronic devices	100.0
	Samsung Electronics New Zealand Limited (SENZ)	Sale of electronic devices	100.0
	Samsung India Electronics Private Ltd. (SIEL)	Manufacture and sale of electronic devices	100.0
	Red Brick Lane Marketing Solutions Pvt. Ltd.	Marketing	100.0
	Samsung Display Noida Private Limited (SDN)	Manufacture of display panels	100.0
	Samsung R&D Institute India-Bangalore Private Limited (SRI-Bangalore)	R&D	100.0
	Samsung R&D Institute Bangladesh Limited (SRBD)	R&D	100.0
	Samsung Nepal Services Pvt, Ltd (SNSL)	Service	100.0
	Samsung Japan Corporation (SJC)	Sale of semiconductor and display panels	100.0

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
Asia (Excluding China)	Samsung R&D Institute Japan Co. Ltd. (SRJ)	R&D	100.0
	Samsung Electronics Japan Co., Ltd. (SEJ)	Sale of electronic devices	100.0
	Harman Connected Services Corp. India Pvt. Ltd.	Connected service provider	100.0
	Harman International (India) Private Limited	Sale of audio products and R&D	100.0
	Harman International Industries PTY Ltd.	Management of overseas subsidiaries	100.0
	Harman International (Thailand) Co., Ltd.	Manufacture and sale of audio products	100.0
	Harman International Japan Co., Ltd.	Sale of audio products and R&D	100.0
	Harman Singapore Pte. Ltd.	Sale of audio products	100.0
China	Samsung (CHINA) Investment Co., Ltd. (SCIC)	Sale of electronic devices	100.0
	Samsung Electronics Hong Kong Co., Ltd. (SEHK)	Sale of electronic devices	100.0
	Samsung Electronics Taiwan Co., Ltd. (SET)	Sale of electronic devices	100.0
	Suzhou Samsung Electronics Co., Ltd. (SSEC)	Manufacture of home appliances	88.3
	Samsung Suzhou Electronics Export Co., Ltd. (SSEC-E)	Manufacture of home appliances	100.0
	Samsung Electronics Suzhou Computer Co., Ltd. (SESC)	R&D	100.0
	Tianjin Samsung Telecom Technology Co., Ltd. (TSTC)	Manufacture of communication equipment	90.0
	Beijing Samsung Telecom R&D Center (SRC-Beijing)	R&D	100.0
	Samsung Electronics China R&D Center (SRC-Nanjing)	R&D	100.0
	Samsung Mobile R&D Center China-Guangzhou (SRC-Guangzhou)	R&D	100.0
	Samsung R&D Institute China-Shenzhen (SRC-Shenzhen)	R&D	100.0
	Shanghai Samsung Semiconductor Co., Ltd. (SSS)	Sale of semiconductor and display panels	100.0
	Samsung (China) Semiconductor Co., Ltd. (SCS)	Manufacture of semiconductors	100.0
	Samsung SemiConductor Xian Co., Ltd. (SSCX)	Sale of semiconductor and display panels	100.0
	Samsung Electronics Suzhou Semiconductor Co., Ltd. (SESS)	Toll processing of semiconductors	100.0
	Tianjin Samsung LED Co., Ltd. (TSLED)	Manufacture of LED	100.0
	Samsung Semiconductor (China) R&D Co., Ltd. (SSCR)	R&D	100.0
	Samsung Display Dongguan Co., Ltd. (SDD)	Manufacture of display panels	100.0
	Samsung Display Tianjin Co., Ltd. (SDT)	Manufacture of display panels	95.0
	SEMES (XIAN) Co., Ltd.	Semiconductor/FPD equipment services	100.0
	Samsung Semiconductor Investment L.P.I	Technology business, Venture capital investments	99.0
	Harman (China) Technologies Co., Ltd.	Manufacture of audio products	100.0
	Harman (Suzhou) Audio and Infotainment Systems Co., Ltd.	Sale of audio products	100.0
	Harman Automotive Electronic Systems (Suzhou) Co., Ltd.	Manufacture of audio products and R&D	100.0
	Harman Commercial (Shanghai) Co., Ltd.	Sale of audio products	100.0
	Harman Connected Services Solutions (Chengdu) Co., Ltd.	Connected service provider	100.0
	Harman Holding Limited	Sale of audio products	100.0
	Harman International (China) Holdings Co., Ltd.	Sale of audio products and R&D	100.0
	Harman Technology (Shenzhen) Co., Ltd.	Sale of audio products and R&D	100.0

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

Region	Subsidiaries	Business	Percentage of ownership (%)(*)
	Samsung Display Co., Ltd.	Manufacture and sale of display panels	84.8
	SU Materials	Manufacture of display panel components	50.0
	STECO Co., Ltd.	Manufacture of semiconductor components	70.0
	SEMES Co., Ltd.	Manufacture and sale of semiconductor/FPD	91.5
	Samsung Electronics Service Co., Ltd.	Repair services for electronic devices	99.3
	Samsung Electronics Service Customer Satisfaction Co., Ltd.	Call center for repair services for electronic devices	100.0
	Samsung Electronics Sales Co., Ltd.	Sale of electronic devices	100.0
	Samsung Electronics Logitech Co., Ltd.	General logistics agency	100.0
	Samsung Medison Co., Ltd.	Manufacture and sale of medical equipment	68.5
	Stella Forest of Hope	Manufacture of food	100.0
	Mirero System Co., Ltd.	Development and supply of semiconductor process defect and quality control software	99.9
	Harman International Korea	Software development and supply	100.0
	Samsung Venture Capital Union #21	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #22	Technology business, Venture capital investments	99.0
	Samsung Venture Capital Union #26	Venture capital investments in technology business	99.0
Domestic	Samsung Venture Capital Union #28	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #32	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #33	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #37	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #42	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #43	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #45	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #52	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #55	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #56	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #57	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #62	Venture capital investments in technology business	99.0
	Samsung Venture Capital Union #67	Venture capital investments in technology business	99.0
	Growth Type Private Equity Trust Specialized in Semiconductors	Investment in semiconductor industry	66.7
	System LSI Mutual Benefit Private Equity Trust	Investment in semiconductor industry	62.5
	Semiconductor Ecosystem Private Equity Trust	Investment in semiconductor industry	66.7

(*) Ownership represents the Company's ownership of the voting rights in each entity, including subsidiaries' ownerships.

1.3 Summary of Financial Data of Major Consolidated Subsidiaries

Summary of financial data of major consolidated subsidiaries is as follows:

(1) 2024

(In millions of Korean won)	As of December 31, 2024		For the year ended December 31, 2024	
Major subsidiaries (*1)	**Assets**	**Liabilities**	**Sales**	**Profit (loss) for the year**
Samsung Display Co., Ltd.	67,541,382	8,305,660	25,401,419	5,989,037
Samsung Electronics America, Inc. (SEA)	50,777,503	18,653,435	40,650,074	1,628,652
Samsung Asia Pte. Ltd. (SAPL)	31,226,978	353,722	-	5,326,248
Samsung Austin Semiconductor LLC. (SAS)	27,546,958	16,107,374	4,998,707	1,171,180
Samsung Semiconductor, Inc. (SSI)	21,719,875	13,462,128	46,873,584	779,010
Harman and its subsidiaries(*2)	20,934,732	6,714,174	14,257,130	1,003,560
Samsung (China) Semiconductor Co., Ltd. (SCS)	18,796,411	900,205	11,180,211	1,195,361
Samsung (CHINA) Investment Co., Ltd. (SCIC)	16,111,528	15,246,946	2,754,791	300,719
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	13,497,264	3,802,597	32,962,634	2,078,833
Samsung India Electronics Private Ltd. (SIEL)	9,561,708	3,226,735	17,048,976	1,408,392
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,093,393	3,452,430	-	195,012
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,819,080	2,167,121	21,294,696	1,359,308
Samsung Display Vietnam Co., Ltd. (SDV)	7,724,664	1,955,376	20,394,839	841,058
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	6,467,878	5,635,634	30,068,460	468,408
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,863,158	807,341	7,003,325	381,576
Samsung Eletronica da Amazonia Ltda. (SEDA)	4,679,383	1,486,272	7,935,236	208,102
Samsung Electronics (UK) Ltd. (SEUK)	3,267,763	2,042,914	6,158,787	181,457
Thai Samsung Electronics Co., Ltd. (TSE)	2,637,138	502,266	4,513,870	166,928
Samsung International, Inc. (SII)	2,484,711	646,678	7,473,309	138,140
Samsung Electronics Taiwan Co., Ltd. (SET)	2,411,145	1,642,510	5,744,458	62,255
SEMES Co., Ltd.	2,365,712	705,818	2,432,656	144,665
Samsung Electronics GmbH (SEG)	2,118,638	2,049,463	6,259,384	(1,661)
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,017,910	845,480	4,086,721	125,857
Samsung Electronics Europe Logistics B.V. (SELS)	1,928,760	1,710,124	15,682,546	(12,249)
Samsung Electronics Benelux B.V. (SEBN)	1,894,968	726,412	2,918,779	12,514

(*1) Summary of condensed financial information is based on separate financial statements of each subsidiary.
(*2) Consolidated financial data of an intermediate company, Harman International Industries, Inc. and its subsidiaries.

(2) 2023

(In millions of Korean won)	As of December 31, 2023		For the year ended December 31, 2023	
Major subsidiaries (*1)	**Assets**	**Liabilities**	**Sales**	**Profit (loss) for the year**
Samsung Display Co., Ltd.	65,328,568	7,266,213	27,083,336	8,268,314
Samsung Electronics America, Inc. (SEA)	41,926,899	15,322,780	39,551,809	477,338
Samsung Asia Pte. Ltd. (SAPL)	22,234,942	282,614	-	14,140,195
Harman and its subsidiaries(*2)	17,956,557	6,009,675	14,367,766	896,384
Samsung Austin Semiconductor LLC. (SAS)	16,714,945	7,791,914	4,109,744	301,778
Samsung (China) Semiconductor Co., Ltd. (SCS)	15,808,283	870,453	8,693,788	877,892
Samsung Semiconductor, Inc. (SSI)	12,796,440	6,276,293	23,465,031	136,458
Samsung Electronics Vietnam THAINGUYEN Co., Ltd. (SEVT)	12,554,481	3,593,527	30,639,349	2,240,480
Samsung (CHINA) Investment Co., Ltd. (SCIC)	10,222,557	8,797,991	3,148,858	189,887
Samsung Electronics Europe Holding Cooperatief U.A. (SEEH)	9,660,481	4,585,806	-	103,387
Samsung India Electronics Private Ltd. (SIEL)	7,738,259	3,373,730	15,216,331	1,153,256
Samsung Display Vietnam Co., Ltd. (SDV)	7,383,485	1,570,459	24,200,246	1,143,824
Samsung Electronics Vietnam Co., Ltd. (SEV)	7,301,860	2,215,062	20,154,119	1,476,382
Samsung Eletronica da Amazonia Ltda. (SEDA)	5,542,627	1,587,911	7,222,304	333,812
Shanghai Samsung Semiconductor Co., Ltd. (SSS)	5,262,086	4,552,030	15,649,307	244,210
Samsung Electronics HCMC CE Complex Co., Ltd. (SEHC)	4,043,677	843,736	6,152,983	402,418
Thai Samsung Electronics Co., Ltd. (TSE)	3,039,379	640,512	4,213,492	150,510
Samsung Electronics (UK) Ltd. (SEUK)	2,902,722	1,976,067	5,859,133	185,113
SEMES Co., Ltd.	2,187,919	659,607	2,502,143	58,754
Samsung Electronics Mexico S.A. De C.V. (SEM)	2,153,032	1,038,115	3,638,080	148,873
Samsung Electronics GmbH (SEG)	2,097,706	2,033,152	6,374,670	(3,157)
Samsung International, Inc. (SII)	1,879,442	383,763	6,553,383	141,226
Samsung Electronics Taiwan Co., Ltd. (SET)	1,797,627	1,139,056	4,108,479	56,467
Samsung Electronics Benelux B.V. (SEBN)	1,794,552	639,120	2,833,717	140,313
Samsung Electronics Europe Logistics B.V. (SELS)	1,639,004	1,443,005	15,462,852	4,984

(*1) Summary of condensed financial information is based on separate financial statements of each subsidiary.
(*2) Consolidated financial data of an intermediate company, Harman International Industries, Inc. and its subsidiaries.

1.4 Changes in Consolidation Scope

Changes in consolidation scope during the year ended December 31, 2024 are as follows:

Change	Region	Subsidiary	Description
Newly included	America	Sonio Corporation	Acquisition
	Europe・CIS	Oxford Semantic Technologies Limited (OST)	Acquisition
		Sonio SAS	Acquisition
	Middle East・Africa	Samsung Electronics Middle East and North Africa (SEMENA)	Establishment
	Asia (Excluding China)	Harman International (Thailand) Co., Ltd.	Establishment
	Domestic	Samsung Venture Capital Union #67	Establishment
Excluded	America	Harman Financial Group LLC	Liquidation
	Europe・CIS	Samsung Display Slovakia, s.r.o., v likvidacii (SDSK)	Liquidation
		Samsung Electronics Overseas B.V. (SEO)	Liquidation
	Asia (Excluding China)	DOWOOINSYS VINA COMPANY LIMITED	Sale
	China	Tianjin Samsung Electronics Co., Ltd. (TSEC)	Liquidation
		Dowooinsys Co., Ltd.	Sale
		Gf-System Co., Ltd.	Sale
	Domestic	Samsung Venture Capital Union #29	Liquidation
		Samsung Venture Capital Union #40	Liquidation
		Samsung Venture Capital Union #48	Liquidation

2. Material Accounting Policies

The followings are material accounting policies applied on the consolidated financial statements. Unless mentioned otherwise, these policies are consistent throughout the accounting periods denoted.

2.1 Basis of Presentation

The Company's consolidated financial statements have been written in accordance with the Korean International Financial Reporting Standards ("Korean IFRS"). The Korean IFRS refers to standards selected by the Republic of Korea among accounting standards and interpretations published by International Accounting Standards Board (IASB).

The Korean IFRS permits application of material accounting estimates on the financial statements and requires management's judgements in applying accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note 3.

2.2 Changes in Accounting Policies and Disclosures

(A) New and amended standards adopted by the Company

The Company applied the following amended standards for the first time for the annual reporting period commencing on January 1, 2024:

Amendments to Korean IFRS 1001, *Presentation of Financial Statements*

The amendments to Korean-IFRS 1001 clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by management's intentions or expectations about whether an entity will exercise its right to defer settlement of a liability. The amendments also introduce a definition of settlement to make clear that settlement includes the transfer to the counterparty of the entity's own equity instruments, however, it would be excluded if an option to settle the liability by the transfer of the entity's own equity instruments is recognized separately from the liability as an equity component of a compound financial instrument. The adoption of the amendments does not have a significant impact on the Company's consolidated financial statements.

Amendments to Korean IFRS 1116, *Leases*

The amendments add requirements for the subsequent measurement of sale-and-leaseback transactions that are accounted for as sales in accordance with Korean IFRS 1115*, Revenue from Contracts with Customers.* The amendments require the seller-lessee to calculate the 'lease payments' or 'revised lease payments' in a way that does not result in the seller-lessee recognizing any gain or loss for the rights of use that the seller-lessee continues to retain after the lease commences. The adoption of the amendments does not have a significant impact on the Company's consolidated financial statements.

Amendments to Korean IFRS 1007, *Statement of Cash Flows,* and 1107*, Financial Instruments: Presentation*

The amendments to Korean IFRS 1007, Statement of Cash Flows, introduce new disclosures, such as terms and conditions, balance payment due dates and the effects on cash flows, to help users of the financial statements to assess the effects of supplier financing arrangements on an entity's liabilities and cash flows. The amendments to Korean IFRS 1107, Financial Instruments: Presentation, requires disclosure of information about an entity's exposure to concentrations of liquidity related to supplier financing arrangement. The adoption of the amendments does not have a significant impact on the Company's separate financial statements.

(B) New and amended standard not yet adopted by the Company

The amended accounting standard that has been issued but not yet effective for the annual reporting period commencing on January 1, 2024 and has not been early adopted by the Company is as follows:

Amendments to Korean IFRS 1021, *The Effects of Changes in Foreign Exchange Rates*

The amendments to Korea IFRS 1021 clarify how the Company estimates a spot rate, which is used for translation of foreign transaction into functional currency or translation of foreign operation's financial statements into reporting currency, when a currency lacks exchangeability. The amendments are applied for annual periods beginning on or after January 1, 2025, with early application permitted.

2.3 Consolidation

The Company prepares its consolidated financial statements in accordance with Korean IFRS 1110, *Consolidated Financial Statements.*

(A) Non-controlling interests

Each component of profit or loss and other comprehensive income is attributable to the owners of the parent and the non-controlling interests, and total comprehensive income is attributable to the owners of the parent and the non-controlling interests, even if the non-controlling interests have a negative balance.

(B) Elimination of intercompany transactions

Intercompany transactions, balances, income and expenses and unrealized gains and losses (excluding foreign exchange gains and losses) are eliminated on consolidation. The Company's share of unrealized losses on transactions with associates accounted for using the equity method are eliminated in the same way as unrealized gains unless there is evidence of impairment of the asset.

2.4 Functional and Presentation Currency

(A) Functional and presentation currency

The Company measures the items included in the financial statements of each component using the currency of the primary economic environment in which each it operates ("functional currency"). The functional currency of the parent company is Korean won (KRW) and the consolidated financial statements are presented in Korean won (KRW).

(B) Translation into the presentation currency

The results and financial position of all entities subjected to consolidation that have a functional currency different from the parent's presentation currency are translated into the parent's presentation currency as follows:

(1) Assets and liabilities are translated at the closing rate at the end of the reporting date.
(2) Income and expenses in the statement of profit or loss are translated at average exchange rates for the period. However, if this average rate is not a reasonable approximation of the cumulative effect of the exchange rates at the dates of the transactions, the transactions are translated at the exchange rates at the dates of transactions.
(3) Exchange differences arising on translation in (1) and (2) above are recognized in other comprehensive income.

2.5 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and highly liquid short-term investment assets that are readily convertible to known amounts of cash at the date of acquisition and which are subject to an insignificant risk of changes in value.

2.6 Financial Assets

(A) Classification

Financial instruments are classified based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company considers the contractual terms of the relevant financial instrument and assesses whether the contractual cash flows consist solely of payments of principal and interest on the principal amount outstanding.

(B) Impairment

The Company assesses the expected credit losses of debt instruments carried at amortized cost or fair value through other comprehensive income on a forward-looking basis. However, the Company applies the simplified approach for trade receivables, which requires expected credit losses to be recognized over the life of the receivable from initial recognition.

2.7 Trade Receivables

Trade receivables are recognized at initial transaction price, unless they contain a significant financing component, and are subsequently measured at amortized cost using the effective interest method less any allowance for impairment.

2.8 Inventories

The Company determines the unit cost of inventories, except for materials in transit, using the average cost method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads based on normal operating capacity, excluding the cost of idle production equipment and scrapping costs.

The Company measures inventories at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the applicable variable selling expenses, and reflects the decrease in selling price, the increase in costs to completion, or decrease in value due to excess or obsolete inventory.

2.9 Property, Plant and Equipment

Depreciation of property, plant and equipment begins when assets are considered by management to be available for their intended use, such as in the production of products.

The Company's property, plant and equipment is depreciated on a straight-line method over the estimated useful lives of the assets, less any residual values. Land is not depreciated. Costs that are directly attributable to the acquisition, construction of a qualifying asset, including capitalized interest costs, are depreciated over the estimated useful lives.

The estimated useful lives of property, plant and equipment used by the Company for each asset category are as follows:

	Estimated useful lives
Buildings and structures	15, 30 years
Machinery and equipment	5 years
Other	5 years

2.10 Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the identifiable net assets of subsidiaries, associates and joint ventures, businesses and other entities acquired at the date of acquisition and is recognized as an intangible assets in respect of acquisitions of businesses of subsidiaries and as an investment in associates and joint ventures in respect of acquisitions of interests in associates and joint ventures.

Intangible assets, other than goodwill, are initially recognized at their historical cost and are subsequently stated at cost less accumulated amortization and accumulated impairment losses.

Membership rights are regarded as intangible assets with indefinite useful life and not amortized as there are no foreseeable restrictions on their use. However, whenever there is an indication of impairment, such as a decline in the market value of membership rights, a reasonable estimate is made to reflect the impairment. Intangible assets with finite useful lives, such as patents, trademarks and other intangible assets, are amortized on a straight-line method over their estimated useful lives.

The estimated useful lives of intangible assets used by the Company are as follows:

	Estimated useful lives
Patents, trademarks and other intangible assets	3 - 25 years

2.11 Financial Liabilities

The Company classifies financial liabilities into financial liabilities at fair value through profit or loss and other financial liabilities and recognizes them on the consolidated statement of financial position when the Company becomes a party to a contract, depending on the substance of the contractual terms.

2.12 Employee Benefits

The Company operates various types of post-employment benefit plans, including defined benefit plans and defined contribution plans. The defined benefit liability (asset) recognized in the consolidated statement of financial position in respect of defined benefit plans is the present value of the defined benefit obligation at the reporting date less the fair value of plan assets, less any deficit (excess of plan assets over the asset recognition threshold) and is calculated annually by an independent actuary using the projected unit credit method.

2.13 Income Tax Expense

The global minimum top-up tax in accordance with the Pilar Two tax legislation is subject to Korean IFRS 1012, *Corporate Income Tax*. The Company accounts for the amount of global minimum top-up tax as a current tax when it is incurred, and applies the exception for the recognition and disclosure of deferred income tax related to the global minimum top-up tax.

The Company recognizes deferred tax liabilities for taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, except where the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized for deductible temporary differences arising on these assets only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

2.14 Derivative Instruments

The Company recognizes its rights and obligations under derivative contracts as assets and liabilities at fair value and records gains and losses on these contracts in the statement of profit or loss. However, effective portion of changes in the fair value of cash flow hedges are deferred in equity.

The Company applies cash flow hedge accounting for hedges of risks including changes in the price of inventories. The effective portion of the change in fair value of a derivative that is designated as a cash flow hedge is recognized in other comprehensive income, while the ineffective portion is recognized in ‘financial income’ or ‘financial expense’.

2.15 Revenue Recognition

The Company's revenue primarily represents the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is net of value-added tax, returns, sales incentives, discounts and others.

(A) Identification of performance obligations

The Company is required to transfer control of goods and services under contracts with customers. For the export of products and goods under Incoterms Group C terms (such as CIF), the Company recognizes the transportation services (including insurance) provided after the control of the goods has passed to the customer as a separate performance obligation.

(B) Performance obligations satisfied at a point of time

The Company's revenue is primarily derived from the sale of goods and is recognized when control of the goods passes to the customer.

(C) Performance obligations satisfied over time

The Company recognizes revenue over time for sales of software, transportation services, installation services, and etc. where the customer has direct control over the outcome during the performance of the service.

(D) Variable consideration

The Company provides a variety of sales promotions including incentives, promotion and sales allowances. Where these sales promotion policies result in variability in the consideration promised to customers, the Company estimates the variable consideration using either the expected value or the most likely amount whichever method the Company expects to better predict the amount of consideration to which it will be entitled. The estimate of variable consideration is included in transaction price only to the extent that it is highly probable that a significant portion of the cumulative revenue already recognized will not be reversed when the related uncertainties are resolved. Revenue and contract liabilities are recognized when the related revenue is earned or when the decision to pay the variable consideration to the customer is made, whichever is later.

The Company recognizes contract liabilities (refund liabilities) after the sale of products to customers by estimating the return rate using the expected value methods based on historical experience. When the customer exercises its right to return the product, the Company recognizes the asset as a refund asset and adjusts cost of sales by the amount of the right to collect the product from the customer. The right to collect the product is measured by deducting the cost of collecting the product from the historical carrying amount of the product.

2.16 Leases

(A) Lessee accounting

The Company applies the practical expedient of Korean IFRS 1116, *Leases,* and does not separate the non-lease elements from the lease elements and accounts for the non-lease elements relating to each lease element as a single lease element.

At the commencement date of a lease, the Company recognizes a right-of-use asset (the lease asset) representing the right to use the underlying asset and a lease liability representing the obligation to make lease payments. The right-of-use asset is presented in the consolidated statement of financial position as 'property, plant and equipment' and the lease liability is presented as 'current portion of long-term liabilities' or 'long-term borrowings.'

Lease liabilities are measured at the inception of the lease at the present value of the lease payments outstanding at that date, discounted at the Company's incremental borrowing rate.

For short-term leases (lease terms of 12 months or less at the inception of the lease) and low value assets (underlying assets of USD 5,000 or less), lease payments are recognized as expenses on a straight-line basis over the lease term applying the simplified practical expedient.

(B) Lessor accounting

The Company, as a lessor, determines whether a lease is a finance or an operating lease at the inception of the lease.

Leases that transfer substantially all the risk and rewards of ownership of the leased assets are classified as finance leases and all leases other than finance leases are classified as operating leases. Lease income from operating leases is recognized on a straight-line basis over the lease term, while initial direct costs incurred during the negotiation and contracting phase of an operating lease are added to the carrying amount of the leased asset and expensed over the lease term against the lease income.

2.17 Government Grants

Government grants relating to revenues are deferred and recognized in the consolidated statement of profit or loss in the same period in which they are matched with revenues or expenses related to the purpose for which the grant was made. Government grants received related to the acquisition of assets are treated as deferred income and credited to the consolidated statement of profit or loss over the useful lives of the related assets.

2.18 Convenience Translation into United States Dollar Amounts

The US dollar amounts provided in the consolidated financial statements represent supplementary information solely for the convenience of the reader. All Korean won amounts are expressed in US dollar at the rate of ₩1,363.09 to $1, the average exchange rate for the year ended December 31, 2024. Such presentation is not in accordance with generally accepted accounting principles and should not be construed as a representation that the Korean won amounts shown could be readily converted, realized or settled in US dollars at this or any other rate.

2.19 Approval of the Consolidated Financial Statements

The consolidated financial statements of the Company were approved by the Board of Directors on January 31, 2025, and may be approved as amended at the Annual General Shareholders' Meetings.

3. Material Accounting Estimates and Assumptions

The Company makes estimates and assumptions concerning the future. Estimates and assumptions are continuously evaluated and are based on historical experience and future events that are reasonably foreseeable under the circumstances. These estimates may differ from actual results. The estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows.

(A) Revenue recognition

The Company recognizes a liability for a product return and a right to the returned goods that are expected to be returned by customers following the sale of products to customers. At the point of sale, the Company estimates the return using the expected value method based on accumulated experience at the portfolio level and the Company's revenue is affected by changes in the expected return.

Revenue from the sale of goods recognized at the point of transfer of control is the contractual consideration less consideration paid to customers in relation to certain sales promotion activities. Based on the historical experience and terms of contracts, the Company makes reasonable estimates of the sales deductions which affect the Company's revenue

(B) Provision for warranty

The Company provides warranties for products sold. At the end of each reporting period, the Company recognizes a provision for warranties based on its best estimate of the amount it believes is necessary to provide for future and current warranty obligations. These best estimates are based on historical experience.

(C) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using various valuation techniques and assumptions based on market conditions prevailing at the end of each reporting period.

(D) Impairment of financial assets

In measuring the allowance for impairment losses on financial assets, the Company makes assumptions about the risk of default and expected credit rates. In making these assumptions and selecting the inputs for the impairment calculations, the Company makes judgment based on past experience and current and forecast of future economic conditions at the reporting date.

(E) Lease

In determining the lease term, the Company considers all relevant facts and circumstances that provide an economic incentive to exercise a renewal option, or not to exercise a termination option. The period covered by the renewal option (or the period covered by the termination option) is included in the lease term only if it is reasonably certain that the lessee will exercise (or not exercise) the renewal option.

The lease term is reassessed when the option is actually exercised (or not exercised) or when the Company becomes committed to exercise (or not exercise) the option. The Company only changes its assessment of whether it is reasonably certain the renewal option will be exercised (or not) if there is a significant event or change in circumstances within the lessee's control that affects the calculation of the lease term.

(F) Net defined benefit liabilities (assets)

The net defined benefit liabilities (assets) are dependent on a number of factors which are determined using actuarial methods based on a number of assumptions. Among the assumptions used to determine the net defined benefit liabilities (assets) is the discount rate, and changes in these assumptions will affect the carrying amount of the net defined benefit liability (asset). At the end of each year the Company determines an appropriate discount rate, taking into account the interest rates on high-quality corporate bonds, which represents the interest rate that should be used to determine the present value of the estimated future cash outflows expected to be required to settle the net defined benefit liability (asset). Some other key assumptions relating to the net defined benefit liability (asset) are based on current market conditions.

(G) Impairment of goodwill and intangible assets that have indefinite useful life

The Company tests goodwill and intangible assets with indefinite useful life for impairment annually. The recoverable amount of a cash-generating unit or asset, including goodwill, is determined based on a value-in-use calculation. These calculations are based on estimates.

(H) Income taxes

Income taxes on the Company's taxable income are calculated by applying tax laws and decisions of tax authorities in various countries, and, therefore, there is uncertainty in determining the final tax effect. The Company has recognized current and deferred tax based on its best estimate of the tax consequences expected to be payable in future periods as a result of the Company's operating activities up to the reporting date. However, the actual future final tax liability may not be consistent with the related assets and liabilities recognized, and such differences may affect the current and deferred tax assets and liabilities when the final tax effect is determined.

The Company is subject to additional income taxes, calculated in accordance with the method prescribed by tax laws, when a certain amount is not used for investment, wage growth, etcetera, in a given period. The related tax effect is reflected in the measurement of current and deferred income taxes for the period, and the amount of income tax payable by the Company depends on the level of investment, wage growth, etcetera in each year, resulting in uncertainty in determining the final tax effects.

The Company assesses uncertainty over its tax positions and, if the Company concludes that it is not probably that the tax authorities will accept an uncertain tax position, the effect of the uncertainty is recognized in the consolidated financial statements for each uncertain tax position using the method that is expected to provide a better estimate of the resolution of the uncertainty, which is more likely of the following methods.

(1) Most likely amount: the single most probable amount within a range of possible outcomes.
(2) Expected value: the sum of the probability-weighted amounts in a range of possible outcomes.

4. Financial Instruments by Category

(A) Categorizations of financial assets and liabilities as of December 31, 2024 and 2023 are as follows:

(1) As of December 31, 2024

(In millions of Korean won)	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets(*)	Total
Financial assets					
Cash and cash equivalents	53,705,579	-	-	-	53,705,579
Short-term financial instruments	58,909,334	-	-	-	58,909,334
Short-term financial assets at fair value through profit or loss	-	-	36,877	-	36,877
Trade receivables	43,623,073	-	-	-	43,623,073
Financial assets at fair value through other comprehensive income	-	10,580,932	-	-	10,580,932
Financial assets at fair value through profit or loss	-	-	1,175,749	-	1,175,749
Other	14,378,224	-	476,394	44,262	14,898,880
Total	**170,616,210**	**10,580,932**	**1,689,020**	**44,262**	**182,930,424**

(*) Other financial assets include derivatives designated as hedging instruments.

(In millions of Korean won)	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities(*)	Total
Financial liabilities				
Trade payables	12,370,177	-	-	12,370,177
Short-term borrowings	338,058	-	12,834,446	13,172,504
Other payables	17,390,861	-	-	17,390,861
Current portion of long-term liabilities	1,106,764	-	1,100,526	2,207,290
Debentures	14,530	-	-	14,530
Long-term borrowings	6,537	-	3,929,323	3,935,860
Long-term other payables	4,779,141	-	-	4,779,141
Other	13,698,485	36,795	57,764	13,793,044
Total	**49,704,553**	**36,795**	**17,922,059**	**67,663,407**

(*) Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments.

(2) As of December 31, 2023

(In millions of Korean won)	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets(*)	Total
Financial assets					
Cash and cash equivalents	69,080,893	-	-	-	69,080,893
Short-term financial instruments	22,690,924	-	-	-	22,690,924
Short-term financial assets at amortized cost	608,281	-	-	-	608,281
Short-term financial assets at fair value through profit or loss	-	-	27,112	-	27,112
Trade receivables	36,647,393	-	-	-	36,647,393
Financial assets at fair value through other comprehensive income	-	7,481,297	-	-	7,481,297
Financial assets at fair value through profit or loss	-	-	1,431,394	-	1,431,394
Other	14,294,254	-	475,244	70,777	14,840,275
Total	**143,321,745**	**7,481,297**	**1,933,750**	**70,777**	**152,807,569**

(*) Other financial assets include derivatives designated as hedging instruments.

(In millions of Korean won)	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities(*)	Total
Financial liabilities				
Trade payables	11,319,824	-	-	11,319,824
Short-term borrowings	504,552	-	6,610,049	7,114,601
Other payables	13,996,395	-	-	13,996,395
Current portion of long-term liabilities	310,436	-	998,439	1,308,875
Debentures	537,618	-	-	537,618
Long-term borrowings	-	-	3,724,850	3,724,850
Long-term other payables	4,907,875	-	-	4,907,875
Other	11,330,545	49,904	33,559	11,414,008
Total	**42,907,245**	**49,904**	**11,366,897**	**54,324,046**

(*) Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments.

(B) Net gains or losses on each category of financial assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

(1) 2024

(In millions of Korean won)	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets(*)	Total
Financial assets					
Gain on valuation (other comprehensive income)	-	2,300,166	-	39,303	2,339,469
Gain (loss) on valuation/disposal (profit or loss)	(111,124)	-	144,453	(4,524)	28,805
Reclassification from other comprehensive income to profit or loss	-	-	-	(4,590)	(4,590)
Interest income	4,818,923	-	205	-	4,819,128
Foreign exchange differences (profit or loss)	1,415,673	-	-	-	1,415,673
Dividend income	-	133,681	1,271	-	134,952
Impairment (profit or loss)	(64,352)	-	-	-	(64,352)

(*) Other financial assets include derivatives designated as hedging instruments.

(In millions of Korean won)	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities(*)	Total
Financial liabilities				
Loss on valuation (other comprehensive income)	-	-	(48,540)	(48,540)
Gain on valuation/disposal (profit or loss)	-	66,514	5,587	72,101
Reclassification from other comprehensive income to profit or loss	-	-	5,669	5,669
Interest expense	(176,503)	-	(727,415)	(903,918)
Foreign exchange differences (profit or loss)	(1,169,716)	-	(161,064)	(1,330,780)

(*) Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments.

(2) 2023

(In millions of Korean won)	Financial assets measured at amortized cost	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through profit or loss	Other financial assets(*)	Total
Financial assets					
Gain on valuation (other comprehensive income)	-	1,481,091	-	58,290	1,539,381
Gain (loss) on valuation/disposal (profit or loss)	(64,758)	-	213,308	436	148,986
Reclassification from other comprehensive income to profit or loss	-	-	-	1,169	1,169
Interest income	4,357,792	-	230	-	4,358,022
Foreign exchange differences (profit or loss)	(98,522)	-	-	-	(98,522)
Dividend income	-	161,509	2,694	-	164,203
Impairment (profit or loss)	(74,594)	-	-	-	(74,594)

(*) Other financial assets include derivatives designated as hedging instruments.

(In millions of Korean won)	Financial liabilities measured at amortized cost	Financial liabilities measured at fair value through profit or loss	Other financial liabilities(*)	Total
Financial liabilities				
Loss on valuation (other comprehensive loss)	-	-	(16,809)	(16,809)
Loss on valuation/disposal (profit or loss)	-	(116,167)	(126)	(116,293)
Reclassification from other comprehensive income to profit or loss	-	-	(337)	(337)
Interest expense	(510,865)	-	(419,388)	(930,253)
Foreign exchange differences (profit or loss)	162,844	-	61,920	224,764

(*) Other financial liabilities include lease liabilities, which are not subject to categorization, collateralized borrowings and derivatives designated as hedging instruments

5. Transfer of Financial Assets

The Company discounted trade receivables through factoring arrangements with banks during the years ended December 31, 2024 and 2023. Trade receivables provided as collaterals in factoring transactions have not been derecognized as they do not meet the requirements for derecognition of financial assets as the Company retains substantially all the risks and rewards, including the recourse in the event of default by the debtor. Financial liabilities recognized in these transactions are classified as 'short-term borrowings' on the consolidated statement of financial position (refer to Note 12).

The carrying amount of the discounted trade receivables and the associated liabilities as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Carrying amount of the discounted trade receivables (*)	12,834,446	6,610,049
Carrying amount of the associated liabilities	12,834,446	6,610,049

(*) Discounted trade receivables includes trade receivables between consolidated entities.

6. Financial Assets at Fair Value

(A) Details of financial assets at fair value as of December 31, 2024 and 2023 are as follows:

(1) Financial assets at fair value through other comprehensive income

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Non-current		
Equity instruments	10,580,932	7,481,297

(2) Financial assets at fair value through profit or loss

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Current		
Debt instruments	36,877	27,112
Non-current		
Equity instruments	544,374	812,358
Debt instruments	631,375	619,036
Subtotal	1,175,749	1,431,394
Total	**1,212,626**	**1,458,506**

(B) Changes in financial assets at fair value for the years ended December 31, 2024 and 2023 are as follows:

(1) Financial assets at fair value through other comprehensive income

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	7,481,297	11,397,012
Acquisition	182,655	124,897
Disposal	(409,434)	(5,918,616)
Fair value valuation gain	3,106,853	1,548,022
Other	219,561	329,982
Balance as of December 31	**10,580,932**	**7,481,297**

(2) Financial assets at fair value through profit or loss

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	1,431,394	1,405,468
Acquisition	74,699	146,392
Disposal	(343,374)	(81,113)
Fair value valuation loss	(26,515)	(38,110)
Other	39,545	(1,243)
Balance as of December 31	**1,175,749**	**1,431,394**

(C) Changes in gain (loss) on valuation of financial assets at fair value through other comprehensive income for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	249,121	3,636,478
Fair value valuation gain	2,571,076	1,548,022
Reclassification to retained earnings due to disposals	(49,887)	(4,935,379)
Balance as of December 31	2,770,310	249,121
Income tax effects on equity	(614,995)	(54,702)
Total	**2,155,315**	**194,419**

(D) Details of listed equity securities of financial assets at fair value as of December 31, 2024 and 2023 are as follows:

	December 31, 2024				December 31, 2023
(In millions of Korean won, number of shares and percentage)	**Number of shares owned**	**Percentage of ownership(*) (%)**	**Acquisition cost**	**Carrying amount (Market value)**	**Carrying amount (Market value)**
Samsung Heavy Industries Co., Ltd.	134,027,281	15.2	932,158	1,514,508	1,038,711
Hotel Shilla Co., Ltd.	2,004,717	5.1	13,957	73,974	131,108
iMarketKorea Inc.	647,320	1.9	324	5,179	5,560
Wonik Holdings Co., Ltd.	3,518,342	4.6	30,821	8,972	11,857
Wonik IPS Co., Ltd.	3,701,872	7.5	32,428	82,737	125,679
Wacom Co., Ltd.	8,398,400	5.8	62,013	57,021	50,358
Corning Incorporated	74,000,000	8.6	3,831,362	5,169,226	3,140,978
Other			557,554	861,115	1,093,963
Total			**5,460,617**	**7,772,732**	**5,598,214**

(*) Ownership represents the Company's ownership of the ordinary shares issued by each entity.

7. Trade and Non-Trade Receivables

(A) Trade and non-trade receivables as of December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
(In millions of Korean won)	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Receivables	44,071,714	10,491,746	37,026,738	7,474,967
Less: Loss allowance	(421,000)	(84,945)	(355,456)	(82,224)
Subtotal	43,650,714	10,406,801	36,671,282	7,392,743
Less: Non-current	(27,641)	(783,827)	(23,889)	(759,495)
Current	**43,623,073**	**9,622,974**	**36,647,393**	**6,633,248**

(B) Movements in the loss allowance for receivables for the years ended December 31, 2024 and 2023 are as follows:

	2024		2023	
(In millions of Korean won)	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Balance as of January 1	355,456	82,224	312,221	78,101
Bad debt expense (reversal)	61,705	1,413	62,964	(297)
Write-off	(9,404)	(3,458)	(18,875)	(124)
Other	13,243	4,766	(854)	4,544
Balance as of December 31	**421,000**	**84,945**	**355,456**	**82,224**

(C) The details of trade and non-trade receivables classified by past due date for the purpose of measuring expected credit losses as of December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
(In millions of Korean won)	**Trade**	**Non-trade**	**Trade**	**Non-trade**
Receivables not past due	40,986,584	10,089,887	33,633,006	7,077,413
Past due:				
Less than 31 days past due(*)	2,619,575	253,962	2,262,296	269,390
31 days to 90 days past due	124,204	24,623	478,371	15,369
More than 90 days past due	341,351	123,274	653,065	112,795
Subtotal	3,085,130	401,859	3,393,732	397,554
Total	**44,071,714**	**10,491,746**	**37,026,738**	**7,474,967**

(*) The Company does not consider the credit risk of non-trade receivables that are overdue for less than or equal to 31 days has been significantly increased.

(D) The maximum exposure to current credit risk is equivalent to the carrying amount of receivables as of December 31, 2024. The Company has entered into insurance contracts with insurers for its major receivables.

8. Inventories

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

	December 31, 2024			December 31, 2023		
(In millions of Korean won)	**Gross amount**	**Valuation allowance**	**Carrying amount**	**Gross amount**	**Valuation allowance**	**Carrying amount**
Finished goods	15,061,526	(1,219,250)	13,842,276	16,120,367	(1,567,353)	14,553,014
Work in process	24,808,183	(2,467,701)	22,340,482	26,501,664	(4,303,216)	22,198,448
Raw materials and supplies	15,442,327	(1,296,048)	14,146,279	15,222,937	(1,525,583)	13,697,354
Materials in transit	1,425,828	-	1,425,828	1,177,058	-	1,177,058
Total	**56,737,864**	**(4,982,999)**	**51,754,865**	**59,022,026**	**(7,396,152)**	**51,625,874**

Inventories recognized as an expense for the year ended December 31, 2024 amount to ₩181,242,363 million and 2023: ₩177,539,372 million, respectively. The amount includes a loss on the valuation of inventories.

9. Investments in Associates and Joint Ventures

(A) Changes in investments in associates and joint ventures for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	11,767,444	10,893,869
Acquisition	11,710	78,690
Disposal	(33,208)	(33,464)
Share of profit	751,044	887,550
Other(*)	95,127	(59,201)
Balance as of December 31	**12,592,117**	**11,767,444**

(*) Other consists of dividends, (reversal of) impairment, and reclassification.

(B) Major investments in associates and joint ventures as of December 31, 2024 are as follows:

(1) Investments in associates

Investee	Nature of relationship with associate	Percentage of ownership (%)(*1)	Principal business location	Fiscal period-end
Samsung Electro-Mechanics Co., Ltd.	Manufacture and supply electronic components including passive components, circuit boards, and modules	23.7	Korea	December
Samsung SDS Co., Ltd.	Provide Information Technology services including computer programming, system integration and management and logistical services	22.6	Korea	December
Samsung Biologics Co., Ltd.	Investment in new business	31.2	Korea	December
Samsung SDI Co., Ltd.(*2)	Manufacture and supply electronic parts including secondary cell batteries	19.6	Korea	December
Cheil Worldwide, Inc.	Advertising agency	25.2	Korea	December

(*1) Ownership represents the Company's ownership of the ordinary shares issued by each entity.
(*2) The Company's ownership of ordinary shares outstanding is 20.6%.

(2) Investments in joint ventures

Investee	Nature of relationship with joint venture	Percentage of ownership (%)(*1)	Principal business location	Fiscal period-end
Samsung Corning Advanced Glass, LLC	Manufacture and supply industrial glass products	50.0	Korea	December

(*1) Ownership represents the Company's ownership of the ordinary shares issued by each entity.

(C) Details of investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows:

(1) Investments in associates

(In millions of Korean won)

	December 31, 2024		
Investee	**Acquisition cost**	**Net asset value of equity shares(*)**	**Carrying amount**
Samsung Electro-Mechanics Co., Ltd.	359,237	2,058,412	2,067,669
Samsung SDS Co., Ltd.	147,963	2,108,195	2,120,417
Samsung Biologics Co., Ltd.	1,424,358	3,403,947	3,406,062
Samsung SDI Co., Ltd.	1,242,605	3,979,333	2,923,991
Cheil Worldwide, Inc.	506,162	418,029	718,561
Other	674,721	844,623	1,131,648
Total	**4,355,046**	**12,812,539**	**12,368,348**

(*)\ The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

(In millions of Korean won)

	December 31, 2023		
Investee	**Acquisition cost**	**Net asset value of equity shares(*)**	**Carrying amount**
Samsung Electro-Mechanics Co., Ltd.	359,237	1,837,925	1,841,393
Samsung SDS Co., Ltd.	147,963	1,955,699	1,966,206
Samsung Biologics Co., Ltd.	1,424,358	3,068,636	3,073,595
Samsung SDI Co., Ltd.	1,242,605	3,726,675	2,912,564
Cheil Worldwide, Inc.	506,162	368,875	669,363
Other	690,481	844,645	1,093,799
Total	**4,370,806**	**11,802,455**	**11,556,920**

(*) The Company's portion of net asset value of associates is based on the Company's percentage of ownership.

(2) Investments in joint ventures

(In millions of Korean won)

	December 31, 2024		
Investee	**Acquisition cost**	**Net asset value of equity shares (*)**	**Carrying amount**
Samsung Corning Advanced Glass LLC	215,000	143,198	143,178
Other	259,994	74,075	80,591
Total	**474,994**	**217,273**	**223,769**

(*) The Company's portion of net asset value of joint ventures is based on the Company's percentage of ownership.

(In millions of Korean won)

	December 31, 2023		
Investee	**Acquisition cost**	**Net asset value of equity shares (*)**	**Carrying amount**
Samsung Corning Advanced Glass LLC	215,000	138,939	138,938
Other	259,994	72,215	71,586
Total	**474,994**	**211,154**	**210,524**

(*) The Company's portion of net asset value of joint ventures is based on the Company's percentage of ownership.

(D) Details of the changes in investments in associates and joint ventures using the equity method are as follows:

(1) For the year ended December 31, 2024

(In millions of Korean won)	Balance as of January 1	Share of profit	Share of other comprehensive income (loss)	Other(*)	Balance as of December 31
Samsung Electro-Mechanics Co., Ltd.	1,841,393	164,841	81,782	(20,347)	2,067,669
Samsung SDS Co., Ltd.	1,966,206	172,708	28,678	(47,175)	2,120,417
Samsung Biologics Co., Ltd.	3,073,595	336,256	(3,789)	-	3,406,062
Samsung SDI Co., Ltd.	2,912,564	(37,454)	62,344	(13,463)	2,923,991
Cheil Worldwide, Inc.	669,363	59,476	21,954	(32,232)	718,561
Samsung Corning Advanced Glass LLC	138,938	4,389	(130)	(19)	143,178
Other	1,165,385	50,828	42,908	(46,882)	1,212,239
Total	**11,767,444**	**751,044**	**233,747**	**(160,118)**	**12,592,117**

(*) Other includes acquisitions, disposals, and dividends.

(2) For the year ended December 31, 2023

(In millions of Korean won)	Balance as of January 1	Share of profit	Share of other comprehensive income (loss)	Other(*)	Balance as of December 31
Samsung Electro-Mechanics Co., Ltd.	1,764,249	106,455	7,844	(37,155)	1,841,393
Samsung SDS Co., Ltd.	1,870,338	154,282	(2,503)	(55,911)	1,966,206
Samsung Biologics Co., Ltd.	2,808,673	267,614	(2,692)	-	3,073,595
Samsung SDI Co., Ltd.	2,691,223	214,702	20,506	(13,867)	2,912,564
Cheil Worldwide, Inc.	649,161	53,690	(94)	(33,394)	669,363
Samsung Corning Advanced Glass LLC	137,745	1,336	(124)	(19)	138,938
Other	972,480	89,471	52,175	51,259	1,165,385
Total	**10,893,869**	**887,550**	**75,112**	**(89,087)**	**11,767,444**

(*) Other includes acquisitions, disposals, and dividends.

(E) Summary of the condensed financial information of major associates and joint ventures

(1) Summary of condensed financial information of major associates and dividends received from associates as of December 31, 2024 and 2023 and for the years then ended are as follows:

	2024				
(In millions of Korean won)	**Samsung Electro-Mechanics Co., Ltd.**	**Samsung SDS Co., Ltd.**	**Samsung Biologics Co., Ltd.**	**Samsung SDI Co., Ltd.**	**Cheil Worldwide, Inc.**
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	5,891,746	9,003,787	5,518,118	10,334,313	2,754,194
Non-current assets	6,900,656	4,234,543	11,818,179	30,263,032	568,459
Current liabilities	3,056,861	2,495,409	3,853,188	10,855,694	1,594,190
Non-current liabilities	719,688	1,037,472	2,578,432	8,174,413	251,659
Non-controlling interests	226,693	372,330	-	1,800,842	18,806
Condensed statements of comprehensive income:					
Revenue	10,294,103	13,828,232	4,547,322	16,592,249	4,344,257
Profit from continuing operations, net of tax (*1)	640,865	756,997	1,083,316	544,239	207,515
Profit from discontinued operations, net of tax (*1)	38,265	-	-	55,051	-
Other comprehensive income (loss) (*1)	349,340	144,625	(9,132)	722,676	76,571
Total comprehensive income(*1)	1,028,470	901,622	1,074,184	1,321,966	284,086
2. Reconciliation to the carrying amount of investments in associates					
Net assets (a)	8,789,161	9,333,119	10,904,676	19,766,396	1,457,998
Ownership percentage (b) (*2)	23.4%	22.6%	31.2%	20.1%	28.7%
Net assets of equity shares (a x b)	2,058,412	2,108,195	3,403,947	3,979,333	418,029
Goodwill	7,081	26,801	3,645	-	298,779
Intercompany transactions and other (*3)	2,176	(14,579)	(1,530)	(1,055,342)	1,753
Carrying amount of associates	2,067,669	2,120,417	3,406,062	2,923,991	718,561
3. Dividends from associates					
Dividends	20,347	47,175	-	13,463	32,232

(*1) Profit (loss) attributable to owners of the investee.
(*2) Ownership percentage includes ordinary and preference shares.
(*3) Consists of unrealized gains and losses and other differences.

(In millions of Korean won)	2023				
	Samsung Electro-Mechanics Co., Ltd.	Samsung SDS Co., Ltd.	Samsung Biologics Co., Ltd.	Samsung SDI Co., Ltd.	Cheil Worldwide, Inc.
1. Condensed financial information					
Condensed statements of financial position:					
Current assets	5,208,418	8,160,300	5,521,988	9,187,029	2,372,420
Non-current assets	6,449,453	4,160,724	10,524,209	24,851,831	517,085
Current liabilities	2,900,460	2,391,861	4,157,861	8,518,933	1,375,034
Non-current liabilities	727,087	953,592	2,057,844	5,612,677	216,707
Non-controlling interests	182,613	317,562	-	1,395,877	11,206
Condensed statements of comprehensive income:					
Revenue	8,892,412	13,276,844	3,694,589	21,436,788	4,138,275
Profit from continuing operations, net of tax (*1)	449,857	693,422	857,691	1,921,820	187,302
Profit (loss) from discontinued operations, net of tax (*1)	(26,900)	-	-	87,387	-
Other comprehensive income (loss) (*1)	45,053	(11,085)	(11,673)	85,394	3,685
Total comprehensive income (*1)	468,010	682,337	846,018	2,094,601	190,987
2. Reconciliation to the carrying amount of investments in associates					
Net assets (a)	7,847,711	8,658,009	9,830,492	18,511,373	1,286,558
Ownership percentage (b) (*2)	23.4%	22.6%	31.2%	20.1%	28.7%
Net assets of equity shares (a x b)	1,837,925	1,955,699	3,068,636	3,726,675	368,875
Goodwill	7,081	26,801	3,645	-	298,779
Intercompany transactions and other (*3)	(3,613)	(16,294)	1,314	(814,111)	1,709
Carrying amount of associates	1,841,393	1,966,206	3,073,595	2,912,564	669,363
3. Dividends from associates					
Dividends	37,155	55,911	-	13,867	33,394

(*1) Profit (loss) attributable to owners of the investee.
(*2) Ownership percentage includes ordinary and preference shares.
(*3) Consists of unrealized gains and losses and other differences.

(2) Summary of condensed financial information of major joint ventures and dividends received from joint ventures as of December 31, 2024 and 2023 and for the years then ended are as follows:

	Samsung Corning Advanced Glass, LLC	
(In millions of Korean won)	**2024**	**2023**
1. Condensed financial information		
Condensed statements of financial position:		
Current assets	120,786	116,372
Non-current assets	199,017	185,100
Current liabilities	33,294	22,684
Non-current liabilities	113	911
Condensed statements of comprehensive income:		
Revenue	160,202	122,446
Profit from continuing operations, net of tax (*1)	8,778	2,672
Other comprehensive income (loss)(*1)	-	-
Total comprehensive income (loss)(*1)	-	-
2. Reconciliation to the carrying amount of investments in joint ventures		
Net assets (a)	286,396	277,877
Ownership percentage (b)	50.0%	50.0%
Net assets of equity shares (a x b)	143,198	138,939
Intercompany transactions and other (*2)	(20)	(1)
Carrying amount of joint ventures	143,178	138,938
3. Dividends from joint ventures		
Dividends	-	-

(*1) Profit (loss) attributable to owners of the parent company.
(*2) Consists of unrealized gains and losses and other differences.

(1) Profit (loss) attributable to owners of the parent company from associates and joint ventures which are not individually material for the years ended December 31, 2024 and 2023 are as follows:

	2024		2023	
(In millions of Korean won)	**Associates**	**Joint ventures**	**Associates**	**Joint ventures**
Profit from continuing operations	48,408	2,420	87,072	2,399
Other comprehensive income	39,152	3,756	50,260	1,915
Total comprehensive income	**87,560**	**6,176**	**137,332**	**4,314**

(F) Fair value of marketable investments in associates as of December 31, 2024 and 2023 is as follows:

(In millions of Korean won and number of shares)	December 31, 2024		December 31, 2023
	Number of shares held	**Market value**	**Market value**
Samsung Electro-Mechanics Co., Ltd.	17,693,084	2,190,404	2,710,580
Samsung SDS Co., Ltd.	17,472,110	2,232,936	2,970,259
Samsung Biologics Co., Ltd.	22,217,309	21,084,226	16,885,155
Samsung SDI Co., Ltd.	13,462,673	3,332,012	6,354,382
Cheil Worldwide, Inc.	29,038,075	492,195	552,595

(G) Other matters

(1) On July 12, 2018, the Korea Securities and Futures Commission determined an initial measure following an investigation relating to Samsung Biologics Co., Ltd., an associate of the Company, and its accounting for its investment in Samsung Bioepis Co., Ltd, a joint venture between Biogen Therapeutics Inc. and Samsung Biologics Co., Ltd. This measure included a recommendation to dismiss the director in charge, prosecution charges, and external auditor designation by the regulator, on the basis that the Joint Venture Agreement was not disclosed in the notes to the financial statements. On November 14, 2018, the Korea Securities and Futures Commission determined a second measure which included a penalty of W 8,000 million, a recommendation to dismiss the CEO, a requirement to restate its financial statements, and further prosecution charges.

To prove justification of its accounting treatment, Samsung Biologics Co., Ltd. filed a suit for cancellation of the aforementioned measures to the Seoul Administrative Court, which is currently in progress. On September 24, 2020, the Seoul Administrative Court announced a decision to cancel the first measure charged by the Korea Securities and Futures Commission and suspended its execution until the final rulings of the appeal. On October 16, 2020, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court. On August 14, 2024, Seoul Administrative Court announced a decision to cancel the second measure charged by the Korea Securities and Futures Commission, but on August 28, 2024, the Korea Securities and Futures Commission appealed the decision and the litigation is in progress at Seoul High Court.

Samsung Biologics Co., Ltd. also filed for suspending the execution of the initial and second measures. On January 22, 2019 and February 19, 2019, the Seoul Administrative Court pronounced decisions to suspend the second and initial measures, respectively, until the final rulings. The Korea Securities and Futures Commission immediately appealed against the decisions but the appeals were dismissed by the Seoul High Court on May 13, 2019 and May 24, 2019, in relation to the second and first measures, respectively. On May 23, 2019 and June 10, 2019, the Korea Securities and Futures Commission re-appealed against the dismissals relating to the second and first measures, respectively. On September 6, 2019 and October 11, 2019, the Supreme Court of Korea dismissed the Korea Securities and Futures Commission's re-appeal relating to the second and first measures, respectively, and confirmed the decision to suspend the execution of these measures.

Although the future outcome of the administrative litigation cannot be estimated, should Samsung Biologics Co., Ltd. be required to restate its financial statements to amend its historical accounting treatment relating to its investment in Samsung Bioepis Co., Ltd., the Company's share of profit or loss relating to its equity method investment, the amount of investment in associates, and retained earnings, for the years ended December 31, 2015 to December 31, 2022, and the profit on disposal of investment for the year ended December 31, 2016, may be impacted. Given the timing of completion and the final result of the administrative litigation between Samsung Biologics Co., Ltd. and the Korea Securities and Futures Commission is uncertain and cannot currently be estimated, it is not possible for the Company to recognize the effects of these proceedings in the consolidated financial statements of the current period.

(2) The Company's board of directors decided to exercise call options so as to acquire 3.94 million shares of Rainbow Robotics Inc., a Company's associate, from six shareholders including the largest shareholder on December 31, 2024. The aggregate exercise price is ₩267,463 million, and will be paid upon completion of relevant government administrative procedures.

10. Property, Plant and Equipment

(A) Changes in property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

	2024					
(In millions of Korean won)	**Land**	**Buildings and structures**	**Machinery and equipment**	**Construction in progress**	**Other**	**Total**
Balance as of January 1	9,999,377	43,238,115	83,309,168	46,720,328	3,989,274	187,256,262
Acquisition cost	10,157,963	73,689,951	328,561,492	46,720,328	14,058,654	473,188,388
Accumulated depreciation and impairment	(158,586)	(30,451,836)	(245,252,324)	-	(10,069,380)	(285,932,126)
Acquisitions and capital expenditures(*1)	244,885	7,057,644	40,219,596	5,073,120	2,346,943	54,942,188
Acquisitions through business combinations	-	49	-	-	131	180
Depreciation	(50,029)	(4,268,335)	(33,744,595)	-	(1,587,023)	(39,649,982)
Disposals/scrap	(27,321)	(293,418)	(44,567)	(21)	(30,537)	(395,864)
Impairment	-	(231,562)	(113,246)	(50,373)	(1,256)	(396,437)
Other(*2)	81,316	1,529,452	1,280,217	1,374,201	(76,324)	4,188,862
Balance as of December 31	**10,248,228**	**47,031,945**	**90,906,573**	**53,117,255**	**4,641,208**	**205,945,209**
Acquisition cost	10,435,001	82,415,394	373,276,338	53,117,255	15,852,084	535,096,072
Accumulated depreciation and impairment	(186,773)	(35,383,449)	(282,369,765)	-	(11,210,876)	(329,150,863)

(*1) Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩515,824 million and the capitalization interest rate used to calculate the capitalized borrowing costs ranged from 4.2%~5.9%.

(*2) Other includes effects of changes in foreign currency exchange rates.

	2023					
(In millions of Korean won)	**Land**	**Buildings and structures**	**Machinery and equipment**	**Construction in progress**	**Other**	**Total**
Balance as of January 1	9,892,167	40,706,918	79,714,631	33,607,564	4,124,108	168,045,388
Acquisition cost	10,024,569	67,713,808	303,000,627	33,607,564	13,248,490	427,595,058
Accumulated depreciation and impairment	(132,402)	(27,006,890)	(223,285,996)	-	(9,124,382)	(259,549,670)
Acquisitions and capital expenditures(*1)	172,262	6,498,611	33,641,691	13,141,766	1,462,032	54,916,362
Acquisitions through business combinations	-	18,125	20,140	34,698	165	73,128
Depreciation	(49,367)	(3,884,333)	(30,031,617)	-	(1,567,094)	(35,532,411)
Disposals/scrap	(25,934)	(181,700)	(37,681)	(256)	(30,547)	(276,118)
Impairment	-	(30,864)	(47,044)	-	(7,449)	(85,357)
Reclassification to held-for-sale	(6,615)	(54,318)	(37,101)	(6,255)	(14,100)	(118,389)
Other[2]	16,864	165,676	86,149	(57,189)	22,159	233,659
Balance as of December 31	**9,999,377**	**43,238,115**	**83,309,168**	**46,720,328**	**3,989,274**	**187,256,262**
Acquisition cost	10,157,963	73,689,951	328,561,492	46,720,328	14,058,654	473,188,388
Accumulated depreciation and impairment	(158,586)	(30,451,836)	(245,252,324)	-	(10,069,380)	(285,932,126)

(*1) Acquisition cost and capital expenditures include amounts reclassified from constructions in progress. Capitalized borrowing costs amount to ₩204,814 million and the capitalization interest rate used to calculate the capitalized borrowing costs ranged from 3.9%~5.8%.

(*2) Other includes effects of changes in foreign currency exchange rates and effects of the deduction of government grants.

(B) Changes in the right-of-use assets included in the property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

	2024				
(In millions of Korean won)	**Land**	**Buildings and structures**	**Machinery and equipment**	**Other**	**Total**
Balance as of January 1	481,610	4,034,052	137,574	795,796	5,449,032
Acquisition	22,407	975,685	89,158	208,838	1,296,088
Depreciation	(49,939)	(940,196)	(59,946)	(166,338)	(1,216,419)
Cancellation of contracts	(8,816)	(175,484)	(184)	(15,893)	(200,377)
Other(*)	34,785	261,502	11,578	24,696	332,561
Balance as of December 31	**480,047**	**4,155,559**	**178,180**	**847,099**	**5,660,885**

(*) Other includes effects of changes in foreign currency exchange rates.

	2023				
(In millions of Korean won)	**Land**	**Buildings and structures**	**Machinery and equipment**	**Other**	**Total**
Balance as of January 1	503,203	3,451,596	175,151	787,659	4,917,609
Acquisition	38,677	1,594,886	10,058	158,842	1,802,463
Depreciation	(49,367)	(871,275)	(47,174)	(147,178)	(1,114,994)
Cancellation of contracts	(12,461)	(174,426)	(279)	(6,904)	(194,070)
Reclassification to held-for-sale	(4,305)	(17)	-	(414)	(4,736)
Other(*)	5,863	33,288	(182)	3,791	42,760
Balance as of December 31	**481,610**	**4,034,052**	**137,574**	**795,796**	**5,449,032**

(*) Other includes effects of changes in foreign currency exchange rates.

(C) Details of depreciation of property, plant and equipment for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Cost of sales	35,084,501	31,647,926
Selling and administrative expenses and other	4,565,481	3,884,485
Total	**39,649,982**	**35,532,411**

11. Intangible Assets

(A) Changes in intangible assets for the years ended December 31, 2024 and 2023 are as follows:

	2024					
(In millions of Korean won)	**Intellectual property rights**	**Development cost**	**Membership**	**Goodwill**	**Other**	**Total**
Balance as of January 1	4,424,566	-	256,859	6,457,619	11,602,818	22,741,862
Acquisitions	357,137	-	16,763	-	2,262,202	2,636,102
Acquisition through business combinations	-	-	-	145,254	34,572	179,826
Amortization	(289,623)	-	-	-	(2,691,217)	(2,980,840)
Disposals/scrap	(37,376)	-	(209)	-	(16,543)	(54,128)
Impairment	(25,340)	-	(864)	-	-	(26,204)
Other(*)	360,002	-	349	565,668	315,929	1,241,948
Balance as of December 31	**4,789,366**	**-**	**272,898**	**7,168,541**	**11,507,761**	**23,738,566**

(*) Other includes the cumulative effect of changes in foreign currency exchange rates and others.

	2023					
(In millions of Korean won)	**Intellectual property rights**	**Development cost**	**Membership**	**Goodwill**	**Other**	**Total**
Balance as of January 1	4,278,750	85,018	253,554	6,014,422	9,586,010	20,217,754
Acquisitions	401,561	-	6,251	-	4,608,488	5,016,300
Acquisition through business combinations	3,944	-	-	315,136	37,758	356,838
Amortization	(276,781)	(85,018)	-	-	(2,772,349)	(3,134,148)
Disposals/scrap	(41,492)	-	(8,656)	-	(44)	(50,192)
Impairment	(6,265)	-	3,738	-	(2,900)	(5,427)
Reclassification to held-for-sale	(2)	-	-	(58,455)	(4,405)	(62,862)
Other(*)	64,851	-	1,972	186,516	150,260	403,599
Balance as of December 31	**4,424,566**	**-**	**256,859**	**6,457,619**	**11,602,818**	**22,741,862**

(*) Other includes the cumulative effect of changes in foreign currency exchange rates and others.

(B) Goodwill

Goodwill is allocated to each cash-generating unit. Details of goodwill as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
DX	1,463,566	1,256,815
DS	176,885	164,607
SDC	380,897	343,967
Harman	5,146,242	4,691,440
Other	951	790
Total	**7,168,541**	**6,457,619**

The Company tests goodwill for impairment annually and the recoverable amount of each cash-generating units is determined based on value-in-use calculations. The value-in-use calculation is based on estimates of pre-tax cash flows based on financial budgets approved by management for the next five years (or longer if the medium and long-term plans are reasonable, such as in new technology business). A constant growth rate assumption (but not exceeding the industry average growth rate) has been used to calculate the perpetual cash flows for periods beyond the fiver-year period.

(C) Details of amortization of intangible assets for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Cost of sales	2,019,693	2,197,662
Selling and administrative expenses and other	961,147	936,486
Total	**2,980,840**	**3,134,148**

12. Borrowings

(A) Details of the carrying amounts of borrowings as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	Financial institutions	Interest rates (%) as of Dec 31, 2024	December 31, 2024	December 31, 2023
Short-term borrowings				
Collateralized borrowings(*1)	Woori Bank and others	0.4~14.9	12,834,446	6,610,049
Non-collateralized borrowings	Citibank and others	0.0~53.0	338,058	504,552
Total			**13,172,504**	**7,114,601**
Current portion of long-term borrowings				
Bank borrowings	BNP and others	0.0~55.3	510,756	304,082
Lease liabilities(*2)	CSSD and others	4.6	1,100,526	998,439
Total			**1,611,282**	**1,302,521**
Long-term borrowings				
Bank borrowings	BNP and others	0.0~7.4	6,537	-
Lease liabilities(*2)	CSSD and others	4.6	3,929,323	3,724,850
Total			**3,935,860**	**3,724,850**

(*1) Collateralized borrowings are secured by trade receivables.

(*2) Interest expenses arising from the lease liabilities for the years ended December 31, 2024 and 2023 amount to ₩223,938 million and ₩197,202 million, respectively, which were determined using the weighted average incremental borrowing rate. Short-term lease payments and low-valued asset lease payments that are not included in lease liabilities during the years ended December 31, 2024 and 2023 amount to ₩159,262 million and ₩158,395 million, respectively.

(B) Maturities of long-term borrowings outstanding as of December 31, 2024 are as follows:

(In millions of Korean won)	Lease liabilities
Repayment in:	
2025	510,756
2026	1,770
2027	1,953
2028	1,106
2029 and thereafter	1,708
Total	**517,293**

(C) Maturities of lease liabilities outstanding as of December 31, 2024 are as follows:

(In millions of Korean won)	Lease liabilities
Repayment in:	
2025	1,304,227
2026	1,047,520
2027	828,443
2028	642,638
2029 and thereafter	1,969,015
Total	**5,791,843**

13. Debentures

(A) Details of the carrying amounts of debentures as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	Issue date	Due date	Interest rate (%) as of Dec 31, 2024	December 31, 2024	December 31, 2023
US dollar denominated straight bonds(*1)	Oct. 2, 1997	Oct. 1, 2027	7.7	22,050 (US $ 15 million)	25,788 (US $ 20 million)
US dollar denominated debenture bonds(*2)	May 11, 2015	May 15, 2025	4.2	588,000 (US $ 400 million)	515,760 (US $ 400 million)
Less: Discounts				(255)	(370)
Add: Premium				743	2,794
Less: Current portion				(596,008)	(6,354)
Total				**14,530**	**537,618**

(*1) US dollar denominated straight bonds are repaid annually for twenty years after a ten-year grace period from the date of issuance. Interest is paid semi-annually in arrears.

(*2) Harman International Industries, Inc. issued US dollar denominated debenture bonds. These debentures are repaid on the maturity and interest is paid semi-annually in arrears.

(B) Repayment schedule of debentures outstanding as of December 31, 2024 are as follows:

(In millions of Korean won)	Debentures
Repayment in:	
2025	595,350
2026	7,350
2027	7,350
Total	**610,050**

14. Net Defined Benefit Liabilities (Assets)

(A) Details of net defined benefit liabilities (assets) recognized in the statements of financial position as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Present value of funded defined benefit obligations	16,965,629	15,403,976
Present value of unfunded defined benefit obligations	379,155	319,689
Subtotal	17,344,784	15,723,665
Fair value of plan assets	(19,912,945)	(20,172,327)
Total	**(2,568,161)**	**(4,448,662)**

(B) The components of defined benefit costs recognized in profit or loss for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Current service cost	1,400,834	1,294,308
Net interest income	(259,108)	(354,220)
Past service cost	(676)	4,839
Other	47,897	9,491
Total	**1,188,947**	**954,418**

The amount recognized as expenses of defined contribution plans for the years ended December 31, 2024 and 2023 are ₩382,391 million and ₩203,004 million, respectively.

(C) The expenses related to the defined benefit plans recognized in the statements of profit or loss for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Cost of sales	462,180	378,104
Selling and administrative expenses and other	726,767	576,314
Total	**1,188,947**	**954,418**

(D) Changes in the defined benefit obligations for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	15,723,665	14,010,308
Current service cost	1,400,834	1,294,308
Interest cost	840,271	805,084
Past service cost	(676)	4,839
Remeasurement:		
Actuarial gains or losses arising from changes in demographic assumptions	76,762	62,291
Actuarial gains or losses arising from changes in financial assumptions	595,095	266,505
Other	141,212	123,165
Benefits paid	(1,466,188)	(846,457)
Other(*)	33,809	3,622
Balance as of December 31	**17,344,784**	**15,723,665**

(*) Other includes effects of changes in foreign currency exchange rates and reclassifications as held for sales.

(E) Changes in the fair value of plan assets for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	20,172,327	19,593,910
Interest income on plan assets	1,099,379	1,159,304
Remeasurement of plan assets	(213,636)	(654,005)
Contributions paid by the employer	114,173	746,068
Benefits paid	(1,267,778)	(687,125)
Other(*)	8,480	14,175
Balance as of December 31	**19,912,945**	**20,172,327**

(*) Other includes effects of changes in foreign currency exchange rates and reclassifications as held for sales.

The reasonable estimate of the employer contributions expected to be paid in 2024 in respect of the defined benefit plans as of December 31, 2024 is ₩2,081,723 million.

(F) Plan assets as of December 31, 2024 and 2023 consist of the following:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Principal guaranteed fixed income financial instruments and other	15,685,547	18,178,623
Indirect investment instruments	4,128,450	1,908,087
Other	98,948	85,617
Total	**19,912,945**	**20,172,327**

(G) The principal actuarial assumptions as of December 31, 2024 and 2023 are as follows:

(In percentage)	**December 31, 2024**	**December 31, 2023**
Discount rate	4.0~5.1	3.9~5.9
Salary growth rate (including the effects of inflation)	2.0~5.9	3.0~6.3

(H) The sensitivity analysis of the defined benefit obligations as of December 31, 2024 and 2023 to changes in the principal assumptions is as follows:

	Defined benefit obligations	
(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Discount rate		
1% p increase	15,743,077	14,291,442
1% p decrease	19,203,081	17,385,125
Salary growth rate		
1% p increase	19,173,312	17,365,127
1% p decrease	15,736,900	14,280,988

(I) The weighted average maturity of the defined benefit obligations is 9.98 years as of December 31, 2024.

15. Provisions

Changes in provisions for the year ended December 31, 2024 are as follows:

(In millions of Korean won)	**Warranty (A)**	**Royalty expenses (B)**	**Long-term incentives (C)**	**Other (D, E)**	**Total**
Balance as of January 1	2,540,212	1,838,052	993,751	4,031,311	9,403,326
Charged to profit or loss	2,090,900	1,315,779	265,696	2,461,978	6,134,353
Payment	(2,035,240)	(532,481)	(458,731)	(1,603,945)	(4,630,397)
Other(*)	138,629	172,551	12,295	105,756	429,231
Balance as of December 31	**2,734,501**	**2,793,901**	**813,011**	**4,995,100**	**11,336,513**

(*) Other includes effects of changes in foreign currency exchange rates.

(A) The Company accrues warranty provisions for estimated costs of quality assurance, exchanges, repairs, recalls, and future services based on historical experience and terms of warranty programs.

(B) The Company recognizes provisions for the estimated royalty expenses that are under negotiation with counterparties. The timing and amount of payment depend on the settlement of the negotiation.

(C) The Company has a long-term incentive plan for its executives based on a three-year management performance criteria and recognizes a provision for the estimated incentive cost.

(D) The Company records provisions for estimated losses from contracts associated with discontinued products.

(E) The Company makes provisions for the emission in excess of the emission rights held by the Company. Details of emission rights and liabilities as of December 31, 2024 are as follows:

(1) The amount of emission rights allocated free of charge in the current commitment period and the estimated amount of emission as of December 31, 2024 are as follows:

(In million metric tons)	**December 31, 2024**
Emission rights allocated free of charge(*)	17.95
Estimated volume of emission	18.07

(*)As of December 31, 2024, emission rights allocated free of charge for the remainder of the plan period are 16.29 million metric tons (2025: 16.29 million metric tons).

(2) Changes in the emission rights for the year ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	3,137	19,567
Increase	-	1,272
Utilization	-	(17,702)
Balance as of December 31(*)	**3,137**	**3,137**

(*) The quantity of emission rights is 34.23 million metric tons and there is no emission rights provided as provision of collateral as of December 31, 2024.

(3) Changes in emissions liabilities for the year ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Balance as of January 1	137	32,838
Charged to profit or loss	37	(15,210)
Utilization	-	(17,491)
Balance as of December 31	**174**	**137**

16. Commitments and Contingencies

(A) Litigation

As of December 31, 2024, the Company is involved in various claims, disputes, and investigations conducted by regulatory bodies that arose during the normal course of business with numerous entities. Although the outflow of resources and timing of these matters are uncertain, the Company believes the outcome will not have a material impact on the financial position of the Company.

(B) Other commitments

(1) As of December 31, 2024, the Company has trade financing agreements, trade notes receivable discounting facilities, and loan facilities secured by accounts receivable with 27 financial institutions, including Woori Bank, with a combined limit of ₩23,536,721 million. In addition, the Company has a trade financing agreement with 22 financial institutions, including Shinhan Bank, with a limit of ₩18,172,601 million, and loan facilities with 12 banks, including Woori Bank, with a limit of ₩2,204,609 million.

(2) As of December 31, 2024, contractual commitments for the acquisition of property, plant and equipment and intangible assets amount to ₩8,596,696 million.

17. Contract Liabilities

Contract liabilities from contracts with customers as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Contract liabilities(*)	13,523,368	13,327,724

(*) Contract liabilities include advances received, accrued expenses, other current liabilities and others.

The revenue recognized for the year ended December 31, 2024 in relation to the contract liabilities carried forward as of January 1, 2024 amounts to ₩1,314,325 million.

18. Share Capital

As of December 31, 2024, the Company's total number of authorized shares is 25,000,000,000 shares (₩100 per share). As well as its ordinary shares, the Company also has non-cumulative preference shares that are eligible for an additional 1% cash dividend over par value per annum compared to ordinary shares, but without voting rights. The Company has issued 5,969,782,550 shares of ordinary shares and 822,886,700 shares of preference shares as of December 31, 2024, excluding the number of retired shares. The number of shares outstanding is different from the aforementioned number of shares issued due to purchase of treasury shares. Due to the retirement of shares, the total par value of the shares issued which excludes the number of retired shares is ₩679,267 million (ordinary shares of ₩596,978 million and preference shares of ₩82,289 million), which does not agree with paid-in capital of₩897,514 million.

(Number of shares)	**Ordinary shares outstanding**	**Preference shares outstanding**
As of January 1, 2023	5,969,782,550	822,886,700
Treasury shares purchased	-	-
As of December 31, 2023	5,969,782,550	822,886,700
As of January 1, 2024	5,969,782,550	822,886,700
Treasury shares purchased	(29,700,000)	(4,050,000)
As of December 31, 2024	5,940,082,550	818,836,700

19. Retained Earnings

(A) Retained earnings as of December 31, 2024 and 2023 consist of the following:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Discretionary reserve and other	224,424,501	208,198,003
Unappropriated retained earnings	146,088,687	138,454,235
Total	**370,513,188**	**346,652,238**

(B) Details of interim and year-end dividends are as follows:

(1) Interim dividends (Record date: March 31, June 30 and September 30, 2024 and 2023)

(In millions of Korean won and number of shares)			**2024**	**2023**
1st Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
		Total	2,452,154	2,452,154
2nd Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
		Total	2,452,154	2,452,154
3rd Quarter	Number of shares eligible for dividends	Ordinary shares	5,969,782,550	5,969,782,550
		Preference shares	822,886,700	822,886,700
	Dividend rate (based on par value)	Ordinary/Preference	361%	361%
	Dividend amount	Ordinary shares	2,155,092	2,155,092
		Preference shares	297,062	297,062
		Total	2,452,154	2,452,154

(2) Year-end dividends (Record date: December 31, 2024 and 2023)

(In millions of Korean won and number of shares)		**2024**	**2023**
Number of shares eligible for dividends	Ordinary shares	5,940,082,550	5,969,782,550
	Preference shares	818,836,700	822,886,700
Dividend rate (based on par value)	Ordinary shares	363%	361%
	Preference shares	364%	362%
Dividend amount	Ordinary shares	2,156,250	2,155,092
	Preference shares	298,057	297,884
	Total	**2,454,307**	**2,452,976**

20. Other Components of Equity

(A) Other components of equity as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Gain on valuation of financial assets at fair value through other comprehensive income	2,155,315	194,419
Share of other comprehensive income of associates and joint ventures	424,575	185,144
Foreign currency translation differences for foreign operations	18,614,960	3,651,112
Remeasurement of net defined benefit assets	(3,596,943)	(2,849,526)
Treasury shares	(1,811,775)	-
Other	86,876	98,981
Total	**15,873,008**	**1,280,130**

(B) Treasury shares as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won and number of shares)		**2024**	**2023**
Number of treasury shares purchased	Ordinary shares	29,700,000	-
	Preference shares	4,050,000	-
Acquisition cost	Ordinary shares	1,625,252	-
	Preference shares	186,523	-

21. Expenses by Nature

Expenses by nature for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Changes in finished goods, work in process, and other	571,892	(644,905)
Raw materials used, merchandise purchased, and other	93,861,545	96,219,181
Wages and salaries	32,877,167	30,405,245
Post-employment benefit	1,571,338	1,157,422
Depreciation	39,649,982	35,532,411
Amortization	2,980,840	3,134,148
Welfare	6,823,800	6,472,979
Utilities	8,403,851	7,502,408
Outsourcing	7,822,607	7,058,833
Advertising	5,428,555	5,213,896
Sales promotion	7,300,311	6,894,395
Other	60,853,054	53,422,505
Total(*)	**268,144,942**	**252,368,518**

(*) Equal to sum of cost of sales and selling and administrative expenses in the consolidated statements of profit or loss.

22. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Selling and administrative expenses		
Wages and salaries	8,647,408	8,324,562
Post-employment benefit	453,164	299,369
Commissions	8,807,740	8,753,442
Depreciation	1,689,079	1,649,335
Amortization	716,646	688,786
Advertising	5,428,555	5,213,896
Sales promotion	7,300,311	6,894,395
Transportation	2,960,237	1,721,614
Service	3,843,980	3,968,816
Other	6,737,412	6,125,999
Subtotal	46,584,532	43,640,214
Research and development expenses		
Research and development	34,998,142	28,339,724
Total	**81,582,674**	**71,979,938**

23. Other Non-Operating Income and Expenses

Details of other non-operating income and expenses for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Other non-operating income		
Dividend income	134,952	164,203
Rental income	155,928	150,273
Gain on disposal of property, plant and equipment	81,647	104,663
Other	1,587,811	761,309
Total	**1,960,338**	**1,180,448**

(In millions of Korean won)	**2024**	**2023**
Other non-operating expenses		
Loss on disposal of property, plant and equipment	124,018	85,799
Donations	216,219	243,377
Other	1,284,992	754,151
Total	**1,625,229**	**1,083,327**

24. Financial Income and Expenses

Details of financial income and expenses for the years ended December 31, 2024 and 2023 are as follows:

(*In millions of Korean won*)	**2024**	**2023**
Financial income		
Interest income	4,819,128	4,358,022
Financial assets measured at amortized cost	4,818,923	4,357,792
Financial assets measured at fair value through profit or loss	205	230
Foreign exchange differences	10,997,621	10,608,661
Gain from derivatives	886,555	1,133,465
Total	**16,703,304**	**16,100,148**

(*In millions of Korean won*)	**2024**	**2023**
Financial expenses		
Interest expenses	903,918	930,253
Financial liabilities measured at amortized cost	176,503	510,865
Other financial liabilities	727,415	419,388
Foreign exchange differences	11,360,618	10,711,058
Loss from derivatives	721,148	1,004,219
Total	**12,985,684**	**12,645,530**

The Company recognizes foreign exchange gains and losses arising from foreign currency transactions and translation as financial income and expenses.

25. Income Tax Expense

(A) Income tax expense for the years ended December 31, 2024 and 2023 consists of the following:

(In millions of Korean won)	**2024**	**2023**
Current taxes		
Current tax on profits for the year	6,302,022	5,660,505
Global minimum top-up tax	429,824	-
Adjustments recognized in the current year	642,014	(725,524)
Subtotal	7,373,860	4,934,981
Deferred taxes		
Changes in deferred taxes arising from unused tax credits	(5,228,946)	(5,346,657)
Changes in deferred taxes arising from temporary differences	(196,702)	(3,061,001)
Changes in deferred taxes arising from unused tax losses	1,023,962	(1,041,996)
Other	106,209	33,838
Subtotal	(4,295,477)	(9,415,816)
Income tax expense	**3,078,383**	**(4,480,835)**

(B) The difference between the income tax expense on the Company's profit before tax and the theoretical amount computed using the weighted-average tax rate applicable to the profit before tax of each of the Company's entities is as follows:

(In millions of Korean won)	**2024**	**2023**
Profit before income tax	37,529,734	11,006,265
Tax calculated at weighted average of applicable tax rates(*)	8,629,708	1,901,195
Adjustments:		
Permanent differences	(220,405)	219,374
Temporary differences for which no deferred income tax was recognized	(14,079)	(12,588)
Tax credits and exemptions	(6,566,360)	(6,706,820)
Results of interest in subsidiaries, etc.	759,731	(389,305)
Impact of changes in tax rates	(12,943)	(3,926)
Global minimum top-up tax	429,824	-
Other	72,907	511,235
Subtotal	(5,551,325)	(6,382,030)
Income tax expense	**3,078,383**	**(4,480,835)**

(*) The statutory tax rate is the weighted average of the statutory tax rates applicable to the Company's year-end profits as of December 31, 2024 and 2023, which vary by tax jurisdictions.

(C) The movement in deferred income tax assets and liabilities for the years ended December 31, 2024 and 2023 are as follows:

	2024			2023		
(In millions of Korean won)	**Balance as of January 1**	**Increase (Decrease)**	**Balance as of December 31**	**Balance as of January 1**	**Increase (Decrease)**	**Balance as of December 31**
Deferred tax arising from temporary differences						
Revaluation of land	(898,687)	1,998	(896,689)	(898,505)	(182)	(898,687)
Investments in subsidiaries, associates and joint ventures(*)	(4,902,607)	(975,243)	(5,877,850)	(4,960,247)	57,640	(4,902,607)
Accumulated depreciation and other	(1,883,690)	741,224	(1,142,466)	(2,566,535)	682,845	(1,883,690)
Accrued income	67,722	(29,641)	38,081	39,680	28,042	67,722
Provisions, accrued expenses, and other	7,142,616	249,150	7,391,766	5,219,130	1,923,486	7,142,616
Foreign currency translation	172,903	72,746	245,649	185,900	(12,997)	172,903
Asset impairment losses	235,745	839	236,584	234,734	1,011	235,745
Other	(588,545)	135,629	(452,916)	(969,702)	381,157	(588,545)
Subtotal	(654,543)	196,702	(457,841)	(3,715,545)	3,061,002	(654,543)
Deferred tax arising from tax losses						
Unused tax losses	1,318,354	(1,023,962)	294,392	276,358	1,041,996	1,318,354
Deferred tax arising from unused tax credits						
Unused tax credits	8,093,087	5,228,946	13,322,033	2,746,430	5,346,657	8,093,087
Deferred tax recognized in equity						
Loss on valuation of financial assets at fair value through other comprehensive income and other	(206,835)	(563,985)	(770,820)	(50,392)	(156,443)	(206,835)
Remeasurement of net defined benefit liabilities	1,041,185	279,288	1,320,473	733,135	308,050	1,041,185
Subtotal	834,350	(284,697)	549,653	682,743	151,607	834,350
Net deferred tax assets (liabilities)	9,591,248	4,116,989	13,708,237	(10,014)	9,601,262	9,591,248
Deferred tax assets	10,211,797	4,024,671	14,236,468	5,101,318	5,110,479	10,211,797
Deferred tax liabilities	(620,549)	92,318	(528,231)	(5,111,332)	4,490,783	(620,549)

(*) Deferred tax assets are not recognized if it is probable that the temporary differences will not reverse in the foreseeable future for investments in subsidiaries, associates and joint ventures.

The Company assessed that it is probable that deferred tax asset will be realized to the extent that the Company's expected average annual taxable losses and tax credits that can be utilized in each accounting period. However, the following temporary differences have not been recognized for tax purposes as it is not probable that they will be realized in the future as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Unused tax losses	583,820	597,176
Unused tax credits	75,679	118,694

Expected expiry dates of unused tax losses and credits for which no deferred tax asset is recognized are as follows:

(In millions of Korean won)	**2025**	**2026**	**2027**	**2028 and after**
Unused tax losses	82,248	5,675	5,675	490,222
Unused tax credits	3,088	1,115	54,628	16,848

(D) Details of the period when the deferred tax assets (liabilities) are expected to be recovered (settled) as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Deferred tax assets		
Deferred tax assets to be recovered within 12 months	219,670	9,392,311
Deferred tax assets to be recovered after 12 months	14,016,798	819,485
Subtotal	**14,236,468**	**10,211,796**
Deferred tax liabilities		
Deferred tax liabilities to be settled after 12 months	(528,231)	(620,549)
Total	**13,708,237**	**9,591,247**

(E) Global minimum top-up tax

The Company is required to pay additional tax for the difference between global minimum top-up tax rate of 15% and GloBE effective tax rate of each country where its constituent companies are domiciled in accordance with the Pilar Two. As Vietnam's GloBE effective tax rate is less than 15% and Qualified Domestic Minimum Top-up Tax (QDMTT) comes into effect, the Company recognizes the Pilar Two corporate income tax as current tax expense, while subsidiaries in other countries are expected to have no or minimal impact under the Pilar Two. The Company has applied the temporary exemption for recognition and disclosure of the relevant deferred tax assets (liabilities).

26. Earnings per Share

(A) Basic earnings per share

Basic earnings per share for the years ended December 31, 2024 and 2023 are calculated as follows:

(1) Ordinary shares

(In millions of Korean won, thousands of number of shares)	**2024**	**2023**
Profit for the year attributable to owners of the parent company	33,621,363	14,473,401
Profit for the year available for ordinary shares	29,547,625	12,719,321
Weighted-average number of ordinary shares outstanding	5,969,672	5,969,783
Basic earnings per ordinary share *(in Korean won)*	**4,950**	**2,131**

(2) Preference shares

(In millions of Korean won, thousands of number of shares)	**2024**	**2023**
Profit for the year attributable to owners of the parent company	33,621,363	14,473,401
Profit for the year available for preference shares	4,073,738	1,754,080
Weighted-average number of preference shares outstanding	822,871	822,887
Basic earnings per preference share *(in Korean won)*	**4,951**	**2,132**

(B) Diluted earnings per share

The Company does not have dilutive potential ordinary shares and as a result, basic earnings per share and diluted earnings per share are the same for the years ended December 31, 2024 and 2023.

27. Statements of Cash Flows

(A) The Company used the indirect method to present cash flows from operating activities. Adjustments and changes in assets and liabilities arising from operating activities for the years ended December 31, 2024 and 2023 are as follows:

- Adjustments

(In millions of Korean won)	**2024**	**2023**
Adjustments:		
Income tax expense (income)	3,078,383	(4,480,835)
Financial income	(7,412,419)	(6,156,093)
Financial expenses	3,879,286	3,076,837
Post-employment benefits	1,571,338	1,157,422
Depreciation	39,649,982	35,532,411
Amortization	2,980,840	3,134,148
Bad debt expense	61,705	62,964
Dividend income	(134,952)	(164,203)
Share of profit of associates and joint ventures	(751,044)	(887,550)
Gain on disposal of property, plant and equipment	(81,647)	(104,663)
Loss on disposal of property, plant and equipment	124,018	85,799
(Reversal of) loss on valuation of inventories and others	(527,092)	5,037,579
Other	508,681	225,718
Total	**42,947,079**	**36,519,534**

- Changes in assets and liabilities arising from operating activities

(In millions of Korean won)	**2024**	**2023**
Changes in assets and liabilities :		
Increase in trade receivables	(2,496,105)	(90,243)
Decrease (increase) in other receivables	(642,629)	325,894
Increase in prepaid expenses	(369,269)	(390,636)
Decrease (increase) in inventories	2,541,364	(3,206,615)
Increase (decrease) in trade payables	(2,573,560)	318,432
Increase in other payables	1,035,043	785,534
Increase in advances received	235,827	138,188
Increase (decrease) in withholdings	65,954	(411,028)
Decrease in accrued expenses	(156,596)	(3,704,020)
Increase in provisions	1,503,956	1,566,904
Payment of post-employment benefits	(1,697,139)	(938,691)
Decrease in external reserve assets	1,153,605	100,384
Other	(168,008)	47,152
Total	**(1,567,557)**	**(5,458,745)**

(B) Significant non-cash investing and financing transactions for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Valuation of financial assets at fair value through other comprehensive income	3,106,853	1,548,022
Valuation of investments in associates and joint ventures	233,746	75,112
Reclassification of construction in progress to property, plant and equipment	48,452,108	39,749,735
New lease contracts established	1,296,088	1,802,463
Reclassification of current portion of debentures and long-term borrowings	2,207,290	1,308,875

(C) Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023 are as follows:

(1) 2024

(In millions of Korean won)	**As of January 1**	**Cash flows from financing activities**	**Non-cash transactions**		**As of December 31**
			New lease contracts	**Other(*)**	
Short-term borrowings	7,114,601	5,871,346	-	186,557	13,172,504
Debentures and long-term borrowings	5,571,343	(959,554)	1,296,088	249,803	6,157,680
Total	**12,685,944**	**4,911,792**	**1,296,088**	**436,360**	**19,330,184**

(*) Other includes accreted interest and effects of changes in foreign currency exchange rates.

(2) 2023

(In millions of Korean won)	**As of January 1**	**Cash flows from financing activities**	**Non-cash transactions**		**As of December 31**
			New lease contracts	**Other(*)**	
Short-term borrowings	5,147,315	2,145,400	-	(178,114)	7,114,601
Debentures and long-term borrowings	5,185,927	(864,867)	1,497,058	(246,775)	5,571,343
Total	**10,333,242**	**1,280,533**	**1,497,058**	**(424,889)**	**12,685,944**

(*) Other includes accreted interest and effects of changes in foreign currency exchange rates.

For the years ended December 31, 2024 and 2023, cash outflows from repayment of the principal of lease liabilities (financial activities) amount to ₩1,184,788 million and ₩1,098,944 million, respectively, while cash outflows due to interest expenses (operating activities) in relation to the lease liabilities amount to ₩223,938 million and ₩197,202 million, respectively.

(D) The Company recorded cash inflows and outflows from short-term financial instruments with frequent transactions, large gross amounts and short-term maturities, as well as from short-term borrowings on a net basis. As of December 31, 2024, most of the Company's cash and cash equivalents consist mainly of bank deposits.

28. Financial Risk Management

The Company manages its financial risks with a focus on minimizing market risk, credit risk, liquidity risk and others arising from its operating activities. To this end, the Company closely monitors and responds to each risk factor.

The Company establishes global financial management standards and manages the risks by periodically measuring customer's and counterparties' financial risk, applying currency hedges, and reviewing cash flows.

The Company also manages foreign exchange risk by monitoring foreign exchange rate fluctuations through local financial centers in the major regions (United States, United Kingdom, Singapore, China, Brazil, and Russia), which act as an agent for the subsidiaries in each region to manage foreign exchange transactions. In addition, local finance centers in the major regions respond to liquidity risk through a regionally integrated financial structure.

The Company's financial assets subject to financial risk management consist of cash and cash equivalents, short-term financial instruments, financial assets at amortized cost, trade receivables and others, while its financial liabilities consist of trade payables, borrowings, and others.

(A) Market risk

(1) Foreign exchange risk

The Company is exposed to foreign exchange risk arising from its global operations through transactions in currencies other than its functional currency. The main currencies in which the Company is exposed to foreign exchange risk are the US dollar and European Euro.

The Company focuses on minimizing the impact of foreign exchange fluctuation by matching levels of assets and liabilities denominated in each foreign currency. To minimize exchange position, the Company's foreign exchange management policy requires normal business transactions, including import and export, as well as financing transactions such as depositing and borrowing, to be in local currency or match as closely as possible cash inflows and outflows incurred in the respective foreign currencies. This reduces but does not eliminate the foreign exchange risk to which the Company is exposed. Moreover, the Company periodically evaluates and monitors the foreign exchange risk to efficiently mitigate such risk, and the speculative foreign exchange transactions are strictly prohibited.

As of December 31, 2024 and 2023, the impact on profit or loss (before tax) of a 5% change in exchange rates on the Company's financial assets and financial liabilities denominated in a major foreign currency other than the functional currency would be as follows:

	December 31, 2024		December 31, 2023	
(In millions of Korean won)	**Increase**	**Decrease**	**Increase**	**Decrease**
USD	365,273	(365,273)	418,776	(418,776)
EUR	88,649	(88,649)	151,740	(151,740)

(2) Interest rate risk

Interest rate risk for floating interest rate financial instruments can be defined as the risk of changes in the fair value of components of the statements of financial position due to changes in the market interest rates, and the risk of changes in the future cash flows of interest income and expenses arising from investing and financing activities. The Company's exposure to interest rate risk arises primarily from interest-bearing deposits and floating interest rate debt obligations, and the Company manages its exposure to interest rate risk to minimize uncertainty and cost of financing resulting from changes in interest rates.

As of December 31, 2024 and 2023, the effect on profit or loss before tax of a 1%p change in interest rates on the Company's variable rate financial assets and liabilities at the reporting date would have been as follows:

	December 31, 2024		**December 31, 2023**	
(In millions of Korean won)	**Increase**	**Decrease**	**Increase**	**Decrease**
Financial assets	141,671	(141,671)	210,617	(210,617)
Financial liabilities	(5,702)	5,702	(6,197)	6,197
Net effect	**135,969**	**(135,969)**	**204,420**	**(204,420)**

(3) Price risk

The Company's investment portfolio consists of direct and indirect investments in equity instruments classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss, which is in line with the Company's strategy.

As of December 31, 2024 and 2023, price fluctuation of marketable equity securities (listed stocks) by 1% would result in changes in other comprehensive income (before income tax) of ₩76,865 million and ₩52,510 million, respectively, and changes in profit before tax of ₩862 million and ₩3,472 million, respectively.

(B) Credit risk

Credit risk arises during the normal course of transactions and investing activities where customers or other parties fail to discharge an obligation. The Company monitors and sets the customer's and counterparty's credit limit on a periodic basis based on their financial conditions, default history and other factors. Adequate insurance coverage is maintained for trade receivables related to trading partners situated in higher risk countries.

Credit risk can arise from transactions with financial institutions including financial instrument transactions such as cash and cash equivalents, deposits, and derivative instruments. To minimize such risk, the Company transacts only with banks that have a strong international credit rating (S&P A and above), and new transactions with financial institutions which the Company does not have an existing relationship are subject to the completion of risk assessments prior to commencement of transactions. The Company generally enters into financial agreements without restrictions, such as debt ratio covenants, provision of collateral and/or repayment of loans/borrowings, and otherwise separate approvals are obtained.

The carrying amount of the Company's financial assets is net of impairment losses and the Company's maximum exposure to credit risk equals the carrying amount of its financial assets.

(C) Liquidity risk

Liquidity risk is the risk that a company will have difficulty in meeting all its financial obligations. The Company's main sources of liquidity are cash generated from operations and funds raised from the capital markets and financial institutions, while its main liquidity needs are for investments in production, research and development, working capital and dividends. Due to the nature of the Company's business, which involves large investments, maintaining adequate levels of liquidity is critical. The Company maintains and manages adequate liquidity through forecasting periodic cash flows, estimating required cash levels, and monitoring inflows and outflows of cash.

The Company has established Cash Pooling by region to respond effectively to liquidity risks, even when individual companies within a region are underfunded. Cash Pooling is a system that shares funds between underfunded and overfunded companies, minimizing the liquidity risk of individual companies, easing the burden of fund management, and reducing financial costs.

In addition, the Company has secured credit lines for its overseas subsidiaries by means of payment guarantees from the head office in the event of large liquidity needs, and, at the end of the period, the Company had investment grade ratings of Aa2 from Moody's and AA- from S&P, enabling it to raise funds on the capital market in a timely manner.

As of December 31, 2024 and 2023, the maturity analysis of financial liabilities, based on the remaining period from the reporting date to the contractual maturity date, is as follows:

	December 31, 2024				
(In millions of Korean won)	**Less than 3 months**	**~ 6 months**	**~1 year**	**1 ~ 5 years**	**More than 5 years**
Financial liabilities	55,955,211	1,369,038	1,890,467	7,659,645	1,993,483

	December 31, 2023				
(In millions of Korean won)	**Less than 3 months**	**~ 6 months**	**~1 year**	**1 ~ 5 years**	**More than 5 years**
Financial liabilities	43,302,421	589,743	1,529,785	7,811,246	2,337,792

The cash flows included in the maturity classification, based on the remaining period to the contractual maturity date, are undiscounted expected cash outflows.

The Company's derivative financial liabilities of ₩36,795 million (December 31, 2023: ₩44,252 million) has been included within the less than 3 months bucket. These are the Company's trading portfolio of derivative instruments, on a net settlement term, of which the contractual maturities are not essential for understanding its cash flows. These contracts are managed on a net fair value basis rather than by the maturity date. Net settled derivatives consist of forwards on currency rates used by the Company to manage the exchange rate profile.

Derivatives that are settled on a gross basis by the delivery of underlying items, including derivatives for hedging, will be settled within the next 35 months from the end of the reporting period. These derivatives are not included in the table above.

Under supplier finance arrangement with a bank, a supplier which provided goods or services to the Company may elect to receive early payment of their invoices from and the bank and the Company repays the bank on the payment due date. The principal purpose of this arrangement is to facilitate efficient payment processing and provide willing suppliers early payment terms. The Company does not derecognize the original trade or other payables relating to the arrangement because neither a legal release was obtained nor was the original liability substantially modified.

There is no maximum liquidity risk exposure from those other than the above financial liabilities (e.g., payment and performance guarantees) as of December 31, 2024.

(D) Derivative financial instruments

The Company uses cash flow hedge accounting to hedges of the exposure to changes in the price of inventories. As of December 31, 2024, the Company's derivative financial instruments designated as cash flow hedges are as follows:

	December 31, 2024		December 31, 2023	
(In millions of Korean won)	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Currency forward exchange contracts				
Current	30,318	30,152	50,018	15,031
Non-current	13,944	27,612	19,853	18,099
Total	**44,262**	**57,764**	**69,871**	**33,130**

For the years ended December 31, 2024 and 2023, the Company recognizes the gains and losses relating to the effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges in other comprehensive income, which amount to the loss of ₩38,946 million (after tax) and gain of ₩927 million (after tax), respectively, and recognizes the gains relating to the ineffective portion in profit or loss, which amount to the gain of ₩1,063 million (before tax) and ₩1,304 million (before tax), respectively. For the years ended December 31, 2024 and 2023, gains and losses reclassified directly from other comprehensive income to profit or loss amount to the gain of ₩6,642 million (after tax) and ₩6,692 million (after tax), respectively, and the gains reclassified from other comprehensive income to the carrying amount of inventory amount to the gain of ₩35,333 million (after tax) and ₩51,614 million (after tax), respectively.

(E) Capital risk management

The purpose of capital management is to maintain a sound capital structure and protect the Company's ability to continue to provide benefits to its shareholders and stakeholders as a going concern. The Company monitors capital on the basis of credit ratings and debt ratio.

The debt ratio as of December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Total liabilities	112,339,878	92,228,115
Total equity	402,192,070	363,677,865
Debt ratio	**27.9%**	**25.4%**

(F) Fair value measurement

(1) Carrying amounts and fair value of financial instruments by category as of December 31, 2024 and 2023 are as follows:

	December 31, 2024		December 31, 2023	
(In millions of Korean won)	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
Financial assets				
Cash and cash equivalents	53,705,579	(*1)	69,080,893	(*1)
Short-term financial instruments	58,909,334	(*1)	22,690,924	(*1)
Short-term financial assets at amortized cost	-	-	608,281	(*1)
Short-term financial assets at fair value through profit or loss	36,877	36,877	27,112	27,112
Trade receivables	43,623,073	(*1)	36,647,393	(*1)
Financial assets at fair value through other comprehensive income	10,580,932	10,580,932	7,481,297	7,481,297
Financial assets at fair value through profit or loss	1,175,749	1,175,749	1,431,394	1,431,394
Other(*2)	14,898,880	520,656	14,840,275	546,021
Total financial assets	**182,930,424**		**152,807,569**	
Financial liabilities				
Trade payables	12,370,177	(*1)	11,319,824	(*1)
Short-term borrowings	13,172,504	(*1)	7,114,601	(*1)
Other payables	17,390,861	(*1)	13,996,395	(*1)
Current portion of long-term liabilities	2,207,290	594,010	1,308,875	6,757
- Long-term borrowing	1,611,282	(*1)(*3)	1,302,521	(*1)(*3)
- Debentures	596,008	594,010	6,354	6,757
Debentures	14,530	16,427	537,618	529,254
Long-term borrowings	3,935,860	(*1)(*3)	3,724,850	(*1)(*3)
Long-term other payables	4,779,141	(*1)	4,907,875	(*1)
Other(*2)	13,793,044	94,559	11,414,008	83,463
Total financial liabilities	**67,663,407**		**54,324,046**	

(*1) Assets and liabilities whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosures.

(*2) Assets measured at the cost of ₩14,378,224 million and ₩14,294,254 million as of December 31, 2024 and 2023, respectively, and liabilities measured at the cost of ₩13,698,485 million and ₩11,330,545 million of at December 31, 2024 and 2023, respectively, are excluded as their carrying amounts are a reasonable estimate of fair value.

(*3) Lease liabilities, classified under the current portion of long-term liabilities and long-term borrowings, are excluded from the fair value disclosures in accordance with *Korean* IFRS 1107.

(2) Fair value hierarchy classifications of the financial instruments that are measured at or only disclosed their fair value as of December 31, 2024 and 2023 are as follows:

	December 31, 2024			
(In millions of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Financial assets				
Short-term financial assets at fair value through profit or loss	-	36,877	-	36,877
Financial assets at fair value through other comprehensive income	7,686,545	-	2,894,387	10,580,932
Financial assets at fair value through profit or loss	86,187	-	1,089,562	1,175,749
Other	-	98,159	422,497	520,656
Financial liabilities				
Current portion of debentures	-	594,010	-	594,010
Debentures	-	16,427	-	16,427
Other	-	94,559	-	94,559

	December 31, 2023			
(In millions of Korean won)	**Level 1**	**Level 2**	**Level 3**	**Total balance**
Financial assets				
Short-term financial assets at fair value through profit or loss	-	27,112	-	27,112
Financial assets at fair value through other comprehensive income	5,250,993	-	2,230,304	7,481,297
Financial assets at fair value through profit or loss	347,221	-	1,084,173	1,431,394
Other	-	130,364	415,657	546,021
Financial liabilities				
Current portion of debentures	-	6,757	-	6,757
Debentures	-	529,254	-	529,254
Other	-	83,463	-	83,463

The levels of the fair value hierarchy and its application to financial assets and liabilities are described below.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1. The instruments included in Level 1 are listed equity investments, most of which are classified as financial assets at fair value through other comprehensive income.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where available and rely as little as possible on entity-specific estimates. If all significant inputs required to measure the fair value of an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs are not based on observable market data, the instrument is included in Level 3.

The Company performs the fair value measurements required for financial reporting purposes, including Level 3 fair values, and discusses valuation processes and results in line with the financial reporting timelines. The Company's policy is to recognize transfers between levels at the end of the reporting period if corresponding events or changes in circumstances have occurred.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date, with the resulting value discounted to present value

Other techniques, such as discounted cash flow analysis, binomial distribution model, etcetera, are used to determine fair value for the remaining financial instruments. For trade and other receivables that are classified as current assets, the book value approximates a reasonable estimate of fair value.

(3) Valuation technique and the inputs

The Company utilizes a present value technique to discount future cash flows using proper interest rates for corporate bonds, government and public bonds, and bank debentures that are classified as Level 2 in the fair value hierarchy.

The following table presents the valuation technique and the inputs used for major financial instruments classified as Level 3 as of December 31, 2024.

(In millions of Korean won and percentage)

Classification	Fair value	Valuation technique	Level 3 inputs	Input range (Weighted average)
Financial assets at fair value through other comprehensive income				
Samsung Venture Investment	36,253	Discounted cash flow	Permanent growth rate	1.0%
			Weighted average cost of capital	14.5%
MiCo Ceramics Co., Ltd.	49,794	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	10.3%
TCL China Star Optoelectronics Technology Co. Ltd. (CSOT)	1,518,963	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.3%
China Star Optoelectronics Semiconductor Display Technology Ltd (CSOSDT)	314,942	Discounted cash flow	Permanent growth rate	0.0%
			Weighted average cost of capital	9.3%
Others				
Call option on equity instruments	373,681	Binomial model	Risk-free discount rate	2.7%
			Price volatility	47.6%
Put option on equity instruments	48,816	Binomial model	Risk-free discount rate	3.5%~4.6%, 1.4%
			Price volatility	26.4%, 40.6%

(4) Changes in Level 3 instruments for the years ended December 31, 2024 and 2023 are as follows:

(In millions of Korean won)	**2024**	**2023**
Financial assets		
Balance as of January 1	3,730,134	3,303,227
Acquisitions	250,695	207,023
Disposals	(133,546)	(124,477)
Amount recognized in profit or loss	23,415	297,680
Amount recognized in other comprehensive income	322,885	46,725
Other	212,863	(44)
Balance as of December 31	**4,406,446**	**3,730,134**

(In millions of Korean won)	**2024**	**2023**
Financial Liabilities		
Balance as of January 1	-	7,404
Amount recognized in profit or loss	-	619
Other	-	(8,023)
Balance as of December 31	**-**	**-**

(5) Sensitivity analysis for recurring fair value measurements categorized within Level 3

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in the fair value of financial instruments which are affected by the unobservable parameters, using a statistical technique. When the fair value is affected by more than two input parameters, the amounts represent the most favorable or unfavorable.

The results of the sensitivity analysis for effect on income or loss before tax from changes in inputs for major financial instruments which are categorized within Level 3 and subject to sensitivity analysis are as follows:

(In millions of Korean won)	**Favorable changes**		**Unfavorable changes**	
Classification	**Profit or loss**	**Equity**	**Profit or loss**	**Equity**
Financial assets at fair value through other comprehensive income (loss)(*1)	-	207,262	-	(134,940)
Other (*2)	144,566	-	(131,073)	-

(*1) For equity securities, changes in fair value are calculated by increasing or decreasing perpetual growth rate and weighted average cost of capital (-1.0%~1.0%), which are significant unobservable inputs.

(*2) Changes in fair value were calculated by increasing or decreasing underlying asset price (20%) and price volatility (10%), which are significant unobservable inputs.

29. Segment Information

(A) Operating segment information

The chief operating decision-maker has been identified as the Management Committee. The Company determines operating segments based on the segment information reported to the Management Committee. The Management Committee reviews the operating profits of each operating segment in order to evaluate the performance and to make strategic decisions regarding the allocation of resources to each segment.

Revenue consists mostly of product sales. The operating segments are product-based and are identified based on the internal organization and revenue streams. As of the reporting date, the operating segments are comprised of DX, DS, SDC, Harman, and others.

The segment information including depreciation, amortization and operating profits is prepared after adjusting intercompany transactions. Total assets and liabilities of each operating segment are excluded from the disclosure as these have not been provided regularly to the Management Committee.

(1) For the year ended December 31, 2024

(In millions of Korean won)	DX	DS	SDC	Harman	Intercompany reconciliations	Total(*)
Revenue	174,887,683	111,065,950	29,157,820	14,274,930	(28,515,480)	300,870,903
Depreciation	2,576,351	34,097,568	2,432,338	342,627	-	39,649,982
Amortization	1,634,046	674,945	233,604	207,607	-	2,980,840
Operating profit	12,439,897	15,094,486	3,733,429	1,307,580	-	32,725,961

(*) Other operating segments are not separately disclosed.

Revenue by major product for the year ended December 31, 2024 are as follows:

(In millions of Korean won)	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total(*)
Revenue	30,931,628	114,424,862	84,463,005	29,157,820	300,870,903

(*) Other products are not separately disclosed.

(2) For the year ended December 31, 2023

(In millions of Korean won)	DX	DS	SDC	Harman	Intercompany reconciliations	Total(*)
Revenue	169,992,337	66,594,471	30,975,373	14,388,454	(23,015,141)	258,935,494
Depreciation	2,524,199	29,371,056	3,108,935	327,572	-	35,532,411
Amortization	1,721,938	754,901	222,045	200,896	-	3,134,148
Operating profit (loss)	14,384,705	(14,879,458)	5,566,478	1,173,702	-	6,566,976

(*) Other operating segments are not separately disclosed.

Revenue by major product for the year ended December 31, 2023 are as follows:

(In millions of Korean won)	TV, monitor, and other	Smartphone and other	Memory	Display panels	Total(*)
Revenue	30,375,193	108,632,515	44,125,386	30,975,373	258,935,494

(*) Other products are not separately disclosed.

(B) Regional information

The regional information provided to the Management Committee for the reportable segments as of and for the years ended December 31, 2024 and 2023 are as follows:

(1) As of and for the year ended December 31, 2024

(In millions of Korean won)	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Consolidated
Revenue	39,826,088	118,828,546	50,118,754	48,171,377	43,926,138	-	300,870,903
Non-current assets(*)	177,190,869	28,361,758	6,736,899	9,681,791	10,007,583	(2,295,125)	229,683,775

(*) Financial instruments, deferred tax assets, investments in associates and joint ventures, and others are excluded from non-current assets.

(2) As of and for the year ended December 31, 2023

(In millions of Korean won)	Korea	America	Europe	Asia and Africa	China	Intercompany elimination	Consolidated
Revenue	45,599,419	92,136,669	48,108,965	44,814,355	28,276,086	-	258,935,494
Non-current assets(*)	163,312,301	20,346,775	6,288,864	8,737,541	12,191,879	(879,236)	209,998,124

(*) Financial instruments, deferred tax assets, investments in associates and joint ventures, and others are excluded from non-current assets.

30. Related Party Transactions

(A) Sale and purchase transactions

Sale and purchase transactions with related parties for the years ended December 31, 2024 and 2023 are as follows:

		2024			
(In millions of Korean won)	**Name of company(*1)**	**Sales**	**Disposal of non-current assets**	**Purchases**	**Purchase of non-current assets**
Associates and joint ventures	Samsung SDS Co., Ltd.	104,837	21,504	2,130,399	286,135
	Samsung Electro-Mechanics Co., Ltd.	46,773	-	1,196,979	-
	Samsung SDI Co., Ltd.	107,474	-	664,368	20,514
	Cheil Worldwide Inc.	35,535	-	1,004,792	19,193
	Other	1,167,252	122	12,656,359	198,411
	Total	**1,461,871**	**21,626**	**17,652,897**	**524,253**
Other related parties	Samsung C&T Co., Ltd.	23,472	-	262,652	6,797,619
	Other	757,640	-	1,395,795	4,124,354
	Total	**781,112**	**-**	**1,658,447**	**10,921,973**
Other(*2)	Samsung E&A Co., Ltd.	2,464	-	72,000	4,305,202
	S-1	12,320	-	541,532	43,906
	Other	247,997	-	562,134	1,174,427
	Total	**262,781**	**-**	**1,175,666**	**5,523,535**

(*1) Transactions with separate entities that are related parties of the Company.

(*2) Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

		2023			
(In millions of Korean won)	**Name of company(*1)**	**Sales**	**Disposal of non-current assets**	**Purchases**	**Purchase of non-current assets**
Associates and joint ventures	Samsung SDS Co., Ltd.	202,810	-	1,984,263	291,120
	Samsung Electro-Mechanics Co., Ltd.	69,782	-	1,113,058	60
	Samsung SDI Co., Ltd.	110,025	-	754,792	31,750
	Cheil Worldwide Inc.	38,930	-	948,677	4,900
	Other	1,023,702	-	12,540,601	168,977
	Total	**1,445,249**	**-**	**17,341,391**	**496,807**
Other related parties	Samsung C&T Co., Ltd.	49,366	70	270,079	6,149,229
	Other	582,978	-	1,675,564	4,686,787
	Total	**632,344**	**70**	**1,945,643**	**10,836,016**
Other(*2)	Samsung E&A Co., Ltd.	1,358	-	35,482	2,837,309
	S-1	9,720	-	527,232	40,327
	Other	239,223	-	1,251,775	612,481
	Total	**250,301**	**-**	**1,814,489**	**3,490,117**

(*1) Transactions with separate entities that are related parties of the Company.

(*2) Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

(B) Balances of receivables and payables

Balances of receivables and payables arising from the sales and purchases of goods and services as of December 31, 2024 and 2023 are as follows:

		December 31, 2024	
(In millions of Korean won)	**Name of company**(*1)	**Receivables**	**Payables**(*2)
Associates and joint ventures	Samsung SDS Co., Ltd.	23,493	617,140
	Samsung Electro-Mechanics Co., Ltd.	5,704	113,971
	Samsung SDI Co., Ltd.	123,940	50,278
	Cheil Worldwide Inc.	206	436,315
	Other	311,560	1,380,625
	Total	**464,903**	**2,598,329**
Other related parties	Samsung C&T Co., Ltd.	205,420	1,868,959
	Other	19,784	743,167
	Total	**225,204**	**2,612,126**
Other(*3)	Samsung E&A Co., Ltd.	513	1,919,798
	S-1	2,660	66,988
	Other	16,848	626,382
	Total	**20,021**	**2,613,168**

(*1) Balances due from and to separate entities that are related parties of the Company.
(*2) Payables and others include lease liabilities.
(*3) Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

		December 31, 2023	
(In millions of Korean won)	**Name of company**(*1)	**Receivables**	**Payables**(*2)
Associates and joint ventures	Samsung SDS Co., Ltd.	84,747	458,723
	Samsung Electro-Mechanics Co., Ltd.	1,894	138,405
	Samsung SDI Co., Ltd.	117,690	92,854
	Cheil Worldwide Inc.	137	440,414
	Other	310,708	1,268,131
	Total	**515,176**	**2,398,527**
Other related parties	Samsung C&T Co., Ltd.	213,538	1,955,976
	Other	23,155	318,355
	Total	**236,693**	**2,274,331**
Other(*3)	Samsung E&A Co., Ltd.	305	807,098
	S-1	1,289	49,955
	Other	16,096	390,073
	Total	**17,690**	**1,247,126**

(*1) Balances due from and to separate entities that are related parties of the Company.
(*2) Payables and others include lease liabilities.
(*3) Although these entities are not related parties of the Company in accordance with Korean IFRS 1024, they belong to the same large enterprise group in accordance with the Monopoly Regulation and Fair Trade Act.

(C) For the years ended December 31, 2024 and 2023, the Company invested ₩11,710 million and ₩78,690 million, respectively, in associates and joint ventures. In addition, the Company made a capital recovery of ₩33,178 million and ₩33,457 million from its investments in associates and joint ventures during the years ended December 31, 2024 and 2023, respectively.

(D) For the years ended December 31, 2024 and 2023, the Company declared dividends of ₩1,610,832 million and ₩1,650,995 million, respectively, to related parties. In addition, for the years ended December 31, 2024 and 2023, the Company declared dividends of ₩128,232 million and ₩128,232 million, respectively, to the entities that are not related parties of the Company in accordance with Korean IFRS 1024, but belong to the same conglomerate according to the Monopoly Regulation and Fair Trade Act. As of December 31, 2024 and 2023, there are no dividends payable to related parties.

(E) For the years ended December 31, 2024 and 2023, the Company entered into lease agreements with its related parties amounting to ₩31,076 million and ₩3,791 million, respectively, and the lease payments made to the related parties were ₩41,800 million and ₩25,443 million, respectively.

(F) Key management compensation

The compensation paid or payable to key management (executive directors) for their services for the years ended December 31, 2024 and 2023 consists of:

(In millions of Korean won)	**2024**	**2023**
Short-term employee benefits	9,991	14,073
Post-employment benefits	600	557
Other long-term employee benefits	8,078	7,834

31. Information for Non-Controlling Interests

(A) Changes in non-controlling interests

The profit or loss allocated to non-controlling interests and accumulated non-controlling interests of subsidiaries that are material to the Company for the years ended December 31, 2024 and 2023 are as follows:

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**2024**	**2023**
Percentage of non-controlling interests	15.2%	15.2%
Balance as of January 1	9,727,674	8,853,712
Profit for the year	779,506	941,786
Dividends	(1,022,540)	(43,646)
Other	345,013	(24,178)
Balance as of December 31	**9,829,653**	**9,727,674**

(B) The summarized financial information for the subsidiary with non-controlling interests that are material to the Company before the intercompany eliminations for the years ended December 31, 2024 and 2023 are as follows:

(1) Summarized consolidated statements of financial position

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**December 31, 2024**	**December 31, 2023**
Current assets	22,421,643	24,721,411
Non-current assets	50,635,008	46,413,723
Current liabilities	6,667,092	5,821,885
Non-current liabilities	1,501,348	1,485,250
Equity attributable to:	64,888,211	63,827,999
Owners of the parent company	64,849,566	63,769,776
Non-controlling interests	38,645	58,223

(2) Summarized consolidated statements of comprehensive income

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**2024**	**2023**
Sales	29,135,660	30,950,579
Profit for the year	5,087,437	6,331,238
Other comprehensive income (loss)	2,652,443	(108,689)
Total comprehensive income attributable to:	7,739,880	6,222,549
Owners of the parent company	7,730,156	6,217,248
Non-controlling interests	9,724	5,301

(3) Summarized consolidated statements of cash flows

	Samsung Display Co., Ltd. and its subsidiaries	
(In millions of Korean won)	**2024**	**2023**
Cash flows from operating activities	6,570,627	9,244,331
Cash flows used in investing activities	(5,907,733)	(3,931,091)
Cash flows used in financing activities	(5,975,290)	(277,515)
Reclassified as held-for-sale	-	(14,153)
Effect of exchange rate changes on cash and cash equivalents	183,925	(1,534)
Increase (decrease) in cash and cash equivalents	(5,128,471)	5,020,038
Cash and cash equivalents at beginning of the year	7,329,248	2,309,210
Cash and cash equivalents at end of year	2,200,777	7,329,248

32. Assets and Liabilities Held-for-Sale

During the year ended December 31, 2023, the Company's management decided to sell its 56.8% ownership in Dowooinsys Co., Ltd. to three parties, including New Power Plasma Co., Ltd. The sale and purchase agreement was signed on December 7, 2023, and the sale was completed on January 31, 2024.

(1) Details of assets and liabilities classified as held-for-sale as of December 31, 2023 are as follows:

(2)

(In millions of Korean won)	**December 31, 2023**
Assets held-for-sale	
Cash and cash equivalents	14,153
Trade receivables	1,316
Inventories	4,697
Other current assets	13,134
Property, plant and equipment and intangible assets	181,251
Other non-current assets	3,313
Total	**217,864**
Liabilities held-for-sale	
Current liabilities	27,608
Non-current liabilities	34,046
Total	**61,654**

(3) Details of accumulated other comprehensive income (loss) attributable to assets held-for-sale are as follows:

(In millions of Korean won)	**December 31, 2023**
Foreign currency translation, net of tax	(217)

33. Subsequent Events

Based on a resolution by the board of directors on November 15, 2024, the Company is in the process of purchasing treasury shares. Subsequent to December 31, 2024, the Company acquired a total of 23.3 million shares (20.44 million ordinary shares and 2.86 million preferred shares).